



FINANCIAL REPORT JUNE 30, 2017

Ascension Parish Sheriff's Office



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ASCENSION PARISH SHERIFF

FINANCIAL REPORT

June 30, 2017

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INDEPENDENT AUDITORS' REPORT

Honorable Jeffrey F. Wiley
Ascension Parish Sheriff
Donaldsonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ascension Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ascension Parish Sheriff as of June 30, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparison information on page 43, the Schedule of Funding Progress for Other Postemployment Benefit Plan on page 44, the Schedule of the Sheriff's Proportionate Share of the Net Pension Liability on page 45, and the Schedule of Ascension Parish Sheriff's Contributions on page 46, and the notes to required supplementary information on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

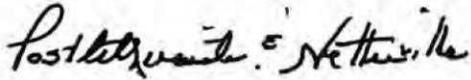
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining schedule of changes in balances due to taxing bodies and others of agency funds presented on pages 48 through 50, the Sheriff's sworn statement on page 51, and the schedule of compensation, benefits and other payments to agency head on page 52 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining schedule of changes in balances due to taxing bodies and others of agency funds, the Sheriff's sworn statement, the schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of changes in balances due to taxing bodies and others of agency funds, the Sheriff's sworn statement, the schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of Ascension Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ascension Parish Sheriff's internal control over financial reporting and compliance.



Donaldsonville, Louisiana
December 18, 2017

ASCENSION PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

This section of the Ascension Parish Sheriff's (the Sheriff) annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2017.

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position increased \$1,989,985 over the course of this year's operations.
- During the year, the Sheriff's expenses were approximately \$2.0 million less than the \$41.9 million generated in ad valorem and sales taxes, charges for services and operating grants for governmental programs.
- Revenues for the year were \$41.9 million, a decrease of approximately \$2,065,000.
- Expenses for the year were \$39.9 million, an increase of approximately \$2,866,000.
- The general fund reported a decrease in fund balance this year of \$1,627,578.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

ASCENSION PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

| Figure A-1 | | | |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| | Government-wide Statements | Governmental Funds | Fiduciary Funds |
| Scope | Entire Sheriff government (except fiduciary funds) | The activities of the Sheriff that are not proprietary or fiduciary, such as public safety | Instances in which the Sheriff is the trustee or agent for someone else's resources |
| Required financial statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Statements of fiduciary net position |
| Accounting basis and measurements focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both short-term and long-term; the Sheriff's funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid |

ASCENSION PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Government-wide Statements

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net position and how they have changed. Net position—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

- Over time, increases or decreases in the Sheriff's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Sheriff, you need to consider additional nonfinancial factors such as changes in the Sheriff's property tax base and growth of Ascension Parish.

The government-wide financial statements of the Sheriff include:

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

Fund Financial Statements

The fund financial statements provide more detailed information about the Sheriff's most significant funds—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

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

ASCENSION PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net position. The Sheriff's net position increased between fiscal years 2016 and 2017 to approximately \$23.4 million. (See Table A-1.)

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

| | Governmental Activities | |
|----------------------------------------------------------------|----------------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| Current and other assets | \$27,119,867 | \$30,185,234 |
| Capital assets | 19,090,094 | 13,968,602 |
| Total assets | 46,209,961 | 44,153,836 |
| Deferred outflows of resources | 10,165,852 | 4,196,252 |
| Total assets and deferred outflows of resources | 56,375,813 | 48,350,088 |
| Current liabilities | 2,280,354 | 1,952,163 |
| Long term liabilities | 28,657,675 | 21,810,858 |
| Total liabilities | 30,938,029 | 23,763,021 |
| Deferred inflows of resources | 2,067,213 | 3,206,481 |
| Total liabilities and deferred inflows of resources | 33,005,242 | 26,969,502 |
| Net Position | | |
| Net investment in capital assets | 19,090,094 | 13,968,602 |
| Unrestricted | 4,280,477 | 7,411,984 |
| Total net position | \$23,370,571 | \$21,380,586 |

Changes in net position. The Sheriff's total revenues decreased by 4.7 percent. (See Table A-2.) In fiscal year ending June 30, 2016, the Sheriff had recognized additional sales tax revenue of \$2,240,000 resulting from the withdrawal of the cooperative endeavor agreement with CF Industries Nitrogen, LLC in the Statement of Activities. Normal sales tax collections resulted in a decrease of approximately 4.4%. Approximately 72 percent of the Sheriff's revenue comes from ad valorem and sales tax collections from Ascension Parish. Another 2 percent comes from state and federal programs. An additional 19 percent of the Sheriff's revenue comes from charges for services including prisoner housing and commissions. The remaining 7 percent is comprised of miscellaneous fees and other intergovernmental revenue.

The total cost of all programs and services increased approximately \$2,866,000. The Sheriff's expenses cover all services performed by its office.

ASCENSION PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Governmental Activities

Revenues for the Sheriff's governmental activities decreased 4.7 percent to \$41.9 million while total expenses increased 7.7 percent to \$39.9 million.

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

| | Governmental Activities | |
|---------------------------------|--------------------------------|---------------------------|
| | <u>2017</u> | <u>2016</u> |
| Revenues | | |
| Program revenues | | |
| Charges for services | \$8,060,143 | \$8,241,079 |
| Federal grants | 844,060 | 141,562 |
| State grants | 193,356 | 172,111 |
| Donations of capital assets | 500 | 70,200 |
| General revenues | | |
| Taxes | 30,136,867 | 32,760,923 |
| Miscellaneous | 1,142,713 | 1,143,919 |
| Intergovernmental | 1,450,066 | 1,406,323 |
| Interest | 81,097 | 37,829 |
| Total revenues | <u>41,908,802</u> | <u>43,973,946</u> |
| Expenses | | |
| Public safety | <u>39,918,817</u> | <u>37,053,132</u> |
| Total expenses | <u>39,918,817</u> | <u>37,053,132</u> |
| Increase in net position | <u>\$1,989,985</u> | <u>\$6,920,814</u> |

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental funds reported a fund balance of \$24.1 million, a decrease from last year of \$1,627,578. The primary reason for the general fund's deficit is due to the costs associated with the construction of the new 911 Center and Substation.

General Fund Budgetary Highlights

Over the course of the year, the Sheriff made amendments to the general fund budget. These budget amendments fall into three categories:

- Self-generated revenue amendments were made to decrease ad valorem taxes by \$476,859 and increase sales taxes by \$2,244,230 due to changes in collections.
- Intergovernmental revenues increased due to increase in federal grants by \$839,459 and due to an increase in state supplemental pay by \$65,201.
- Fees, charges, and commissions increased by \$713,642 due to increases in the feeding and keeping of the prisoners by \$362,352 and increases in miscellaneous commissions by \$479,530.

ASCENSION PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

For the year ended June 30, 2017, the budget was amended to reflect an increase of approximately \$285,000 in anticipated expenditures, most significantly in the areas of personal services (increase of approximately \$670,000), operating services (increase of approximately \$749,000), materials and supplies (decrease of approximately \$422,000) and capital outlay (decrease of approximately \$705,000); however, the total actual expenditures of \$44.2 million was approximately \$773,000 less than anticipated expenditures of \$44.9 million on the amended budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the Sheriff had invested \$19,090,094 in capital assets. (See Table A-3.)

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

| | Governmental Activities | |
|--------------------------|--------------------------------|----------------------------|
| | <u>2017</u> | <u>2016</u> |
| Land | \$1,751,800 | \$1,751,800 |
| Buildings | 4,798,789 | 4,359,344 |
| Equipment | 5,057,259 | 5,408,199 |
| Construction in Progress | 7,482,246 | 2,449,259 |
| Total | <u>\$19,090,094</u> | <u>\$13,968,602</u> |

This year's major capital assets additions include:

- Designing/engineering and construction costs on the new substation, 911 Center totaling approximately \$5,112,000.
- Construction costs for the new radio tower for the 911 Center totaling approximately \$29,000.
- Construction costs for the evidence facility file room and metal storage room totaling approximately \$37,000.
- The construction costs for the booking office expansion totaling approximately \$348,000.
- The construction costs for the range bulkhead project totaling \$95,500.
- The construction costs for the restroom pavilion totaling approximately \$41,000.
- The construction costs for miscellaneous projects relating to the Donaldsonville Community Center totaling approximately \$98,000.
- The purchase of playground equipment totaling \$127,000.
- The purchase of unit equipment totaling approximately \$60,000, forty-five tasers totaling approximately \$48,000, license plate reader camera system totaling approximately \$109,000, and cameras totaling approximately \$36,000.
- The purchases of eighteen vehicles and attached light bars for deputies costing approximately \$428,000; three motorcycles and equipment totaling approximately \$57,000, and a bucket truck costing approximately \$50,000.

ASCENSION PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

- The purchase security and camera equipment totaling approximately \$116,000, generator totaling \$50,600, water and heat pumps totaling \$14,200.
- The purchase of computer equipment totaling approximately \$75,000.
- Furniture and equipment for the substation totaling approximately \$178,000.

This year's major capital asset deletions include:

- The disposal of vehicles, radio, camera, and computer equipment costing approximately \$250,000.

The amounts budgeted for capital outlay for the 2016-2017 fiscal year total \$7,385,886. This amount represents amounts for automobiles, other vehicles, construction costs for a new substation and a 911 Center Complex, computer software/hardware, and also for other office equipment.

