

ST. JAMES PARISH SHERIFF

Convent, Louisiana

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT

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The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff
Convent, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of St. James Parish Sheriff (hereinafter "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 Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the 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 budgetary comparison schedule, schedule of funding progress, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 38 through 41, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 44 through 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative and combining statements on pages 44, 45, 49, and 50 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 comparative and combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the St. James Parish Sheriff's 2016 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules and the affidavit on pages 46, 47, and 51 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2017, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 13,701,501
Investments	9,535,316
Receivables	14,561
Due from other governmental agencies	220,767
Prepaid expenses	384,636
Capital assets, net	3,597,914
TOTAL ASSETS	27,454,695
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	2,786,542
LIABILITIES	
Accounts, salaries, and other payables	192,358
Long-term liabilities:	
Due within one year	23,074
Postemployment benefit obligation payable	7,148,066
Net pension liability	5,826,843
TOTAL LIABILITIES	13,190,341
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	781,964
NET POSITION	
Net investment in capital assets	3,574,840
Unrestricted	12,694,092
TOTAL NET POSITION	\$ 16,268,932

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Public safety:					
Police	\$ 12,348,673	\$ 923,975	\$ 77,124	\$ 558,361	\$ (10,789,213)
Interest on long-term debt	1,881	-	-	-	(1,881)
	<u>\$ 12,350,554</u>	<u>\$ 923,975</u>	<u>\$ 77,124</u>	<u>\$ 558,361</u>	<u>(10,791,094)</u>
Taxes:					
Property, levied for general purposes					11,221,080
State sources:					
Commissions					373,825
Revenue sharing					143,572
Supplemental pay					348,809
Interest and investment earnings					44,816
Non-employer pension contributions					356,626
Miscellaneous					<u>302,770</u>
Total general revenues					<u>12,791,498</u>
Change in net position					2,000,404
Net position - July 1, 2016					<u>14,268,528</u>
Net position - June 30, 2017					<u>\$ 16,268,932</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Balance Sheet - Governmental Fund
June 30, 2017

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 13,701,501
Investments	9,535,316
Receivables -	
Due from other governmental agencies	220,767
Accrued interest	14,561
Prepaid expenses	<u>384,636</u>
Total assets	<u>\$ 23,856,781</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 77,338
Accrued liabilities	<u>115,020</u>
Total liabilities	192,358
Fund balance:	
Unassigned	<u>23,664,423</u>
Total liabilities and fund balance	<u>\$ 23,856,781</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2017

Total fund balance for governmental fund at June 30, 2017		\$ 23,664,423
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 195,770	
Buildings and improvements other than buildings, net of \$440,979 accumulated depreciation	1,375,762	
Vehicles, net of \$1,576,172 accumulated depreciation	812,398	
Office furniture, net of \$798,446 accumulated depreciation	777,842	
Equipment, net of \$1,538,921 accumulated depreciation	<u>436,142</u>	3,597,914
The deferred outflows of contributions for the Sheriffs' Pension and Relief Fund are not available resources, and therefore, are not reported in the fund financial statements		
		2,786,542
Long-term liabilities at June 30, 2017:		
Capital lease payable	(23,074)	
Net OPEB obligation	(7,148,066)	
Net pension liability	<u>(5,826,843)</u>	(12,997,983)
The deferred inflows of contributions for the Sheriffs' Pension and Relief Fund are not available resources, and therefore, are not reported in the fund financial statements		
		<u>(781,964)</u>
Net position at June 30, 2017		<u>\$ 16,268,932</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2017

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 11,221,080
Intergovernmental revenues -	
Federal grants	558,361
State grants - state revenue sharing (net)	143,572
State supplemental pay	348,809
Other state grants	77,124
Video poker commissions	373,825
Fees, charges, and commissions for services -	
Civil and criminal fees	258,653
Feeding, keeping, and transporting prisoners	238,485
Special duty detail	426,837
Interest income	44,816
Miscellaneous	<u>302,770</u>
Total revenues	<u>13,994,332</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	7,876,528
Operating services	1,500,424
Operations and maintenance	1,585,770
Travel and other charges	36,876
Capital outlay	679,154
Debt service	<u>46,683</u>
Total expenditures	<u>11,725,435</u>
Net change in fund balance	2,268,897
Fund balance, beginning	<u>21,395,526</u>
Fund balance, ending	<u>\$ 23,664,423</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2017

Total net changes in fund balances for the year ended June 30, 2017 per statement of revenues, expenditures and changes in fund balances		\$ 2,268,897
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$ 679,154	
Depreciation expense for the year ended June 30, 2017	<u>(710,467)</u>	(31,313)
Differences between the amounts reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements		
Principal payment - capital lease	44,802	
Postemployment benefits	(549,398)	
Pension expense	<u>(89,210)</u>	(593,806)
Non-employer pension contributions to the Sheriffs' Pension and Relief Fund		<u>356,626</u>
Total changes in net position for the year ended June 30, 2017 per statement of activities		<u>\$ 2,000,404</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 10,501
Interest-bearing deposits	314,308
Ad valorem taxes receivable	<u>3,065</u>
Total assets	<u>\$ 327,874</u>
LIABILITIES	
Liabilities:	
Due to other taxing bodies	319,946
Due to inmates	<u>7,928</u>
Total liabilities	<u>\$ 327,874</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council (government) as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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

Fund Financial Statements (FFS)

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

The funds of the Sheriff are described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

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 account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. Fiduciary funds are presented on an economic resources measurement focus and the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the governmental fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations.

