

WEST BATON ROUGE PARISH SHERIFF

FINANCIAL REPORT

JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1-2
<u>REQUIRED SUPPLEMENTARY INFORMATION-PART I</u>	
Management's Discussion and Analysis	3-8
<u>FINANCIAL STATEMENTS</u>	
Statement of Net Position	9
Statement of Activities	10
Governmental Funds Balance Sheet	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types	13
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Statement of Fiduciary Net Position - Fiduciary Funds	15
Notes to the Financial Statements	16-35
<u>REQUIRED SUPPLEMENTARY INFORMATION—PART II</u>	
Budgetary Comparison Schedule - General Fund	36
Budgetary Comparison Schedule -Work Release Center Fund	37
Schedule of Funding Process for Other Post-Employment Benefit Plan and Schedule of Employer Contributions	38
Schedule of the Sheriff's Proportionate Share of the Net Pension Liability	39
Schedule of West Baton Rouge Parish Sheriff's Contributions	40

TABLE OF CONTENTS

OTHER SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds Descriptions – Special Revenue Funds	41
Non-Major Governmental Funds Combining Financial Statements	42-43
Sheriff's Sworn Statement	44
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	45

OTHER REPORTS REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS*

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 <i>Government Auditing Standards</i>	46-47
Schedule of Findings and Responses	48
Summary Schedule of Prior Audit Findings	49



INDEPENDENT AUDITORS' REPORT

Honorable Mike Cazes
West Baton Rouge Parish Sheriff
Port Allen, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of funding progress for other post-employment benefit plan and schedule of employer contributions, the schedule of the Sheriff's proportionate share of the net pension liability, and the schedule of the Sheriff's contributions on pages 3 through 8, 36 through 40, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual non-major fund financial statements and the schedule of compensation, benefits and other payments to agency head or chief executive officer presented on pages 41 through 43 and 45 are presented for the purposes of additional analysis and are not part of the basic financial statements. The Sheriff's sworn statement presented on page 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual non-major fund financial statements, the schedule of compensation, benefits and other payments to agency head or chief executive officer and the Sheriff's sworn statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2017 on our consideration of West Baton Rouge Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



Gonzales, Louisiana
December 29, 2017

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

This section of West Baton Rouge Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position increased \$366,324 or 14.0 percent over the course of this year's operations.
- Expenses for the year were \$20,760,819, an increase of \$955,060 from prior year.
- During the year, the Sheriff's governmental funds expenditures were \$1,224,196 less than the \$20.6 million generated in ad valorem taxes, charges for services and operating grants for intergovernmental programs.
- The general fund reported a surplus this year of \$626,192.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

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

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Government-wide Statements

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

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

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

The government-wide financial statements of the Sheriff include:

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

Fund Financial Statements

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

The Sheriff has two kinds of funds:

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

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net position. The Sheriff's net position increased between fiscal years 2017 and 2016 to approximately \$3.0 million. (See Table A-1.)

Table A-1
Sheriff's Net Position

	Governmental Activities	
	June 30, 2017	June 30, 2016
Current and other assets	\$11,488,734	\$10,264,573
Capital assets	4,359,333	4,644,926
Total assets	15,848,067	14,909,499
Deferred outflows of resources	4,256,752	1,705,726
Total assets and deferred outflows of resources	20,104,819	16,615,225
Current liabilities	405,839	405,874
Noncurrent liabilities	15,748,956	12,078,132
Total liabilities	16,154,795	12,484,006
Deferred inflows of resources	978,324	1,525,843
Total liabilities and deferred inflows of resources	17,133,119	14,009,849
Net position		
Net investment in capital assets	4,359,333	4,644,926
Unrestricted deficit	(1,387,633)	(2,039,550)
Total net position	\$2,971,700	\$2,605,376

Net position of the Sheriff's governmental activities increased 14.06 percent to approximately \$3.0 million.

Changes in net position. The Sheriff's total revenues increased by 6.3 percent. (See Table A-2.) Approximately 30 percent of the Sheriff's revenue comes from ad valorem tax collections from West Baton Rouge Parish. Charges for services represent 37 percent, and the remaining 33 percent is comprised of other intergovernmental revenue and commission, miscellaneous revenues and interest.

The total cost of all programs and services increased \$955,060. The Sheriff's expenses cover all services performed by its office.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Governmental Activities

Revenues for the Sheriff's governmental activities increased 6.3 percent to \$21.1 million while total expenses increased \$955,060.

Table A-2
Changes in Sheriff's Net Position

	Governmental Activities	
	June 30, 2017	June 30, 2016
Revenues		
Program revenues		
Charges for services	\$ 7,792,647	\$ 7,079,824
Operating grants and contributions	6,103,424	5,579,772
Capital grants and contributions	82,259	-
General revenues		
Taxes	6,293,956	6,523,522
Interest	19,338	17,901
Miscellaneous	835,519	680,275
Total revenues	21,127,143	19,881,294
Expenses		
Public Safety	20,760,819	19,805,759
Total expenses	20,760,819	19,805,759
Increase in net position	\$ 366,324	\$ 75,535

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental funds reported a fund balance of \$11,082,895, an increase from last year of \$1,224,196.