Debt

At June 30, 2017, the Sheriff had the following long-term debt outstanding at year end:

| | Governmental Activities | |
|-------------------------------|--------------------------------|----------------------------|
| | <u>2017</u> | <u>2016</u> |
| Compensated absences | \$2,307,357 | \$2,428,625 |
| Other postemployment benefits | 6,710,950 | 5,764,045 |
| Net pension liability | 19,639,368 | 13,618,188 |
| Total | <u>\$28,657,675</u> | <u>\$21,810,858</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem and sales tax collections for 72 percent of its revenues. The economy is not expected to generate any significant growth. The 2018 budget includes amounts available for appropriations of \$39.9 million, a decrease of 7.0 percent over the final 2017 budget. Ad valorem taxes is budgeted to increase by approximately \$517,000 or 3.0 percent from the 2017 amended budget. Sales tax revenue is budgeted to decrease by approximately \$2,244,000 or 15.0 percent less than the 2017 amended budget.

Budgeted expenditures are expected to decrease 11.1 percent to \$39.9 million. The largest decrement is capital outlay which is budgeted to decrease approximately \$5.5 million due to the near completion of the new substation and 911 Center.

If these estimates are realized, the Sheriff's budgetary general fund balance is expected to increase slightly by approximately \$14,000 by the close of fiscal year end 2018.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ascension Parish Sheriff, P.O. Box 268, Donaldsonville, LA 70346.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

STATEMENT OF NET POSITION
June 30, 2017

ASSETS

| | |
|-------------------------------------------------|-------------------|
| Cash | \$ 21,235,707 |
| Certificate of deposit | 2,247,260 |
| Receivables | 3,636,433 |
| Restricted assets: | |
| Cash - self insurance fund | 467 |
| Capital assets, net of accumulated depreciation | 19,090,094 |
| Total assets | <u>46,209,961</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|-----------------------------------------------------|--------------------------|
| Pension related | <u>10,165,852</u> |
| Total deferred outflows of resources | <u>10,165,852</u> |
| Total assets and deferred outflows of resources | <u>\$ 56,375,813</u> |

LIABILITIES

| | |
|------------------------------------------------|-------------------|
| Accounts payable and other current liabilities | \$ 1,901,167 |
| Claims payable | 379,187 |
| Long-term liabilities: | |
| Due within one year | 632,192 |
| Due in more than one year | 8,386,115 |
| Net pension liability | 19,639,368 |
| Total liabilities | <u>30,938,029</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|------------------|
| Pension related | <u>2,067,213</u> |
| Total deferred inflows of resources | <u>2,067,213</u> |

NET POSITION

| | |
|-----------------------------------------------------------------------|--------------------------|
| Net investment in capital assets | 19,090,094 |
| Unrestricted | 4,280,477 |
| Total net position | <u>23,370,571</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 56,375,813</u> |

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

| | | Program Revenues | | |
|--------------------------|---------------|-------------------------|------------------------------------------|--------------------------------------------------|
| Governmental Activities | Expenses | Charges for Services | Operating Grants and Contributions | Net Expense and Changes in Net Position |
| Public Safety | \$ 39,918,817 | \$ 8,060,143 | \$ 1,037,916 | \$ (30,820,758) |
| | | | | |
| General revenues: | | | | |
| Taxes | | | | 30,136,867 |
| State appropriations | | | | 1,450,066 |
| Interest | | | | 81,097 |
| Miscellaneous | | | | 1,142,713 |
| Total general revenues | | | | 32,810,743 |
| Change in net position | | | | 1,989,985 |
| Net position - beginning | | | | 21,380,586 |
| Net position - ending | | | | \$ 23,370,571 |

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2017

| | <u>General Fund</u> |
|--------------------------------------------------------------------------|--------------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 21,235,707 |
| Certificate of deposit | 2,247,260 |
| Receivables | 3,636,433 |
| Restricted assets: | |
| Cash - self insurance fund | <u>467</u> |
| Total assets | <u>\$ 27,119,867</u> |
| <u>LIABILITIES</u> | |
| Accounts, salaries, and withholdings payable | \$ 1,901,167 |
| Claims payable | <u>379,187</u> |
| Total liabilities | <u>2,280,354</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Unavailable revenues - Federal grants | <u>699,368</u> |
| Total deferred inflows of resources | <u>699,368</u> |
| <u>FUND BALANCE</u> | |
| Unassigned | <u>24,140,145</u> |
| Total fund balance | <u>24,140,145</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 27,119,867</u> |

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances at June 30, 2017 - Governmental Funds \$ 24,140,145

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

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

Deferred outflows - pension related 10,165,852

Capital assets are not reported in fund financial statements because they are not current financial resources, but they are reported in the statement of net position.

Cost of capital assets at June 30, 2017 30,812,621
Accumulated depreciation as of June 30, 2017 (11,722,527) 19,090,094

Unearned revenues - under modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period. Accrual basis recognition is not limited to availability, so cumulative unearned revenues must be recorded. 699,368

Long-term liabilities are not reported as fund liabilities because they are not due and payable in the current period, but they are presented as liabilities in the statement of net position. Balances at June 30, 2017 are as follows:

Other post-employment employment benefits payable (6,710,950)
Compensated absences payable (2,307,357)
Net pension liability (19,639,368)
Deferred inflows - pension related (2,067,213)

Net position of governmental activities at June 30, 2017 \$ 23,370,571

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2017

| | <u>General Fund</u> |
|----------------------------------------------|-------------------------|
| <u>REVENUES</u> | |
| Ad valorem taxes | \$ 17,314,426 |
| Sales taxes | 15,062,441 |
| Intergovernmental revenues: | |
| Federal grants | 370,040 |
| State grants: | |
| State revenue sharing (net) | 124,694 |
| State supplemental pay | 1,325,372 |
| Other state & local grants | 193,356 |
| Fees, charges, and commissions for services: | |
| Civil and criminal fees | 2,115,996 |
| Court attendance | 18,225 |
| Communications district -911 | 962,539 |
| Transporting prisoners | 44,939 |
| Feeding and keeping prisoners | 2,130,357 |
| Municipal law enforcement fees | 1,340,717 |
| Miscellaneous commissions | 1,447,370 |
| Use of money and property: | |
| Interest | 81,097 |
| Donation of fixed assets | 500 |
| Total revenues | <u>42,532,069</u> |
| <u>EXPENDITURES</u> | |
| Public safety: | |
| Personal services and related benefits | 28,185,811 |
| Operating services | 5,155,832 |
| Material and supplies | 3,669,555 |
| Travel and other charges | 24,598 |
| Capital outlay | 7,123,851 |
| Total expenditures | <u>44,159,647</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | (1,627,578) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>25,767,723</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 24,140,145</u> |

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Total net changes in fund balance for the year ended June 30, 2017 per Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (1,627,578)

Amounts reported for governmental activities in the statement of activities (page 12) are different because:

Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.

| | |
|---------------------------------------------------------|-----------|
| Non-employer contributions to cost-sharing pension plan | 1,202,006 |
| Unearned revenue | 640,743 |

Revenues that are available to pay current obligations are reported in the fund financial statements, but they were presented as revenues in the statement of activities in prior years.

| | |
|------------------|-------------|
| Unearned revenue | (2,406,723) |
|------------------|-------------|

Capital outlays are reported as expenditures in the fund financial statements because they use current financial resources, but they are presented as assets in the statement of net position and depreciated over their estimated economic lives. This is the amount by which current purchases of capital assets of \$7,085,230 exceeded depreciation expense of \$1,904,445.

5,180,785

Gains and losses are not presented in the fund financial statements because they do not provide or use current financial resources, but they are presented in the statement of activities.

(59,293)

Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources but expenses and liabilities are reported in the statement of activities when they are incurred.

| | |
|----------------------------------|------------------|
| Accrued compensated absences | 121,268 |
| Accrued post-employment benefits | (946,905) |
| Pension expense | <u>(114,318)</u> |

| | |
|---------------------------------------------------------------------------------------|---------------------|
| Total change in net position for year ended June 30, 2017 per Statement of Activities | <u>\$ 1,989,985</u> |
|---------------------------------------------------------------------------------------|---------------------|

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2017

| | <u>Agency Funds</u> |
|---------------------------------|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 2,072,255 |
| Total assets | <u>2,072,255</u> |
| | |
| LIABILITIES | |
| Due to taxing bodies and others | 2,072,255 |
| Total liabilities | <u>\$ 2,072,255</u> |

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

FUND FINANCIAL STATEMENTS:

The fund financial statements (FFS) provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds.

The Sheriff reports the following major governmental fund:

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:5523, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary sources of revenue are ad valorem taxes levied by the law enforcement district and sales taxes. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

The Sheriff reports the following fund types:

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category are agency funds. The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, deferred compensation plan, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY

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

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, etcetera.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent if not paid by December 31. The taxes are generally collected in December, January, and February of the fiscal year.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

Revenues (continued)

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

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

Expenditures

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

Unearned Revenues

Unearned revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

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

D. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2017, was made available for public inspection and comments from taxpayers at the Sheriff's office on June 9, 2016. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 15 days prior to the public hearing, which was held at the Sheriff's office on June 23, 2016, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

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

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

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the appropriation, is not employed.

F. CASH AND CASH EQUIVALENTS

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

G. INVESTMENTS

State statutes authorize the Sheriff to invest in collateralized certificates of deposit, government-backed securities, commercial paper, and mutual funds consisting solely of government-backed securities. Investments in certificates of deposit are recorded at cost. Certificates of deposit are reflected in the statement of net position at cost until they become worthless or are sold.