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

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

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

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

Expenditures

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

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

E. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section 150, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

F. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives
Buildings	40 years
Improvements other than buildings	10-15 years
Vehicles	5 years
Equipment and furniture	5-10 years

G. Compensated Absences

Employees of the Sheriff's office earn from 60 to 144 hours of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Employees with 0-6 years of service to the Sheriff earn from 48 to 96 hours of sick leave per year and may be accrued up to a maximum of 1,000 hours. Sick leave is not compensable if an employee leaves the service of the Sheriff. The Sheriff has no leave benefits required to be reported in accordance with generally accepted accounting principles.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

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

I. Equity Classifications

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

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

J. 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.

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

At June 30, 2017, the Sheriff has cash and interest-bearing deposits (book balances) as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Noninterest-bearing deposits	\$ 56,738	\$ 10,501	\$ 67,239
Interest-bearing deposits	<u>13,644,763</u>	<u>314,308</u>	<u>13,959,071</u>
	<u>\$ 13,701,501</u>	<u>\$ 324,809</u>	<u>\$ 14,026,310</u>

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Government's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Sheriff or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017, are secured as follows:

Bank balances	<u>\$ 14,270,820</u>
Federal deposit insurance	250,000
Pledged securities	<u>14,020,820</u>
Total	<u>\$ 14,270,820</u>

Deposits in the amount of \$14,020,820 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities pledging institution's trust department or agent, but not in the Sheriff's name. The Sheriff does not have a policy for custodial credit risk.

(3) Investments

As of June 30, 2017, the Sheriff had the following investments and maturities:

Investment Type	% of Portfolio	Fair Value	Less Than One Year	One - Five Years
Mutual Funds:				
Fixed Income	36%	\$ 3,391,587	\$ -	\$ 3,391,587
State Investment Pool (LAMP)	<u>64%</u>	<u>6,143,729</u>	<u>6,143,729</u>	<u>-</u>
Total	<u>100%</u>	<u>\$ 9,535,316</u>	<u>\$ 6,143,729</u>	<u>\$ 3,391,587</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Interest Rate Risk – The Sheriff does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Sheriff's limits investments to government securities that are direct and indirect obligations of the United States Government. More than 5% of the investments above are in fixed income government securities which are invested in Federal Home Loan Bank, Federal Farm Credit Bank, and Federal National Mortgage Association. At June 30, 2017, investments with a fair value of \$3,391,587 were rated AA+ by Standards & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Sheriff will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Sheriff requires all investments to be in the Sheriff's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Sheriff. Accordingly, the Sheriff had no custodial credit risk related to its investments at June 30, 2017.

The Sheriff participates in Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. LAMP's portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

The investment in LAMP is not exposed to custodial credit risk, and is not categorized in the three categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP has a fund rating of AAAM issued by Standard & Pooors. The fair value of investments is determined on a weekly basis by LAMP and the fair value of the Sheriff's investment in LAMP is the same as the value of the pool shares.

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of St. James Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions. Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2017, law enforcement taxes were levied at the rate of 20.96 mills on property with net assessed valuations (after homestead exemption) totaling \$557,539,110.

Total law enforcement taxes levied during 2017 were \$11,686,020.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Receivables and Due From Other Governmental Agencies

Receivables and amounts due from other governmental agencies at June 30, 2017 consist of the following:

	Receivables	Due from Other Governmental Agencies
Fees, charges, and commissions for services	\$ -	\$ 220,767
Interest	<u>14,561</u>	<u>-</u>
	<u>\$ 14,561</u>	<u>\$ 220,767</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Capital assets not being depreciated:				
Land	\$ 195,770	\$ -	\$ -	\$ 195,770
Construction in progress	686,068	184,198	870,266	-
Other capital assets:				
Buildings	1,694,290	-	-	1,694,290
Improvements other than buildings	122,451	-	-	122,451
Vehicles	2,359,003	354,178	324,611	2,388,570
Office furniture	679,325	908,776	11,813	1,576,288
Equipment	<u>1,885,020</u>	<u>102,268</u>	<u>12,225</u>	<u>1,975,063</u>
Totals	<u>7,621,927</u>	<u>1,549,420</u>	<u>1,218,915</u>	<u>7,952,432</u>
Less: accumulated depreciation				
Buildings	335,071	42,357	-	377,428
Improvements other than buildings	50,140	13,411	-	63,551
Vehicles	1,612,513	288,270	324,611	1,576,172
Office furniture	631,255	179,004	11,813,000	798,446
Equipment	<u>1,363,721</u>	<u>187,425</u>	<u>12,225,000</u>	<u>1,538,921</u>
Total accumulated depreciation	<u>3,992,700</u>	<u>710,467</u>	<u>348,649</u>	<u>4,354,518</u>
Capital assets, net	<u>\$ 3,629,227</u>	<u>\$ 838,953</u>	<u>\$ 870,266</u>	<u>\$ 3,597,914</u>

Depreciation expense in the amount of \$710,467 was charged to public safety.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Accounts, Salaries, and Other Payables

Accounts, salaries, and other payables at June 30, 2017 consist of the following:

Accounts payable	\$ 77,338
Salaries	80,408
Payroll withholdings	<u>34,612</u>
	<u>\$ 192,358</u>

(8) Long-term liabilities

Long-term liabilities at June 30, 2017 is comprised of the following:

\$131,411 capital lease payable to Leasing 2, Inc., dated December 15, 2014, due in monthly installments of \$3,890 through January 15, 2018, interest at 3.96%; secured by equipment with a book value of \$63,515.	<u>\$ 23,074</u>
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The following is a summary of changes for the year ended June 30, 2017:

	Balance <u>7/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2017</u>	Due Within <u>One Year</u>
Capital lease payable	<u>\$ 67,876</u>	<u>\$ -</u>	<u>\$ 44,802</u>	<u>\$ 23,074</u>	<u>\$ 23,074</u>

Scheduled maturity of the capital lease is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	<u>\$ 23,074</u>	<u>\$ 356</u>

(9) Post Retirement Health Care and Life Insurance Benefits

In adopting the requirements of GASB Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50) during the year ended June 30, 2009, the Sheriff began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Codification Section P50 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Plan Description: St. James Parish Sheriff's Office's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees who retire under the Sheriff's Pension and Relief Fund are eligible to elect to continue coverage upon retirement. The Sheriff contributes the full cost of the premiums for health, dental and \$10,000 of life insurance for any deputy who, upon retirement, has attained the age of 55 with at least 15 years of service or has retired with 30 years of service at any age. Retirees may choose to continue coverage for their spouse at the retiree's expense. The plan is a multiple-employer defined benefit health care plan administered by BlueCross BlueShield of Louisiana. The Sheriff has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

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

Funding Policy: The monthly premiums for the retiree benefits are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual Required Contribution: The 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) have been used for the post-employment benefits.

The following table shows the components of the Sheriff's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Sheriff's net OPEB obligation:

Annual required contribution	\$ 968,764
Interest on net OPEB obligation	263,947
Adjustment to annual required contribution	<u>(381,602)</u>
Annual OPEB cost (expense)	851,109
Contributions made	<u>(301,711)</u>
Increase in net OPEB obligation	549,398
Net OPEB obligation - beginning of year	<u>6,598,668</u>
Net OPEB obligation - end of year	<u>\$ 7,148,066</u>

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of 2015, 2016, and 2017 follows:

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 1,064,928	16.67%	\$ 5,656,805
6/30/2016	\$ 1,133,579	16.91%	\$ 6,598,668
6/30/2017	\$ 851,109	35.45%	\$ 7,148,066

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 11,682,166
Actuarial valuations of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 11,682,166</u>
Funded ratio (actuarial value of plan assets/AAL)	0%

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 post employment 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.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience was utilized. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 13%.

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 annual rate of 5.0% for ten or more years.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates 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 this valuation.

Method of Determining Value of Benefits – The "value of benefits" was 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.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% 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.

(10) Pension Plan

Employees of the Sheriff are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issues a publicly available financial report that 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.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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 the Sheriffs' Pension and Relief Fund (Fund) and additions to/deductions from the Fund's fiduciary net position have been determined on the accrual basis of accounting. Employer contributions are recognized in the period in which the employee is compensated for services performed. Investments are reported at fair value.

Plan Description:

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

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

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

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

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

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred Retirement Benefits: The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

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

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

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

ST. JAMES PARISH SHERIFF
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Notes to Basic Financial Statements (Continued)

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

Contributions: Contributions for all members are established by the Board of Trustees. The employee contribution rate for the year ended June 30, 2016 was 10.25%. Contributions are deducted from the member's salary and remitted monthly. Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For the year ended June 30, 2016, the employers contributed 13.75% of the members' salaries with an additional 0.0% allocated from the Funding Deposit Account. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$356,626 and included in pension expense for the year ended June 30, 2016.

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 \$5,826,843 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 0.918062%, which was a decrease of 0.022406% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$875,318 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$6,184.

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

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

ST. JAMES PARISH SHERIFF
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Notes to Basic Financial Statements (Continued)

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

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.6% per annum
Discount Rate	7.5%
Projected Salary Increases	5.5% (2.875% Inflation, 2.625% Merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distrinct Table for active members RP-2000 Disabled Lives Mortality Table
Cost of Living Adjustments	The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Discount Rate: The discount rate used to measure the total pension liability was 7.5%, which was a decrease of 0.1% from the prior year valuation. 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.