H. CAPITAL ASSETS

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

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

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

| <u>Asset Class</u> | <u>Estimated Useful Lives (Years)</u> |
|-----------------------|---------------------------------------|
| Buildings | 40 |
| Building Improvements | 20-30 |
| Vehicles | 5-15 |
| Equipment | 3-15 |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and compensatory balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

The following vacation hours are earned during a fiscal year:

| <u>Years of Service</u> | <u>Annual Leave Granted Per Month</u> | <u>Total Annual Leave for Fiscal Year</u> | <u>Maximum Annual Leave Accumulation</u> |
|------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|
| Less than 3 years | 8 | 96 | 192 |
| Upon completion of 3 years | 10 | 120 | 240 |
| Upon completion of 6 years | 12 | 144 | 288 |
| Upon completion of 11 years | 14 | 168 | 336 |
| Upon completion of 16 years | 16 | 192 | 384 |
| Upon completion of 21 years | 18 | 216 | 432 |
| Upon completion of 30+ years | 20 | 240 | 480 |

Each employee will be allowed to accumulate annual leave up to a balance that is twice what he or she earns in a fiscal year. The last column of the table above shows that amount for each tenure level. If an employee's annual leave accumulation exceeds the amount shown for his or her level, that amount will be converted to sick leave annually at the close of the employee's anniversary month.

Sick leave is earned and granted on a monthly basis. As each month ends, employees will be credited with sick leave hours based on his or her years of service. Upon retirement, death or termination of an employee, unused sick leave is not payable. The following table shows the amount of sick leave hours that will be granted for the various years of service:

| <u>Years of Service</u> | <u>Sick Leave Granted Per Month</u> | <u>Total Sick Leave for Fiscal Year</u> |
|----------------------------|-----------------------------------------|---------------------------------------------|
| Less than 3 years | 8 | 96 |
| Upon completion of 3 years | 10 | 120 |
| Upon completion of 6 years | 12 | 144 |

The cost of leave privileges is recognized as current year expenditure in the General Fund when leave is actually taken.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. The Sheriff recognized the cost of providing these retiree benefits as expenditures in the fund financial statements when paid during the year.

K. EQUITY CLASSIFICATIONS

GOVERNMENT-WIDE STATEMENTS:

Government-wide net position is divided into three components:

- a. Net investment in capital assets – Consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions can be imposed by either external organization such as creditors (such as debt covenants), grants, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

FUND FINANCIAL STATEMENTS:

In the fund financial statements, governmental fund equity is classified as fund balance. Accounting standards require governmental fund balances to be recorded in as many as five classifications as listed below:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. EQUITY CLASSIFICATIONS (continued)

FUND FINANCIAL STATEMENTS (continued)

- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts, and finally unassigned amounts, as needed, unless the Sheriff has provided otherwise in its committed or assignment actions.

L. ESTIMATES

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

M. PENSION PLANS

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

N. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended June 30, 2017, the Ascension Parish Sheriff's Office adopted Government Accounting Standards Board (GASB) Statement No. 77 (GASB 77), *Tax Abatement Disclosures*.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. **CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS** (continued)

GASB 77 establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The provisions of the Statement should be applied to all state and local governments subject to such tax abatement agreements. The provisions of GASB 77 are effective for reporting periods beginning after December 15, 2015.

2. LEVIED TAXES

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

The Sheriff has authorized and levied an ad valorem tax of 14.48 mills.

3. CASH AND CASH EQUIVALENTS

At June 30, 2017, the Sheriff has unrestricted cash and cash equivalents (book balances) as follows:

| | |
|----------------------------------|----------------------|
| General Fund: | |
| Petty cash | \$ 4,600 |
| Interest-bearing demand deposits | 21,231,107 |
| Total General Fund | <u>21,235,707</u> |
| Fiduciary Funds: | |
| Interest-bearing demand deposits | 2,036,881 |
| Time | 35,374 |
| Total Fiduciary Funds | <u>2,072,255</u> |
| Total | <u>\$ 23,307,962</u> |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS (continued)

Restricted cash totals \$467 at June 30, 2017.

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

4. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it. The Sheriff does not have a policy for custodial credit risk. At June 30, 2017, the Sheriff has \$26,280,006 in deposits (collected) bank balance. The deposits were secured from risk by federal deposit insurance and pledged securities. As of June 30, 2017, the Sheriff's bank balance was not exposed to custodial credit risk.

5. INVESTMENT IN CERTIFICATE OF DEPOSIT

Certificate of deposit totaled \$2,247,260 at June 30, 2017. Initial maturity at purchase of this certificate of deposit is six months. The certificate of deposit currently matures on October 19, 2017. At June 30, 2017 the interest rate is 0.05% with interest accrued monthly and paid at maturity.

6. RECEIVABLES

The General Fund receivables at June 30, 2017 are as follows:

Class of Receivable

| | |
|---------------------------------------------|---------------------|
| Sales and ad valorem tax | \$ 1,066,920 |
| Fees, charges, and commissions for services | 757,410 |
| Prisoner maintenance and transport | 303,363 |
| Grants | 1,381,218 |
| Interest | 3,851 |
| State supplemental pay | 123,671 |
| Total | <u>\$ 3,636,433</u> |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2017, are as follows:

| | Balance, June 30, 2016 | Additions | Deletions | Transfers | Balance, June 30, 2017 |
|----------------------------------------------|---------------------------|--------------------|-------------------|------------------|---------------------------|
| <u>Governmental activities:</u> | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 1,751,800 | \$ - | \$ - | \$ - | \$ 1,751,800 |
| Construction in progress | 2,449,259 | 5,760,166 | - | (727,179) | 7,482,246 |
| Total capital assets, not being depreciated | <u>4,201,059</u> | <u>5,760,166</u> | <u>-</u> | <u>(727,179)</u> | <u>9,234,046</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 5,124,415 | 6,063 | - | 578,418 | 5,708,896 |
| Equipment | 14,651,595 | 1,319,001 | (249,678) | 148,761 | 15,869,679 |
| Total capital assets, being depreciated | <u>19,776,010</u> | <u>1,325,064</u> | <u>(249,678)</u> | <u>727,179</u> | <u>21,578,575</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (765,071) | (145,036) | - | - | (910,107) |
| Equipment | (9,243,396) | (1,759,409) | 190,385 | - | (10,812,420) |
| Total accumulated depreciation | <u>(10,008,467)</u> | <u>(1,904,445)</u> | <u>190,385</u> | <u>-</u> | <u>(11,722,527)</u> |
| Total capital assets, being depreciated, net | <u>9,767,543</u> | <u>(579,381)</u> | <u>(59,293)</u> | <u>727,179</u> | <u>9,856,048</u> |
| Governmental activities capital assets, net | <u>\$13,968,602</u> | <u>\$5,180,785</u> | <u>\$(59,293)</u> | <u>\$ -</u> | <u>\$ 19,090,094</u> |

For the year ended June 30, 2017, depreciation expense was \$1,904,445.

At June 30, 2017 the Sheriff has active construction contracts totaling \$6,613,585. The remaining commitments on active construction projects at June 30, 2017, are as follows:

| <u>Project</u> | <u>Contract Amount</u> | <u>Remaining Commitment</u> |
|-------------------------------|------------------------|-----------------------------|
| New Substation and 911 Center | \$6,191,976 | \$ 162,029 |
| Restroom Pavilion | 75,500 | 39,180 |
| Booking Expansion Jail | 346,109 | 570 |
| | <u>\$6,613,585</u> | <u>\$ 201,779</u> |

8. PENSION PLAN

The Ascension Parish Sheriff's Office is a participating employer in the Louisiana Sheriff's Pension and Relief Fund (Fund), which is a cost-sharing defined benefit pension plan. The Fund is a public corporation created in accordance with the provision of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriffs' office throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and Sheriffs' Pension and Relief Fund's office. The Fund is governed by a Board of Trustees composed of 14 elected members and two legislators who serve as ex-officio members, all of whom are voting members.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. PENSION PLAN (continued)

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

Plan Description:

The Louisiana Sheriffs' Pension and Relief Fund is the administrator of a cost-sharing, multiple employer defined benefit plan. The plan provides retirement, disability and survivor benefits to employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the Sheriffs' Pension and Relief Fund's office as provided for in LRS 11:2171. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:2178.

Cost of Living Provisions:

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

Funding Policy:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, the actual employer contribution rate was 13.75% with an additional 0% allocated from the Funding Deposit Account. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2016.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Ascension Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. As of April 1, 1996, the Ascension Parish Sheriff also pays the employees contribution percentage. Contributions to the Fund also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Ascension Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Ascension Parish Sheriff's contributions to the Fund, for the years ending June 30, 2017, 2016, and 2015 were \$3,032,512, \$2,905,756, and \$2,886,457, respectively. The Ascension Parish Sheriff's contributions paid for the employees' contribution to the Fund, for the years ending June 30, 2017, 2016, and 2015, were \$2,345,905, \$2,166,110, and \$2,076,226, respectively.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. PENSION PLAN (continued)

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

At June 30, 2017, the Sheriff reported a liability of \$19,639,368 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was 3.0943%, which was an increase of 0.0392% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$3,146,830.