The long-term expected rate of return on pension plan investments was determined using a building block method 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 rate of return by the target asset allocation percentage and adding expected inflation.

ST. JAMES PARISH SHERIFF
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Notes to Basic Financial Statements (Continued)

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target allocation as of June 30, 2016 were as follows:

Asset Class	Target Asset Allocation	Expected Rate of Return	
		Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60%	6.4%	3.9%
Bonds	25	1.9	0.5
Alternative Investments	15	4.3	0.6
Totals	<u>100%</u>		5.2%
Inflation			<u>2.7</u>
Expected Arithmetic Nominal Return			<u>7.7%</u>

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.5%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:

	1.0% Decrease 6.5%	Current Discount Rate 7.5%	1.0% Increase 8.5%
Employer's proportionate share of the net pension liability	\$ 9,885,833	\$ 5,826,843	\$ 2,476,628

At June 30, 2017, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 611,171
Change of assumptions	476,035	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	58,879	170,793
Net differences between projected and actual earnings on plan investments	1,459,334	-
Contributions subsequent to the measurement date	<u>792,292</u>	<u>-</u>
Total	<u>\$ 2,786,540</u>	<u>\$ 781,964</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$792,292 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2018	142,585
2019	142,585
2020	567,660
2021	369,428
2022	(4,986)
Thereafter	<u>(4,988)</u>
	<u>\$ 1,212,284</u>

At June 30, 2017, the Sheriff recorded an accrued liability to the pension plan for the contractually required contribution for the month of June 2017 in the amount of \$17,817.

(11) Deferred Compensation Plan

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

(12) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2017:

Description	Total	Level 1	Level 2	Level 3
Mutual Funds:				
Fixed Income	\$ 3,391,587	\$ -	\$ 3,391,587	\$ -

(13) Changes in Agency Fund Balances

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

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund
Balances, June 30, 2016	\$ 15,329	\$ 1,313,622	\$ 208,194	\$ 11,963
Additions	374,127	57,249,489	583,715	90,938
Reductions	(364,631)	(58,539,187)	(523,285)	(92,400)
Balances, June 30, 2017	<u>\$ 24,825</u>	<u>\$ 23,924</u>	<u>\$ 268,624</u>	<u>\$ 10,501</u>

(14) Ex-officio Tax Collector

The amount of cash on hand at year end was \$20,859. The unsettled balances of the Tax Collector Fund at June 30, 2017 consist of the following:

Collection of current and prior year taxes, not settled	\$ 20,777
Interest	82
Total	<u>\$ 20,859</u>

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

Willy J. Martin, Jr. Sheriff	\$ 10,822,344
St. James Parish School Board	21,319,351
St. James Parish Government	19,636,520
St. James Parish Assessor	1,166,904
Pontchartrain Levee Board	1,073,442
Lafourche Levee Board	790,552
Gramercy Recreation	200,152
Louisiana Tax Commission	24,041
Department of Agriculture and Forestry	3,963
Total	<u>\$ 55,037,269</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

For the fiscal year ended June 30, 2017, the taxes assessed and uncollected as a result of Louisiana Tax Commission decreases and movable properties were as follows:

	Change Orders	Movables
Willy J. Martin, Jr. Sheriff	\$ 9,931	\$ 608
St. James Parish School Board	19,564	1,197
St. James Parish Government	17,967	1,092
St. James Parish Assessor	1,071	66
Pontchartrain Levee Board	900	102
Lafourche Levee Board	816	-
Gramercy Recreation	322	-
Total	\$ 50,571	\$ 3,065

(15) Litigation and Claims

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

(16) 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, nor have settlements exceeded coverage for the past three years.

(17) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Sheriff's financial statements to record the exempt amounts. At June 30, 2017, the Sheriff's ad valorem revenues were reduced by \$3,071,880 as a result of these abatements.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

(19) Operating Leases

The Sheriff entered into various operating leases for copiers commencing from 2013 through 2018 with terms ranging from 48 to 60 months. The remaining future minimum lease payments due during the fiscal year ending June 30, 2018 is \$12,895. Lease expense amounted to \$30,948 for the year ended June 30, 2017.