At June 30, 2017, the Sheriff 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> |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience | \$ - | \$ (2,059,952) |
| Changes of assumptions | 1,604,475 | - |
| Net difference between projected and actual earnings on pension plan investments | 4,918,685 | - |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 610,180 | (7,261) |
| Employer contributions subsequent to the measurement date | 3,032,512 | - |
| Total | <u>\$ 10,165,852</u> | <u>\$ (2,067,213)</u> |

The Sheriff reported a total of \$3,032,512 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

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

| <u>Year</u> | <u>LSPRF</u> |
|-------------|---------------------|
| 2018 | \$ 677,555 |
| 2019 | 677,555 |
| 2020 | 2,110,270 |
| 2021 | 1,461,795 |
| 2022 | 69,476 |
| 2023 | 69,476 |
| | <u>\$ 5,066,127</u> |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. PENSION PLAN (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 is as follows:

| | |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date | June 30, 2016 |
| Actuarial Cost Method | Entry Age Normal |
| Expected Remaining Service Lives | 7 years |
| Investment Rate of Return | 7.60% net of investment expenses |
| Projected salary increase | 5.5% (2.875% Inflation, 2.625% Merit) |
| Mortality | Mortality rates were projected based on the RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries; RP-2000 Disabled Lives Mortality Table. |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2016 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|---------------------------------|----------------------------------------------------------|
| Equity securities | 60% | 3.90% |
| Bonds | 25% | 0.50% |
| Alternative Investments | 15% | 0.60% |
| Total | <u>100%</u> | <u>5.00%</u> |
| Inflation | | <u>2.70%</u> |
| Expected Arithmetic Nominal Return | | <u>7.70%</u> |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

| | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|-------------------|----------------------|------------------------------|----------------------|
| LSPRF | | | |
| Rates | 6.50% | 7.50% | 8.50% |
| APSO Share of NPL | \$ 33,320,190 | \$ 19,639,368 | \$ 8,347,473 |

Amounts Payable to Pension Plan

The Sheriff has no amounts payable to the Retirement Fund at June 30, 2017.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description. The Ascension Parish Sheriff's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: employees hired prior to January 1, 2012 are eligible for normal retirement if the employee has 12 years of service at age 55 or 30 years of service without regard to age. However, the employer pays a variable percentage of the retiree medical premium only for those employees who retire with twenty or more years of service. Employees hired on or after January 1, 2012 are eligible for normal retirement if the employee has 12 years of service and has attained the age of 62, or 20 years of service and has attained the age of 60, or 30 years of service and has attained the age of 55.

Life insurance coverage is provided to retirees based on a blended rate (active and retired). The amount of insurance coverage while active is continued after retirement, but retiree insurance coverage amounts are reduced at age 65 to 65% of the original amount, to 50% of the original amount at age 70, to 30% of the original amount at age 75, and to 20% of the original amount at age 80. The employer pays 100% of the "cost" of the retiree life insurance, but since the "cost" is based on the blended rates, there is an implicit employer subsidy to the extent that the higher retiree rates are diluted by the lower active rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance and thus estimate and value this employer subsidy. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Fund Policy. Until fiscal year ending June 30, 2008, the Ascension Parish Sheriff recognized the cost of providing postemployment medical and life insurance benefits (the Ascension Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. Effective July 1, 2008, the Ascension Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Codification Section P50). The funding policy is not to fund the Annual Required Contribution (ARC) except to the extent of the current year's retiree funding costs.

For fiscal year ending June 30, 2017, the Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$465,269. This amount was applied toward the net OPEB benefit obligation as shown in the table below.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Annual Required Contribution. Ascension Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the normal cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the postemployment benefits. The actuarially computed ARC as of July 1, 2016 is as follows:

| | |
|------------------------------------|---------------------|
| Normal Cost | \$ 582,243 |
| 30-year UAL amortization amount | 932,704 |
| Annual required contribution (ARC) | <u>\$ 1,514,947</u> |

Net Postemployment Benefit Obligation (Asset). The table below shows the calculation of Ascension Parish Sheriff's net other postemployment benefit (OPEB) obligation for fiscal year ending June 30, 2017:

| | |
|----------------------------------------------|---------------------|
| Beginning Net OPEB obligation – July 1, 2016 | \$ 5,764,045 |
| Annual required contribution | 1,514,947 |
| Interest on net OPEB obligation | 230,562 |
| Adjustment to ARC | <u>(333,335)</u> |
| Annual OPEB cost (expense) | 1,412,174 |
| Current year retiree premium | <u>(465,269)</u> |
| Increase in net OPEB obligation | 946,905 |
| Ending Net OPEB obligation June 30, 2017 | <u>\$ 6,710,950</u> |

The following table shows the Sheriff's annual postemployment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded postemployment benefits (PEB) liability:

| <u>Postemployment Benefit</u> | <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual Cost Contributed</u> | <u>Net OPEB Obligation (Asset)</u> |
|-----------------------------------|----------------------------------|---------------------------------|------------------------------------------------------|--------------------------------------------|
| Medical and Life | 6/30/17 | \$1,412,174 | 32.95% | \$6,710,950 |
| Medical and Life | 6/30/16 | \$1,182,094 | 28.00% | \$5,764,045 |
| Medical and Life | 6/30/15 | \$1,148,269 | 26.69% | \$4,912,911 |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Funded Status and Funding Progress. In the fiscal years ending June 30, 2017 and 2016, the Sheriff made no contributions to its postemployment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the fiscal year June 30, 2017 was \$16,773,490 which is defined as that portion, as determined by a particular actuarial cost method (the Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost.

| | |
|-----------------------------------------|----------------------|
| Actuarial Accrued Liability (AAL) | \$ 16,773,490 |
| Actuarial Value of Plan Assets (AVP) | - |
| Unfunded AAL (UAAL) | <u>\$ 16,773,490</u> |
| Funded Ratio (AVP/AAL) | <u>0%</u> |
| Covered payroll (active plan members) | \$ 22,886,870 |
| UAAL as a percentage of covered payroll | <u>73.29%</u> |

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

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

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

Actuarial Value of Plan Assets. There are no plan assets. It is anticipated that in future valuations, should the OPEB obligations be funded, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Codification Section P50.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%. Based on past experience, it has been assumed that 33% of employees decline medical coverage upon retirement (for both Plans A and B).

Postemployment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence upon retirement based on the assumption that employees retire four years after age 55 and completion of at least 12 years of service. It has been assumed that Plan A will apply to all employees who will not have at least 20 years of service at time of assumed actual retirement under these assumptions. Medical benefits are provided to employees upon actual retirement.

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

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

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. For those who retire before 20 years of service, the retiree pays the full blended premium (called "Plan A"). The employer pays a variable percentage of the cost of the medical for the retirees only (not for dependents), provided the retiree has at least twenty years of service at retirement (called "Plan B"). The percentage of the retiree premium paid by the employer is 2.5% for each year of service at retirement, to a maximum of 75%.

The medical rates provided applicable before Medicare eligibility at age 65 are "blended" rates for active and retired employees. Since GASB Codification Section P50 mandates that "unblended" rates be used, it is estimated the "unblended" medical rates for retired employees before and after Medicare eligibility. It has been assumed that the retiree rate before Medicare eligibility is 130% of the blended rate and that after Medicare eligibility that it is 80% of the blended rate. The unblended rates calculated were used both for the employer paid rates for the employee in Plan B and also for the implied subsidy in Plan A since the retiree premium is based on the blended rates.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.5% annually.

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

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

Below is a summary of OPEB cost and contributions for the last three fiscal years ending June 30.

| | OPEB Costs and Contributions | | |
|----------------------------------------|------------------------------|--------------|--------------|
| | FY 2015 | FY 2016 | FY 2017 |
| OPEB Cost | \$ 1,148,269 | \$ 1,182,094 | \$ 1,412,174 |
| Contribution | - | - | - |
| Retiree premium | 306,444 | 330,960 | 465,269 |
| Total contribution and premium | 306,444 | 330,960 | 465,269 |
| Change in net OPEB obligation | \$ 841,825 | \$ 851,134 | \$ 946,905 |
| | | | |
| % of contribution to cost | 0.00% | 0.00% | 0.00% |
| % of contribution plus premium to cost | 26.69% | 28.00% | 32.95% |

10. DEFERRED COMPENSATION PLAN

The employees of the Ascension Parish Sheriff's Office may participate in a deferred compensation plan offered by the Ascension Parish Sheriff's Office. The Sheriff's Office is enrolled with the State of Louisiana Deferred Compensation Plan (plan). The plan was created in accordance with Internal Revenue Code Section 457 and is available to all employees of Ascension Parish Sheriff. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency.

All permanent full time employees of the Sheriff's Office are eligible to participate in the voluntary matching deferred compensation program offered by the Sheriff's Office. The program provides a yearly matching contribution based on the employee's length of pension service. The maximum yearly matching contribution by the Sheriff's Office ranges from 1% to 4% of the employee's individual annual compensation, including salary and State Supplemental Pay, but not overtime, holiday, or detail wages. The Sheriff's Office contribution to the plan for the year ended June 30, 2017 was \$359,983.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. CHANGES IN AGENCY FUND BALANCES

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

| | <u>Balance at Beginning of Year</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at End of Year</u> |
|---------------|---------------------------------------------|-----------------------|-----------------------|---------------------------------------|
| Agency funds: | | | | |
| Civil Account | \$ 389,963 | \$ 7,601,169 | \$ 7,604,034 | \$ 387,098 |
| Tax Collector | 49,588 | 129,812,844 | 129,803,952 | 58,480 |
| Bond | 1,355,648 | 2,430,309 | 2,418,256 | 1,367,701 |
| Contraband | 219,334 | 47,477 | 137,464 | 129,347 |
| Jail Inmate | 109,055 | 851,352 | 830,778 | 129,629 |
| Total | <u>\$ 2,123,588</u> | <u>\$ 140,743,151</u> | <u>\$ 140,794,484</u> | <u>\$ 2,072,255</u> |

12. TAXES PAID UNDER PROTEST

Amounts held in escrow for protested taxes at June 30, 2017, were \$35,374, consisting of \$29,951 of taxes paid under protest, plus interest earned to date on the investment of these funds of \$5,422. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

13. LITIGATION AND CLAIMS

At June 30, 2017, the Sheriff was involved in several lawsuits. In the opinion of the Sheriff's legal counsel, the ultimate resolution of these claims would not create a liability to the Sheriff in excess of existing insurance coverage.