(20) Compensation, Benefits, and Other Payments to Agency Head

In accordance with Act 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits, and other payments to Willy J. Martin, Jr., Sheriff, for the year ended June 30, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 159,540
Benefits - insurance	11,027
Benefits - retirement	55,127
Per diem - meals	142
Registration fees	640
Conference travel	1,894
Cellular phone	1,581

REQUIRED SUPPLEMENTARY INFORMATION

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 11,775,500	\$ 11,258,065	\$ 11,221,080	\$ (36,985)
Intergovernmental revenues -				
Federal grants	57,500	350,241	558,361	208,120
State grants - state revenue sharing (net)	140,000	143,572	143,572	-
State supplemental pay	310,000	310,000	348,809	38,809
Other state grants	75,000	75,000	77,124	2,124
Video poker commissions	300,000	285,000	373,825	88,825
Fees charges and commissions for services -				
Civil and criminal fees	190,927	210,985	258,653	47,668
Feeding, keeping, and transporting prisoners	191,200	229,850	238,485	8,635
Special duty detail	(0)	350,000	426,837	76,837
Interest income	37,600	82,875	44,816	(38,059)
Miscellaneous	429,550	322,667	302,770	(19,897)
Total revenues	<u>13,507,277</u>	<u>13,618,255</u>	<u>13,994,332</u>	<u>376,077</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	7,551,000	7,789,655	7,876,528	(86,873)
Operating services	1,626,000	1,573,040	1,500,424	72,616
Operations and maintenance	1,356,030	1,583,350	1,585,770	(2,420)
Travel and other charges	32,000	37,000	36,876	124
Capital outlay	492,500	680,000	679,154	846
Debt service	87,000	49,125	46,683	2,442
Total expenditures	<u>11,144,530</u>	<u>11,712,170</u>	<u>11,725,435</u>	<u>(13,265)</u>
Excess of revenues over expenditures	2,362,747	1,906,085	2,268,897	362,812
Fund balance, beginning	<u>21,395,526</u>	<u>21,395,526</u>	<u>21,395,526</u>	<u>-</u>
Fund balance, ending	<u>\$ 23,758,273</u>	<u>\$ 23,301,611</u>	<u>\$ 23,664,423</u>	<u>\$ 362,812</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2008	\$ -	\$ 7,151,938	\$ 7,151,938	0.0%	\$5,356,822	133.5%
July 1, 2011	-	9,560,061	9,560,061	0.0%	5,395,416	177.2%
July 1, 2014	-	10,645,723	10,645,723	0.0%	6,199,127	171.7%

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2017*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.918062%	\$ 5,826,843	\$ 6,269,923	92.9%	82.10%
2016	0.940468%	4,192,152	6,133,722	68.3%	86.61%
2015	0.957927%	3,793,396	6,199,127	61.2%	87.34%

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

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2017	\$ 792,292	\$ 792,292	-	\$ 5,979,562	13.25%
2016	862,114	862,114	-	6,269,920	13.75%
2015	874,055	874,055	-	6,133,722	14.25%

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2017

(1) Budgets and Budgetary Accounting

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

- a. A proposed budget for the General fund is prepared no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2017, the General Fund had actual expenditures over appropriations as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Public Safety:			
Personal services and related benefits	\$ 7,789,655	\$ 7,876,528	\$ (86,873)
Operations and maintenance	1,583,350	1,585,770	(2,420)

OTHER SUPPLEMENTARY INFORMATION

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Comparative Statement of Net Position
June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
ASSETS		
Cash and interest-bearing deposits	\$ 13,701,501	\$ 16,919,901
Investments	9,535,316	4,564,973
Receivables, net	14,561	5,185
Due from other governmental agencies	220,767	261,036
Prepaid expenses	384,636	-
Capital assets, net	3,597,914	3,629,227
TOTAL ASSETS	27,454,695	25,380,322
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	2,786,542	1,186,003
LIABILITIES		
Accounts, salaries, and other payables	192,358	184,676
Due to other governmental agencies	-	170,893
Long-term liabilities:		
Due within one year	23,074	44,655
Due in more than one year	-	23,221
Postemployment benefit obligation payable	7,148,066	6,598,668
Net pension liability	5,826,843	4,192,152
TOTAL LIABILITIES	13,190,341	11,214,265
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	781,964	1,083,532
NET POSITION		
Invested in capital assets	3,574,840	3,561,351
Unrestricted	12,694,092	10,707,177
TOTAL NET POSITION	\$ 16,268,932	\$ 14,268,528

ST. JAMES PARISH SHERIFF
 Convent, Louisiana
 General Fund

Comparative Balance Sheet
 June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash and interest-bearing deposits	\$ 13,701,501	\$ 16,919,901
Investments	9,535,316	4,564,973
Receivables -		
Due from other governmental agencies	220,767	261,036
Interest	14,561	5,185
Prepaid expenses	384,636	-
Total assets	\$ 23,856,781	\$ 21,751,095
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 77,338	\$ 57,723
Accrued liabilities	115,020	126,953
Due to other governmental agencies	-	170,893
Total liabilities	192,358	355,569
Fund balances:		
Unassigned	23,664,423	21,395,526
Total liabilities and fund balances	\$ 23,856,781	\$ 21,751,095

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Balances for Year Ended June 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Ad valorem taxes	\$ 11,775,500	\$ 11,258,065	\$ 11,221,080	\$ (36,985)	\$ 11,973,969
Intergovernmental revenues -					
Federal grants	57,500	350,241	558,361	208,120	670,260
State grants - state revenue sharing (net)	140,000	143,572	143,572	-	139,246
State supplemental pay	310,000	310,000	348,809	38,809	342,171
Other state grants	75,000	75,000	77,124	2,124	24,829
Video poker commissions	300,000	285,000	373,825	88,825	355,544
Fees charges and commissions for services -					
Civil and criminal fees	190,927	210,985	258,653	47,668	379,947
Feeding, keeping and transporting prisoners	191,200	229,850	238,485	8,635	221,083
Special duty detail	(0.000)	350,000	426,837	76,837	346,788
Interest income	37,600	82,875	44,816	(38,059)	78,787
Miscellaneous	429,550	322,667	302,770	(19,897)	287,290
Total revenues	<u>13,507,277</u>	<u>13,618,255</u>	<u>13,994,332</u>	<u>376,077</u>	<u>14,819,914</u>
Expenditures:					
Current -					
Public safety:					
Personal services and related benefits	7,551,000	7,789,655	7,876,528	(86,873)	7,615,486
Operating services	1,626,000	1,573,040	1,500,424	72,616	1,417,113
Operations and maintenance	1,356,030	1,583,350	1,585,770	(2,420)	1,455,923
Travel and other charges	32,000	37,000	36,876	124	42,587
Capital outlay	492,500	680,000	679,154	846	1,277,724
Debt service	87,000	49,125	46,683	2,442	46,725
Total expenditures	<u>11,144,530</u>	<u>11,712,170</u>	<u>11,725,435</u>	<u>(13,265)</u>	<u>11,855,558</u>
Excess of revenues over expenditures	2,362,747	1,906,085	2,268,897	362,812	2,964,356
Fund balance, beginning	<u>21,395,526</u>	<u>21,395,526</u>	<u>21,395,526</u>	<u>-</u>	<u>18,431,170</u>
Fund balance, ending	<u>\$ 23,758,273</u>	<u>\$ 23,301,611</u>	<u>\$ 23,664,423</u>	<u>\$ -</u>	<u>\$ 21,395,526</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2017
With Comparative Actual Balances for Year Ended June 30, 2016

	2017		Actual	Variance with Final Budget Positive (Negative)	2016 Actual
	Budget				
	Original	Final			
Current:					
Public safety -					
Personal services and related benefits:					
Sheriff's salary	\$ 150,000	\$ 159,495	\$ 159,495	\$ -	\$ 156,119
Deputies salaries	5,306,000	5,843,500	5,981,535	(138,035)	5,666,207
Other salaries	15,000	15,000	18,550	(3,550)	14,007
Pension and payroll taxes	<u>2,080,000</u>	<u>1,771,660</u>	<u>1,716,948</u>	<u>54,712</u>	<u>1,779,153</u>
Total personal services and related benefits	<u>7,551,000</u>	<u>7,789,655</u>	<u>7,876,528</u>	<u>(86,873)</u>	<u>7,615,486</u>
Operating services:					
Hospitalization insurance	1,305,000	1,225,940	1,164,467	61,473	1,093,515
Dental and vision insurance	27,000	39,000	34,276	4,724	33,196
Auto insurance	154,000	150,000	143,095	6,905	142,430
Other liability insurance	<u>140,000</u>	<u>158,100</u>	<u>158,586</u>	<u>(486)</u>	<u>147,972</u>
Total operating services	<u>1,626,000</u>	<u>1,573,040</u>	<u>1,500,424</u>	<u>72,616</u>	<u>1,417,113</u>
Operations and maintenance:					
Auto fuel and oil	180,000	185,000	209,063	(24,063)	187,739
Auto maintenance	166,450	161,450	153,406	8,044	142,389
Deputy uniforms, supplies, etc.	151,500	246,500	259,737	(13,237)	165,977
Office supplies and expenses	220,500	255,000	297,807	(42,807)	280,384
Telephone	115,000	123,000	136,714	(13,714)	135,787
Maintenance contracts and rentals	100,000	82,000	68,553	13,447	86,838
Prisoner feeding and maintenance	165,000	170,000	178,515	(8,515)	169,711
Professional fees	116,000	219,500	141,778	77,722	115,585
Criminal investigation expense	34,000	44,750	56,493	(11,743)	50,170
Other	<u>107,580</u>	<u>96,150</u>	<u>83,704</u>	<u>12,446</u>	<u>121,343</u>
Total operations and maintenance	<u>1,356,030</u>	<u>1,583,350</u>	<u>1,585,770</u>	<u>(2,420)</u>	<u>1,455,923</u>
Travel and other charges	<u>32,000</u>	<u>37,000</u>	<u>36,876</u>	<u>124</u>	<u>42,587</u>
Capital outlay:					
Land improvements	-	-	-	-	22,883
Buildings	-	-	-	-	50,676
Vehicles	375,000	355,000	354,178	822	423,914
Equipment	17,500	145,000	143,373	1,627	70,372
Computers	<u>100,000</u>	<u>180,000</u>	<u>181,603</u>	<u>(1,603)</u>	<u>709,879</u>
Total capital outlay	<u>492,500</u>	<u>680,000</u>	<u>679,154</u>	<u>846</u>	<u>1,277,724</u>
Debt service:					
Principal	87,000	47,000	44,802	2,198	43,066
Interest	-	2,125	1,881	244	3,659
Total debt service	<u>87,000</u>	<u>49,125</u>	<u>46,683</u>	<u>2,442</u>	<u>46,725</u>
Total expenditures	<u>\$ 11,144,530</u>	<u>\$ 11,712,170</u>	<u>\$ 11,725,435</u>	<u>\$ (13,265)</u>	<u>\$ 11,855,558</u>