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

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Ascension Parish Council and are not included in the accompanying financial statements.

15. RESERVE FOR SELF INSURED HEALTH AND ACCIDENT PLAN

On August 1, 1992 the Sheriff began providing health and accident insurance coverage for his employees. The plan is funded by the General Fund for employee coverage and by employee premiums paid for dependent coverage. The office is obligated to pay all claims up to \$80,000 per person covered up to an aggregate of \$4,443,482, and the excess is insured with an insurance company up to \$1,000,000.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

15. RESERVE FOR SELF INSURED HEALTH AND ACCIDENT PLAN (continued)

The claims liability of \$379,187 reported in the General Fund at June 30, 2017, is based on the requirements of Section C50 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Changes in the claims liabilities during the year ended June 30, 2017 is as follows:

| | |
|--------------------------------------------------------------------------------------|-------------------|
| Unpaid claims as of July 1, 2016 | \$ 665,583 |
| Incurred claims (including claims incurred but not reported as of June 30): | |
| Provision for current-year events where the Sheriff has retained risk of loss | 2,685,585 |
| Payments: | |
| Claims attributed to current year events where the Sheriff has retained risk of loss | (2,971,981) |
| Unpaid claims as of June 30, 2017 | <u>\$ 379,187</u> |

16. COOPERATIVE ENDEAVOR AGREEMENT

On January 1, 2013 the Sheriff granted approval of Enterprise Zone/Quality Jobs Act participation of the construction by CF Industries Nitrogen, LLC (CFN) of an industrial facility in Ascension Parish, Louisiana (the Project). It is agreed that local sales taxes to be rebated to CFN under this program will apply only to one-half of the ½ cent local sales taxes paid to the Sheriff. The rebate of sales taxes granted by the Sheriff shall cease and terminate upon completion of improvements for the Project, unless extensions have been granted by the Sheriff. Rebates of sales taxes shall only apply to eligible purchases within the beginning and ending dates of the Project's Construction Period. Local sales taxes eligible for rebate will be rebated by the Sheriff from funds it escrows and is being held by the Ascension Parish Sales and Use Tax Authority (the Authority). CFN agrees that failure to file required documentation with the Authority within the specific time period required shall constitute a waiver of any claims for sales and use tax rebates due to CFN. As of June 30, 2016 the amount held in escrow by the Authority totaled \$2,240,000. Since the construction period per the contract ended on June 30, 2015 and CF has failed to file necessary documents with the Authority, the Sheriff has recorded a receivable and deferred income of \$2,240,000 in the Governmental Fund Balance Sheet in the General Fund at June 30, 2016, but was recognized as revenue in the Statement of Activities. In fiscal year ending June 30, 2017, the Sheriff received the \$2,240,000 and recognized the amount as current year sales tax revenue in the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balance.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

17. CHANGES IN LONG-TERM DEBT

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

| | Balance at Beginning of year | Additions | Reductions | Balance at End of Year | Due Within One Year |
|----------------------------------|------------------------------------|--------------------|---------------------|------------------------------|------------------------|
| Governmental activities: | | | | | |
| Compensated absences | \$2,428,625 | \$ - | \$ (121,268) | \$ 2,307,357 | \$ 632,192 |
| Other postemployment benefits | 5,764,045 | 946,905 | - | 6,710,950 | - |
| Net pension liability | 13,618,188 | 6,021,180 | - | 19,639,368 | - |
| Total | <u>\$21,810,858</u> | <u>\$6,968,085</u> | <u>\$ (121,268)</u> | <u>\$ 28,657,675</u> | <u>\$ 632,192</u> |

18. LEASES

The Sheriff has operating leases for building facilities, office equipment, radio towers, and storage units. Total rent and leases paid for the year was \$78,388.

The Sheriff also leases some of its vehicles under various operating lease agreements. The leases require a fixed monthly payment, maintenance, and use tax charge. The leases have various expiration dates through January 2022. Total lease expense for the year ended June 30, 2017 related to these vehicles was \$196,992.

Minimum future lease payments required under the operating lease agreements in effect as of June 30, 2017 are as follows:

| Year Ending June 30, | Vehicles | Towers/Facilities | Total |
|----------------------|-------------------|-------------------|-------------------|
| 2018 | \$ 156,000 | \$ 41,455 | \$ 197,455 |
| 2019 | 152,504 | - | 152,504 |
| 2020 | 152,504 | - | 152,504 |
| 2021 | 111,980 | - | 111,980 |
| 2022 | 5,882 | - | 5,882 |
| | <u>\$ 578,870</u> | <u>\$ 41,455</u> | <u>\$ 620,325</u> |

19. RISK MANAGEMENT

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, group health and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

20. FUTURE ACCOUNTING CHANGES

The Governmental Accounting Standards Board recently issued GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of actuarially determined accrued benefits less amounts funded into a trust rather than recognizing a liability based upon the difference between funding recommendations and actual contributions, as is currently required. Additionally, the liability will be measured according to more prescriptive requirements. The standard is effective for annual reporting periods beginning after June 15, 2017. The Sheriff expects that the new standard will have a material negative effect on its net position for the year ended June 30, 2018. However, the amount of the effect is unknown at this time.

21. TAX ABATEMENT

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, the local government has the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program ("EZ Program"). For the year ending June 30, 2017, the government participated in the Industrial Tax Exemption Program.

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2016-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated for the fiscal year ended June 30, 2017 were as follows:

| <u>Tax Abatement/Refund Program</u> | <u>Amount of Taxes Abated During the Fiscal Year</u> |
|-------------------------------------|--------------------------------------------------------------|
| Industrial Tax Exemption Program | \$ 10,179,647 |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

22. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at the end of the year was \$58,480.

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

| <u>Taxing Authority</u> | <u>Taxes Assessed</u> | <u>Taxes Collected</u> |
|----------------------------------------------|-----------------------|------------------------|
| Ascension Parish School Board | \$ 71,921,001 | \$ 71,907,842 |
| Ascension Parish Government | 30,171,558 | 30,165,901 |
| Ascension Parish Sheriff | 16,908,807 | 16,905,713 |
| Pontchartrain Levee District | 3,768,659 | 3,767,907 |
| Ascension Parish Assessor | 2,125,288 | 2,124,899 |
| Amite River District | 345,470 | 345,058 |
| Lafourche Levee Basin | 299,682 | 299,682 |
| Ascension Consolidated Utilities District #1 | 317,619 | 317,619 |
| Atchafalaya Levee District | 68,540 | 68,540 |
| Bayou Lafourche Water District | 57,210 | 57,210 |
| Louisiana Tax Commission | 39,371 | 39,371 |
| Louisiana Agriculture & Forestry Commission | 2,142 | 2,142 |
| Total | <u>\$ 126,025,347</u> | <u>\$ 126,001,884</u> |

The amount of taxes assessed and uncollected by the specified taxing authority is presented below. Failure to collect these taxes is due to bankruptcies, outstanding fees, or the fact that the property is considered movable, and therefore, it cannot be sold at property tax sale.

| <u>Taxing Authority</u> | <u>Uncollected Taxes</u> |
|----------------------------------------------|--------------------------|
| Ascension Parish School Board | \$ 13,159 |
| Ascension Parish Government | 5,657 |
| Ascension Parish Sheriff | 3,094 |
| Pontchartrain Levee District | 752 |
| Ascension Parish Assessor | 389 |
| Amite River District | 412 |
| Lafourche Levee Basin | - |
| Ascension Consolidated Utilities District #1 | - |
| Atchafalaya Levee District | - |
| Bayou Lafourche Water District | - |
| Louisiana Tax Commission | - |
| Louisiana Agriculture & Forestry Commission | - |
| Total | <u>\$ 23,463</u> |