AGENCY FUNDS

Sheriff's Fund -

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

Tax Collector Fund -

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

Bond Fund -

To account for the collection of cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

Prison Inmate Fund -

To account for the receipts and disbursements made to the individual prison inmate accounts.

ST. JAMES PARISH SHERIFF
 Convent, Louisiana
 Agency Funds

Combining Balance Sheet
 June 30, 2017
 With Comparative Totals for June 30, 2016

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total	
					2017	2016
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 10,501	\$ 10,501	\$ 11,963
Interest-bearing deposits	24,825	20,859	268,624	-	314,308	324,646
Ad valorem taxes receivable	-	3,065	-	-	3,065	1,212,499
Total assets	<u>\$ 24,825</u>	<u>\$ 23,924</u>	<u>\$ 268,624</u>	<u>\$ 10,501</u>	<u>\$ 327,874</u>	<u>\$ 1,549,108</u>
LIABILITIES						
Due to taxing bodies and others	\$ 24,825	\$ 23,924	\$ 268,624	\$ 2,573	\$ 319,946	\$ 1,540,801
Due to inmates	-	-	-	\$ 7,928	7,928	8,307
Total liabilities	<u>\$ 24,825</u>	<u>\$ 23,924</u>	<u>\$ 268,624</u>	<u>\$ 10,501</u>	<u>\$ 327,874</u>	<u>\$ 1,549,108</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2017
With Comparative Totals for Year Ended June 30, 2016

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total	
					2017	2016
Balances, beginning of year	<u>\$ 15,329</u>	<u>\$ 1,313,622</u>	<u>\$ 208,194</u>	<u>\$ 11,963</u>	<u>\$ 1,549,108</u>	<u>\$ 541,596</u>
Additions:						
Deposits -						
Sheriff's sales	217,532	-	-	-	217,532	154,626
Bonds	-	-	134,925	-	134,925	132,445
Fines and costs	-	-	448,790	-	448,790	411,993
Garnishments	152,962	-	-	-	152,962	231,767
Restitutions	3,633	-	-	-	3,633	49,260
Inmates	-	-	-	90,938	90,938	40,048
Taxes, fees, etc. paid to tax collector	-	57,249,489	-	-	57,249,489	63,805,078
Total additions	<u>374,127</u>	<u>57,249,489</u>	<u>583,715</u>	<u>90,938</u>	<u>58,298,269</u>	<u>64,825,217</u>
Total	<u>389,456</u>	<u>58,563,111</u>	<u>791,909</u>	<u>102,901</u>	<u>59,847,377</u>	<u>65,366,813</u>
Reductions:						
Taxes, fees, etc. distributed to taxing bodies and others	-	58,539,187	-	-	58,539,187	62,611,460
Deposits settled to -						
Sheriff's General Fund	92,377	-	-	-	92,377	89,154
Clerk of court	17,160	-	-	-	17,160	12,346
Inmates	-	-	-	92,400	92,400	41,122
Litigants	234,810	-	-	-	234,810	318,424
Attorneys, appraisers, etc.	5,100	-	-	-	5,100	2,850
Settlements	-	-	523,285	-	523,285	730,846
Other reductions	15,184	-	-	-	15,184	11,503
Total reductions	<u>364,631</u>	<u>58,539,187</u>	<u>523,285</u>	<u>92,400</u>	<u>59,519,503</u>	<u>63,817,705</u>
Balances, end of year	<u>\$ 24,825</u>	<u>\$ 23,924</u>	<u>\$ 268,624</u>	<u>\$ 10,501</u>	<u>\$ 327,874</u>	<u>\$ 1,549,108</u>

STATE OF LOUISIANA, PARISH OF ST. JAMES

AFFIDAVIT

Willy Martin, Jr., Sheriff of St. James

BEFORE ME, the undersigned authority, personally came and appeared, Willy Martin, Jr., the Sheriff of St. James Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$20,859 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 amount 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.


Sheriff of St. James

SWORN to and subscribed before me, Notary, this 20th day of September 2017, in my office in Convent, Louisiana.

 (Signature)
SHANE M LEBLANC (Print), # C0047
Notary Public
_____ (Commission)

Notarized as to signature only but
not as to form or content

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff
Convent, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of St. James 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 September 21, 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 of 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2017-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of 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*.

Sheriff's Response to Findings

The Sheriff's response to the finding identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 2017

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/17) --						
<u>Internal Control:</u>						
2017-001	Unknown	Inadequate segregation of functions within the accounting system.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A
<u>Compliance:</u>						
There were no compliance findings.						
PRIOR YEAR (6/30/16) --						
<u>Internal Control:</u>						
2016-001	Unknown	Inadequate segregation of functions within the accounting system.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A
<u>Compliance:</u>						
There were no compliance findings.						

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the St. James Parish Sheriff and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Sheriff's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the St. James Parish Sheriff is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated 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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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.

The St. James Parish Sheriff does not have a Board or Finance Committee, and therefore, this procedure is not applicable.

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

- 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.

This procedure is not applicable to the St. James Parish Sheriff.

- 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.

This procedure is not applicable to the St. James Parish Sheriff.

Bank Reconciliations

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

Obtained listing of client bank accounts from management and management's representation that listing is complete.

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

- a) Bank reconciliations have been prepared;

Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that reconciliations have been prepared for all months.

- 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; and

Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was not documented on the reconciliations.

- 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.

Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that there were no items outstanding greater than 6 months.

Collections

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

A listing of cash collection locations and management's representation that the listing is complete was obtained.

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

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

All staff members responsible for collecting cash are bonded. Staff members collecting cash are responsible for depositing cash, recording deposits, and reconciling bank statements with compensating controls being performed by a contracted Certified Public Accountant. Staff members responsible for collecting cash are sharing a drawer with another person.

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

Written documentation was obtained from management noting the person responsible for cash collections is also responsible for reconciling cash collections to the general ledger. Compensating controls are being performed by a contracted Certified Public Accountant.

- 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.

There were no exceptions noted as a result of applying this procedure.

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.

There were no exceptions noted as a result of applying this procedure.

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.

In all locations selected, there is a process defined to determine the completeness of collections by a person who is not responsible for collections.

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

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

A listing of disbursements and management's representation that the listing is complete was obtained.

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.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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.

Written documentation was obtained from management noting the person responsible for processing payments is 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.

Written documentation was obtained from management noting the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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.

Checks are electronically printed on blank check stock. Written documentation was obtained from management noting the persons with signatory authority do not have access to print checks.

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

The entity does not use signature stamps or a signature machine.

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.

A listing of active credit cards, bank debit cards, fuel cards and the name of the person who maintains possession of the cards and management's representation that the listing is complete was obtained.

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

Ten credit cards were randomly selected.

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

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

Monthly statements were obtained noting there was no written evidence that the monthly credit card statements and supporting documentation had been approved by someone other than the card holder.

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

There were no finance charges and/or late fees assessed on any of the cards selected.

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

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

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

No exceptions were noted as a result of applying this procedure.

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

One credit card transaction did not have documentation of the individuals participating.

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

No exceptions were noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of the testing of transaction details to the entity's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

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

One credit card transaction did not have documentation of the individuals participating.

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.

A listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

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

No exceptions were noted as a result of applying this procedure.

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.

No exceptions were noted as a result of applying this procedure.

- b) Report whether each expense is supported by:

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

No exceptions were noted as a result of applying this procedure.

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

No exceptions were noted as a result of applying this procedure.

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

No exceptions were noted as a result of applying this procedure.

- 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.

No exceptions were noted as a result of applying this procedure.

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

The travel expenses reimbursed did not have documentation of being reviewed or approved by someone other than the person receiving the reimbursement.

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.

A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete was obtained.

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

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

No exceptions were noted as a result of applying this procedure.

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

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

Contracts selected for testing were not subject to the Louisiana Public Bid Law or Procurement Code.

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

The entity did not solicit quotes for contracts that did not meet the requirements of the Public Bid Law.

- 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.

None of the contracts selected were amended.

- 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.

No exceptions were noted as a result of applying this procedure.

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

This procedure is not applicable to the St. James Parish Sheriff.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

A listing of employees with their related salaries and management's representation that the listing is complete was obtained. Five employees were randomly selected and their personnel files were obtained.

- 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.

No exceptions were noted as a result of applying this procedure.

- 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.

No exceptions were noted as a result of applying this procedure.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

No exceptions were noted as a result of applying this procedure.

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

No exceptions were noted as a result of applying this procedure.

- 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.

No exceptions were noted as a result of applying this procedure.

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.

No exceptions were noted as a result of applying this procedure.

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.

No exceptions were noted as a result of applying this procedure.

Ethics (excluding nonprofits)

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

No exceptions were noted as a result of applying this procedure.

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.

Management asserted that there were no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

There was no debt issued during the fiscal period.

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

No exceptions were noted as a result of applying this procedure.

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.

There were no tax millages relating to debt service.

Other

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

Management has asserted that the entity did not have any misappropriations of public funds or assets.

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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The entity does have the required notices posted on its premises and website.

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

No exceptions were noted as a result of applying this procedure.

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 21, 2017