REQUIRED SUPPLEMENTARY INFORMATION

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> |
|----------------------------------------------|----------------------------|-------------------------|---------------------|
| <u>REVENUES</u> | | | |
| Ad valorem taxes | \$17,741,601 | \$17,264,742 | \$17,314,426 |
| Sales taxes | 12,750,000 | 14,994,230 | 15,062,441 |
| Intergovernmental revenues: | | | |
| Federal grants | 112,734 | 952,193 | 370,040 |
| State grants: | | | |
| State revenue sharing (net) | 117,303 | 124,694 | 124,694 |
| State supplemental pay | 1,246,500 | 1,311,701 | 1,325,372 |
| Other state and local grants | 177,001 | 191,025 | 193,356 |
| Fees, charges, and commissions for services: | | | |
| Civil and criminal fees | 2,130,418 | 2,001,922 | 2,115,996 |
| Court attendance | 18,500 | 17,325 | 18,225 |
| Communications district- 911 | 675,000 | 732,018 | 962,539 |
| Transporting prisoners | 35,000 | 37,603 | 44,939 |
| Feeding and keeping prisoners | 2,207,112 | 2,569,464 | 2,130,357 |
| Municipal law enforcement fees | 1,398,906 | 1,340,716 | 1,340,717 |
| Miscellaneous commissions | 880,304 | 1,359,834 | 1,447,370 |
| Use of money and property : | | | |
| Interest | 11,545 | 72,594 | 81,097 |
| Donation of fixed assets | 2,000 | 500 | 500 |
| Total revenues | <u>39,503,924</u> | <u>42,970,561</u> | <u>42,532,069</u> |
| <u>EXPENDITURES</u> | | | |
| Public safety: | | | |
| Personal services and related benefits | 27,601,227 | 28,270,791 | 28,185,811 |
| Operating services | 4,450,636 | 5,199,889 | 5,155,832 |
| Material and supplies | 4,471,303 | 4,049,046 | 3,669,555 |
| Travel and other charges | 34,200 | 26,805 | 24,598 |
| Capital outlay | 8,090,515 | 7,385,886 | 7,123,851 |
| Total expenditures | <u>44,647,881</u> | <u>44,932,417</u> | <u>44,159,647</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | (5,143,957) | (1,961,856) | (1,627,578) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>26,053,648</u> | <u>25,767,723</u> | <u>25,767,723</u> |
| FUND BALANCE AT END OF YEAR | <u>\$20,909,691</u> | <u>\$23,805,867</u> | <u>\$24,140,145</u> |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
June 30, 2017

| <u>Fiscal Year Ending</u> | <u>Actuarial Valuation Date</u> | <u>(a) Actuarial Value of Assets</u> | <u>(b) Actuarial Accrued Liability (AAL)</u> | <u>(b-a) Unfunded AAL (UAAL)</u> | <u>(a/b) Funded Ratio</u> | <u>(c) Covered Payroll</u> | <u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u> |
|---------------------------|---------------------------------|------------------------------------------|--------------------------------------------------|--------------------------------------|-------------------------------|--------------------------------|--------------------------------------------------------------|
| 6/30/2017 | 7/1/2016 | \$ - | \$ 16,773,490 | \$ 16,773,490 | 0.00% | \$ 22,886,870 | 73.29% |
| 6/30/2016 | 7/1/2014 | - | 14,017,796 | 14,017,796 | 0.00% | 19,682,466 | 71.22% |
| 6/30/2015 | 7/1/2014 | - | 13,478,650 | 13,478,650 | 0.00% | 18,929,641 | 71.20% |
| 6/30/2014 | 7/1/2012 | - | 11,498,146 | 11,498,146 | 0.00% | 18,123,533 | 63.44% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| <u>Fiscal Year Ending</u> | <u>(a) Annual OPEB Cost</u> | <u>(b) Annual Contributed</u> | <u>(b/a) Percentage of Annual OPEB Costs Contributed</u> | <u>(a-b) Increase (Decrease) to Net OPEB Obligation</u> | <u>(PY + (a-b)) Net OPEB Obligation</u> |
|---------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------|
| 6/30/2017 | \$ 1,412,174 | \$ 465,269 | 32.95% | \$ 946,905 | \$ 6,710,950 |
| 6/30/2016 | 1,182,094 | 330,960 | 28.00% | 851,134 | 5,764,045 |
| 6/30/2015 | 1,148,269 | 306,444 | 26.69% | 841,825 | 4,912,911 |
| 6/30/2014 | 971,951 | 315,527 | 32.46% | 656,424 | 4,071,086 |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF THE SHERIFF'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2017 (*)

| <u>Pension Plan</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 Percentage of its Covered-Employee Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|----------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Louisiana Sheriffs' Pension and Relief Fund | | | | | |
| 2016 | 3.0943% | \$ 19,639,368 | \$ 21,132,766 | 92.9333% | 82.10% |
| 2015 | 3.0551% | 13,618,188 | 20,255,844 | 67.2309% | 86.61% |
| 2014 | 2.9819% | 11,808,351 | 19,118,783 | 61.7631% | 87.34% |

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

(*) The amounts presented have a measurement date of the June 30th for year listed.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF ASENSION PARISH SHERIFF'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2017

| <u>Pension Plan:</u> | <u>Contractually Required Contribution¹</u> | <u>Contributions in Relation to Contractually Required Contribution²</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Employee Payroll³</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|----------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------|
| Louisiana Sheriffs' Pension and Relief Fund | | | | | |
| 2017 | \$ 3,032,512 | \$ 3,032,512 | \$ - | \$ 22,886,870 | 13.2500% |
| 2016 | 2,905,756 | 2,905,756 | - | 21,132,766 | 13.7500% |
| 2015 | 2,886,457 | 2,886,457 | - | 20,255,844 | 14.2500% |

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the Sheriffs' Pension and Relief Fund*

³ *Employer's covered employee payroll amount for each of the fiscal year ended June 30, 2017, 2016 and 2015*

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

Changes of Benefit Terms include:

Louisiana Sheriffs' Pension and Relief Fund

There was no changes of benefit terms for the year ended June 30, 2017 and the year ended June 30, 2016.

Changes of Assumptions:

Louisiana Sheriffs' Pension and Relief fund

The following changes in actuarial assumptions for each year are as follows:

| <i>Discount Rate:</i> | | | |
|------------------------------|-----------|--------|---------|
| Measurement | | | |
| Year End | date | Rate | Change |
| 6/30/2017 | 6/30/2016 | 7.500% | -0.100% |
| 6/30/2016 | 6/30/2015 | 7.600% | -0.100% |
| 6/30/2015 | 6/30/2014 | 7.700% | |

| <i>Merit:</i> | | | |
|----------------------|-----------|--------|---------|
| Measurement | | | |
| Year End | date | Rate | Change |
| 6/30/2017 | 6/30/2016 | 2.625% | 0.000% |
| 6/30/2016 | 6/30/2015 | 2.625% | -0.375% |
| 6/30/2015 | 6/30/2014 | 3.000% | |

| <i>Inflation Rate:</i> | | | |
|-------------------------------|-----------|--------|---------|
| Measurement | | | |
| Year End | date | Rate | Change |
| 6/30/2017 | 6/30/2016 | 2.875% | 0.000% |
| 6/30/2016 | 6/30/2015 | 2.875% | -0.125% |
| 6/30/2015 | 6/30/2014 | 3.000% | |

| <i>Investment rate of return:</i> | | | |
|------------------------------------------|-----------|--------|---------|
| Measurement | | | |
| Year End | date | Rate | Change |
| 6/30/2017 | 6/30/2016 | 7.600% | -0.100% |
| 6/30/2016 | 6/30/2015 | 7.700% | 0.000% |
| 6/30/2015 | 6/30/2014 | 7.700% | |

| <i>Salary Increases:</i> | | | |
|---------------------------------|-----------|--------|---------|
| Measurement | | | |
| Year End | date | Rate | Change |
| 6/30/2017 | 6/30/2016 | 5.500% | 0.000% |
| 6/30/2016 | 6/30/2015 | 5.500% | -0.500% |
| 6/30/2015 | 6/30/2014 | 6.000% | |

OTHER SUPPLEMENTARY INFORMATION

ASCENSION PARISH SHERIFF
Donaldsonville, Louisiana

GENERAL DESCRIPTIONS
AGENCY FUNDS
June 30, 2017

SHERIFF'S CIVIL FUNDS

The Sheriff's Civil Funds account for funds held in civil suits, sheriff's sales, and garnishments.

TAX COLLECTOR FUND

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

BOND FUND

The Bond Fund accounts for the collection of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

CONTRABAND FUND

The Contraband Fund holds all criminally disputed funds until a decision as to ownership is decided in District Court. The monies are distributed according to court judgment.

JAIL INMATE FUND

The Jail Inmate Fund accounts for all funds received from and disbursed to the inmates as they enter and are released from the prison system.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

AGENCY FUNDS

COMBINING SCHEDULE OF CHANGES IN BALANCES DUE TO TAXING BODIES AND OTHERS
YEAR ENDED JUNE 30, 2017

| | <u>Sheriff's Civil</u> | <u>Tax Collector</u> | <u>Bond</u> |
|--------------------------------------------------------------|----------------------------|--------------------------|---------------------|
| <u>BALANCES AT BEGINNING OF YEAR</u> | <u>\$ 389,963</u> | <u>\$ 49,588</u> | <u>\$ 1,355,648</u> |
| <u>ADDITIONS</u> | | | |
| Deposits: | | | |
| Sheriff's sales and garnishments | 7,598,029 | - | - |
| Fines and costs | - | - | 2,426,502 |
| Receipts from inmates | - | - | - |
| Taxes, fees, etc. paid to tax collector | - | 129,788,526 | - |
| Interest on investments | <u>3,140</u> | <u>24,318</u> | <u>3,807</u> |
| Total additions | <u>7,601,169</u> | <u>129,812,844</u> | <u>2,430,309</u> |
| <u>REDUCTIONS</u> | | | |
| Taxes, fees, etc. distributed to taxing bodies and others | - | 129,803,952 | - |
| Distribution to inmates | - | - | - |
| Deposits settled | <u>7,604,034</u> | <u>-</u> | <u>2,418,256</u> |
| Total reductions | <u>7,604,034</u> | <u>129,803,952</u> | <u>2,418,256</u> |
| <u>BALANCES AT END OF YEAR</u> | <u>\$ 387,098</u> | <u>\$ 58,480</u> | <u>\$ 1,367,701</u> |

| <u>Contraband</u> | <u>Jail Inmate</u> | <u>Total</u> |
|-------------------|------------------------|---------------------|
| <u>\$ 219,334</u> | <u>\$ 109,055</u> | <u>\$ 2,123,588</u> |
| 47,023 | - | 7,645,052 |
| - | - | 2,426,502 |
| - | 850,977 | 850,977 |
| - | - | 129,788,526 |
| <u>454</u> | <u>375</u> | <u>32,094</u> |
| <u>47,477</u> | <u>851,352</u> | <u>140,743,151</u> |
| - | - | 129,803,952 |
| - | 830,778 | 830,778 |
| <u>137,464</u> | <u>-</u> | <u>10,159,754</u> |
| <u>137,464</u> | <u>830,778</u> | <u>140,794,484</u> |
| <u>\$ 129,347</u> | <u>\$ 129,629</u> | <u>\$ 2,072,255</u> |

STATE OF LOUISIANA

PARISH OF ASCENSION

AFFIDAVIT

JEFFREY F. WILEY, SHERIFF OF ASCENSION PARISH

BEFORE ME, the undersigned authority, personally came and appeared, Jeffrey F. Wiley, the sheriff of Ascension Parish, State of Louisiana, who after being duly sworn, deposed and said:

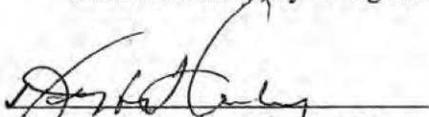
The following information is true and correct:

\$58,480 is the amount of cash on hand in the tax collector account on June 30, 2017;

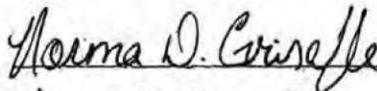
He further deposed and said:

All itemized statements of the amounts of taxes collected for tax year 2016, by taxing authority, are true and correct.

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


JEFFREY F. WILEY, SHERIFF

Sworn to and subscribed before me, Notary, this 2nd day of November, 2017, in my office in Donaldsonville, Louisiana.

 (Signature)
Norma D. Griselle (Print), # 135483
Notary Public
06-30-2020 (Commission)

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

Agency Head Name/Title: Jeffrey F. Wiley, Sheriff

| <u>Purpose</u> | <u>Amount</u> |
|----------------------------------|-------------------|
| Salary | \$ 159,540 |
| Benefits - insurance | 7,721 |
| Benefits - life insurance | 1,061 |
| Benefits - retirement | 42,988 |
| Benefits - medicare | 2,720 |
| Benefits - deferred compensation | 6,382 |
| Benefits - miscellaneous | 1,323 |
| Conference travel | 6,211 |
| Business meals | 744 |
| | <u>\$ 228,690</u> |

COMPLIANCE AND INTERNAL CONTROL

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

Honorable Jeffrey F. Wiley
Ascension Parish Sheriff
Donaldsonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ascension Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 18, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Posttestprint : Xthev,ka

Donaldsonville, Louisiana
December 18, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Honorable Jeffrey F. Wiley
Ascension Parish Sheriff
Donaldsonville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Ascension Parish Sheriff's (the Sheriff) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Sheriff's major federal programs for the year ended June 30, 2017. The Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Sheriff's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Sheriff's compliance.

Opinion on Each Major Federal Program

In our opinion, the Sheriff complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Sheriff is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Sheriff's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over compliance.

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

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

The Sheriff's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and the corrective action plan. The Sheriff's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Donaldsonville, Louisiana

Donaldsonville, Louisiana
December 18, 2017

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

| <u>Federal Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Agency or Pass-through Number</u> | <u>Federal Expenditures</u> |
|--------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|---------------------------------|
| HIGHWAY SAFETY CLUSTER | | | |
| UNITED STATES DEPARTMENT OF TRANSPORTATION | | | |
| Passed through Louisiana Highway Safety Commission | | | |
| State and Community Highway Safety - Section 402 | | | |
| Program Area Projects | | | |
| | 20.600 | 2017-30-12 | \$ 6,210 |
| TOTAL HIGHWAY SAFETY CLUSTER | | | <u>6,210</u> |
| OTHER PROGRAMS | | | |
| UNITED STATES DEPARTMENT OF JUSTICE | | | |
| Direct Program | | | |
| Equitable Sharing - Justice Funds | 16.922 | None | 294 |
| Equitable Sharing - Justice Treasury | 16.922 | None | 26 |
| Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice | | | |
| Victim Assistance Program | 16.575 | 2014-VA-GX-0045 | 44,374 |
| Victim Assistance Program 8 | 16.575 | 2015-VA-GX-0003 | 23,939 |
| Victim Assistance Program - Major Response Team 8 | 16.575 | 2015-VA-GX-0003 | 18,990 |
| Domestic Violence Program | 16.588 | 2015-WF-AX-0036 | 5,312 |
| Domestic Violence Program | 16.588 | 2016-WF-AX-0041 | 5,312 |
| Multi-Jurisdictional Task Force | 16.738 | 2015-MU-BX-0471 | 13,390 |
| Multi-Jurisdictional Task Force | 16.738 | 2016-MU-BX-0059 | 3,228 |
| Total United States Department of Justice | | | <u>114,865</u> |
| UNITED STATES DEPARTMENT OF TRANSPORTATION | | | |
| Passed through Louisiana Highway Safety Commission | | | |
| Repeat Offender Funds LHSC - Section 164AL | 20.608 | 2017-30-12 | 1,345 |
| Total United States Department of Transportation | | | <u>1,345</u> |
| UNITED STATES DEPARTMENT OF HOMELAND SECURITY | | | |
| Passed through Louisiana Office of Homeland Security and Emergency Preparedness | | | |
| Public Assistance Disaster Grant | 97.036 | FEMA-DR-4277-PW640 | 52,839 |
| Public Assistance Disaster Grant | 97.036 | FEMA-DR-4277-PW738 | 640,743 |
| Public Assistance Disaster Grant | 97.036 | FEMA-DR-4277-PW783 | 3,862 |
| Subrecipient of Louisiana Sheriffs' Association | | | |
| Public Assistance Disaster Grant | 97.036 | FEMA-DR-4277-PW456 | 7,948 |
| Total United States Department of Homeland Security | | | <u>705,392</u> |
| TOTAL OTHER PROGRAMS | | | <u>821,602</u> |
| TOTAL FEDERAL ASSISTANCE EXPENDED | | | <u>\$ 827,812</u> |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Ascension Parish Sheriff's Office and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B - RECONCILIATION OF FEDERAL EXPENDITURES

| | |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Federal assistance expended as reported on Schedule of Expenditures of Federal Awards | \$ 827,812 |
| Less: expenditures incurred in current year but federal revenues were not received in current year: | |
| Public Assistance Disaster Grant - August 2016 Flooding PW 738 | (640,743) |
| Equitable Sharing - Treasury Funds | (26) |
| Add: federal revenues in current year for previous expenditures | |
| Public Assistance Disaster Grant - Katrina | 7,220 |
| Public Assistance Disaster Grant - Isaac | 130,264 |
| Public Assistance Disaster Grant - Spring Flooding | 22,272 |
| Add: federal revenues in current year but no expenditures in current year: | |
| Equitable Sharing - Justice Funds | <u>23,241</u> |
| Federal grant revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balance - All Government Fund Types | <u><u>\$ 370,040</u></u> |

NOTE C - INDIRECT COST RATE

Ascension Parish Sheriff's Office has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2017

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified Yes X No
- Significant deficiency identified not considered to be a material weakness? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over financial reporting:

- Material weakness identified Yes X No
- Significant deficiency identified not considered to be a material weakness? X Yes None reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in Accordance with 2CFR section 200.516(a) Yes X No

Identification of major program:

| <u>Name of Federal Program or Cluster</u> | <u>Federal CFDA Number</u> |
|--------------------------------------------------------------------------|-----------------------------------|
| Disaster Grants – Public Assistance (Presidentially Declared Disasters) | 97.036 |
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | <u> </u> Yes <u> X </u> No |

ASCENSION PARISH SHERIFF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF HOMELAND SECURITY

2017-001 Disaster Grants – Public Assistance (Presidentially Declared Disasters) – CFDA No. 97.036;
Disaster No. 4277; Grant Period – Year ended June 30, 2017

Significant Deficiency – Internal Control over Reporting

Condition: Verification that reimbursement reports and quarterly reports are approved by someone other than the preparer is not evident on reimbursement forms and/or on the quarterly reports submitted to Louisiana Governor’s Office of Homeland Security and Emergency Preparedness.

Criteria: Reimbursements on projects classified as Large Projects are not paid until a Request for Reimbursement (RRF) is submitted with supporting documentation demonstrating the expenses were incurred.

Cause: There are no formal policies and procedures relating to the preparation and review of reimbursement requests.

Effect: Due to the lack of oversight by management, request for reimbursement (RRF) for expenditures incurred on PW 738 has not been submitted to the grantor in order to receive reimbursement in the amount of \$640,743.

Context: PW 738 is the only Large Project issued by Department of Homeland Security that requires submission of a Request for Reimbursement in order to receive funding for the project.

Recommendation: Procedures should be implemented to ensure that reports are reviewed timely and are submitted accurately and timely in order to receive reimbursement. Further, documentation should show evidence that the review occurred and that all reimbursement requests were submitted timely.

Views of Responsible Officials: Management will implement a process to ensure that all requests for reimbursement are submitted and reviewed for accuracy and timeliness.

MANAGEMENT LETTER COMMENTS

None

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WARRANTS: 225-621-8308
FAX: 225-621-8323

JEFFREY F. WILEY
SHERIFF and Ex-OFFICIO TAX COLLECTOR

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2017

- A. FINDINGS – FINANCIAL STATEMENT AUDIT
None
- B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT
Not applicable
- C. MANAGEMENT LETTER
None

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JEFFREY F. WILEY
SHERIFF and EX-OFFICIO TAX COLLECTOR

**Ascension Parish Sheriff
Corrective Action Plan for Current Year Audit Findings
For the Fiscal Year Ended June 30, 2017**

Reference No. 2017-01

Description of Finding: Internal Control over Reporting

Corrective Action Planned: Management will implement a process to ensure that all requests for reimbursement are submitted at the **same time** that all other documents and worksheets are submitted for review. In future, management will not rely on any prompts from either FEMA or GHOSEP for submission of the document. Management will also implement procedures for additional supervisory review of reimbursement submissions.

Anticipated Completion Date: December 31, 2017

The above corrective action plan addresses the auditor's current year findings. If you required additional information concerning the corrective action plan, please contact Deputy Karen Ruggiero, Chief Financial Officer, P.O. Box 268, Donaldsonville, Louisiana 70346.

Karen Ruggiero, Deputy Sheriff
Chief Financial Officer

ASCENSION PARISH SHERIFF

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2017

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

To Honorable Jeffrey F. Wiley, Ascension Parish Sheriff, and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Ascension Parish Sheriff (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The 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

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

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

We performed the procedures above 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 or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted the following exceptions:

- 1) *Although certain processes were provided to us and asserted to be policies and procedures, the description of processes provided had not undergone review by management and formalized into standard policy.*
- 2) *The policies and procedures lacked the required attribute relating to the frequency of deposits.*

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

We performed the procedures above 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 performed the procedures above and noted the following exceptions:

- 1) *The entity has no written policies and procedures regarding the following:*
 - a) *Types of services requiring written contracts*
 - b) *Standard terms and conditions*
 - c) *Legal review*
 - d) *Approval process*
 - e) *Monitoring process*

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

We performed the procedures above 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 performed the procedures above 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.

We performed the procedures above and noted the policy does not specifically address:

- 1) *System to monitor possible ethics violations*
- 2) *Requirement that all employees, including elected officials, annually attest through signature verification that they have read the Entity's ethics policy.*

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

The Entity has no debt and therefore has no debt service policies and procedures.



Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

For purposes of this procedure, we considered the managing board meetings to be those between the Entity and his senior ranking staff. No charter or legislation dictates the frequency of those meetings; therefore, the benchmark applied for purposes of this comparison was quarterly. Our procedures revealed that the management meetings occurred every quarter. Also there were four budget meetings held in February, April, May, and June whereby budget-to-actual expenses for the General Fund were presented to management.

We noted no exceptions.

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

We performed the procedures above and noted that the Entity and staff reviewed budget-to-actual comparisons in the four budget meetings. No formal plan to eliminate deficits was necessary since the Entity's general fund balance is positive.

We noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

Bank Reconciliations

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

We performed the procedures above and noted no exceptions.

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). 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 performed the procedures above and noted no exceptions.



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

We performed the procedures above and noted no exceptions.

- 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 performed the procedures above and noted the following exception:

- *48 out of 60 bank reconciliations selected had outstanding items greater than 6 months and contained no evidence of management's research.*

Collections

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

We performed the procedures above and noted no exceptions.

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 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 a board member or an outside party) and 3) not required to share the same cash register or drawer.

We performed the procedures above and noted the following exceptions:

- *For two of the five locations selected for our procedures (Jail Office and HR Range), the **same** individual responsible for **collecting** cash and checks was also **depositing** those collections into the bank.*
- *For three of the five locations selected for our procedures (Civil Office, Jail Office, and HR Range), the same individual responsible for **collecting** cash and checks was also **recording** the related transaction.*
- *For four of the five locations selected for our procedures (Programs Office, Civil Office, Jail Office, and HR Range), there is only one cash drawer that is shared 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 location selected.

We performed the procedures above and noted no exceptions.

- 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.

We performed the procedures above and noted the following exceptions:

- *For the Civil Office, five deposits were not within one day of collection; Deposit #1 was within 1-7 days of collection, Deposit #2 was within 2-7 days of collection, Deposit #3 was within 10-11 days of collection, Deposit #4 was within 4-8 days of collection, and Deposit #5 was within 0-6 days of collection.*
 - *For the Jail Office, one deposit was within 16 days from collection.*
- 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.

We performed the procedures above and 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.

We performed the procedures above and noted the following exceptions:

- *According to written documentation (policies and procedures), the Entity does not have a process to determine completeness of all collections by a person who is not responsible for collections.*

Disbursements – Other General

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

We performed the procedures above and noted no exceptions.

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 performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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 performed the procedures above and noted the following exceptions:

- *The Entity's A/P Clerk is responsible for processing payments and is not prohibited from adding vendors to the Entity's purchasing/disbursement system.*

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 performed the procedures above and noted no exceptions.

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 performed the procedures above and noted no exceptions.



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.

We performed the procedures above and noted the following exceptions:

- *Authorized signatures for checks are applied by the accounts payable system upon printing of checks. The authorized signer is provided the printed checks and a listing thereof for review. However, the checks are not maintained and controlled by the authorized signer until mailed.*

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

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

We performed the procedures above and noted no exceptions.

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. 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.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the 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 performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- 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 performed the procedures above and noted no exceptions.

- 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 performed the procedures above and noted no exceptions.

Travel and Expense Reimbursement

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

We performed the procedures above and noted no exceptions.

- 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 (GSA) and report any rates that exceed the GSA rates.

We performed the procedures above and noted no exceptions.

- 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 performed the procedures above and noted no exceptions.



b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

We performed the procedures above and noted no exceptions.

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 performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Contracts

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

We performed the procedures above and noted no exceptions.

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 or the Louisiana Legislative Auditor). 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 performed the procedures above and noted no exceptions.

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 (bid law) and:

3 of the 5 contracts selected for testing were subject to the Louisiana Public Bid Law or Procurement Code.



- 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).

We performed the procedures above and noted no exceptions.

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

2 of the 5 contracts selected were not subject to the bid law. In procurement of these contracts, the Entity obtained quotes.

- 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.

We performed the procedures above and noted no exceptions.

- 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 performed the procedures above and noted no exceptions.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

We performed the procedures above and noted no exceptions.

Payroll and Personnel

- 22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees, 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.

We performed the procedures above and 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.

We performed the procedures above and noted no exceptions.

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, select 25 employees/officials and:

a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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 performed the procedures above and noted no exceptions.

Ethics

26. Using the five 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 annual ethics training was completed.

We performed the procedures above and noted no exceptions.

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.

We performed the procedures above and noted no exceptions.



Debt Service

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

Not applicable – Entity has no debt.

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.

Not applicable – Entity has no 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.

Not applicable – Entity has no debt.

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.

We performed the procedures above and noted no exceptions.

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 performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

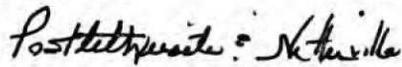
Corrective Action

34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

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.

Sincerely,

A handwritten signature in cursive script, appearing to read "Postlethwaite".

Donaldsonville, Louisiana
December 18, 2017

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BUS. OFFICE: 225-473-8671
FAX: 225-473-8245
DISPATCH: 225-473-8673
JAIL: 225-473-8674



GONZALES OFFICE
828 SOUTH IRMA BLVD., SUITE 101
GONZALES, LA 70737
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GONZALES, LA 70707
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CIVIL: 225-621-8341
DISPATCH: 225-621-8300
WARRANTS: 225-621-8308
FAX: 225-621-8323

JEFFREY F. WILEY
SHERIFF and EX-OFFICIO TAX COLLECTOR

Management's Response to Agreed-Upon Procedures Report

Written Policies and Procedures

1d – The Ascension Parish Sheriff's Office (APSO) will continue to review the processes on receipts and formalize them into standard policy including information regarding frequency of deposits.

1f – The APSO will formalize a policy regarding contracting to include all necessary provisions as provided by the Agreed-Upon Procedures (AUP).

1i – The APSO will institute a formal policy for the monitoring of any ethics violations as provided by the AUP. The APSO will also include a reading through of the department's ethics policy as part of the quarterly or other training and all employees will acknowledge such training at least annually.

Bank Reconciliations

4c – The APSO will institute a formal policy for the review and documentation of any outstanding item over three months as part of the bank reconciliation process. Any outstanding item over 3 months will be researched and resolved.

Collections

6a – The APSO will review its policies and procedures over the collecting, depositing, and the recording of collections and determine if further segregation of duties can be accomplished or other mitigating controls can be put into place. Individual cash drawers along with minimum necessary petty cash will be provided to collection sites.

6c – The APSO will review frequency of deposits wherever necessary and determine if daily deposits are practical. Management will continue to monitor deposits to ensure timely deposit of collections.

7 – The APSO will institute a process for reviewing the completeness of deposits for each collection point by a person not responsible for the deposit of the collection.

Disbursements

10 – The APSO will review all user access in the accounting software to address any incongruent functions such as individuals responsible for processing payments not having access to setup vendors.

13- The APSO will review its process for the approval of disbursements and the signatory process used for those disbursements.

**Respectfully Submitted,
Karen Ruggiero, Deputy Sheriff
Chief Financial Officer
December 18, 2017**