General Fund Budgetary Highlights

Over the course of the year, the Sheriff did amend the general fund and work release center budgets. The general fund budget amendments reflect an increase in revenues and expenditures from the current budget of \$1,518,244 and \$365,325, respectively. The work release center budget amendment reflects a decrease in revenues from the current budget of \$35,852 and an increase in expenditures from the current budget of \$169,395.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

CAPITAL ASSETS

At the end of 2017, the Sheriff had a net investment in capital assets of \$4,359,333. (See Table A-3.)

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

	Governmental Activities	
	June 30, 2017	June 30, 2016
Land	\$ 446,331	\$ 446,331
Buildings	3,337,515	3,399,372
Equipment and Vehicles	575,487	799,223
Total	\$ 4,359,333	\$ 4,644,926

This year's major capital assets additions include:

- Vehicles totaling \$156,452
- Buildings totaling \$39,801

This year's major capital asset deletions include:

- Vehicles and other equipment totaling \$837,985

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem taxes for 30 percent of its revenues. The economy is not expected to generate any significant growth. The 2018 budget includes amounts available for appropriations of approximately \$30 million. Property taxes are not expected to significantly increase. Budgeted expenditures for 2018 are expected to be consistent with 2017.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the West Baton Rouge Parish Sheriff's Office, PO Box 129, Port Allen, LA 70346.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash and cash equivalents	\$ 9,385,515
Receivables	771,666
Certificate of deposits	1,000,000
Due from other funds	321,286
Due from others	10,267
Capital assets:	
Non-depreciable	446,331
Depreciable, net	3,913,002
Total assets	<u>15,848,067</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>4,256,752</u>
Total deferred outflows of resources	<u>4,256,752</u>

Total assets and deferred outflows of resources \$ 20,104,819

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accounts payable	\$ 350,731
Accrued liabilities	20,358
Due to others	34,750
Long-term liabilities:	
Compensation absences payable	571,907
Other post-employment benefit liability	6,381,446
Net pension liability	8,795,603
Total liabilities	<u>16,154,795</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>978,324</u>
Total deferred inflows of resources	<u>978,324</u>

NET POSITION

Net investment in capital assets	4,359,333
Unrestricted deficit	<u>(1,387,633)</u>
Total net position	<u>2,971,700</u>

Total liabilities, deferred inflows of resources, and net position \$ 20,104,819

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

STATEMENT OF ACTIVITIES
JUNE 30, 2017

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Unit
Governmental activities:					
Public Safety	<u>\$ 20,760,819</u>	<u>\$ 7,792,647</u>	<u>\$ 6,103,424</u>	<u>\$ 82,259</u>	<u>\$ (6,782,489)</u>
General Revenues:					
Taxes					6,293,956
Interest					19,338
Miscellaneous					835,519
Total general revenues					<u>7,148,813</u>
Change in net position					366,324
Net position- July 1, 2016					<u>2,605,376</u>
Net position- June 30, 2017					<u>\$ 2,971,700</u>

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2017

	<u>General Fund</u>	<u>Work Release Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,393,998	\$ 6,832,505	\$ 159,012	\$ 9,385,515
Receivables	543,580	217,324	10,762	771,666
Certificate of deposit	-	1,000,000	-	1,000,000
Due from other funds	42,331	256,408	26,890	325,629
Due from others	200	10,067	-	10,267
Total assets	<u>\$ 2,980,109</u>	<u>\$ 8,316,304</u>	<u>\$ 196,664</u>	<u>\$ 11,493,077</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 220,582	\$ 98,066	\$ 32,083	\$ 350,731
Accrued liabilities	17,816	-	2,542	20,358
Due to other funds	-	-	4,343	4,343
Due to others	30,923	3,827	-	34,750
Total liabilities	<u>269,321</u>	<u>101,893</u>	<u>38,968</u>	<u>410,182</u>
<u>FUND BALANCE</u>				
Assigned	-	8,214,411	157,696	8,372,107
Unassigned	2,710,788	-	-	2,710,788
Total fund balance	<u>2,710,788</u>	<u>8,214,411</u>	<u>157,696</u>	<u>11,082,895</u>
Total liabilities and fund balance	<u>\$ 2,980,109</u>	<u>\$ 8,316,304</u>	<u>\$ 196,664</u>	<u>\$ 11,493,077</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances at June 30, 2017 - Governmental Funds		\$ 11,082,895
Amounts reported for governmental activities in the statement of net position is different because:		
Deferred outflow - pension related		4,256,752
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds		
Cost of capital assets at June 30, 2017	\$ 9,687,831	
Less: accumulated depreciation as of June 30, 2017	<u>(5,328,498)</u>	4,359,333
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds		
Compensated absences payable		(571,907)
Other post employment benefit		(6,381,446)
Net pension liability		(8,795,603)
Deferred inflows, pension related		<u>(978,324)</u>
Total net position at June 30, 2017 - Governmental Activities		<u>\$ 2,971,700</u>

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

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

	<u>General Fund</u>	<u>Work Release Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 6,293,956	\$ -	\$ -	\$ 6,293,956
Intergovernmental revenues:				
Federal grants	611,797	-	15,323	627,120
State grants:				
State revenue sharing (net)	61,257	-	-	61,257
State supplemental pay	530,990	-	-	530,990
Dare Grant	17,168	-	-	17,168
Other State & Local Grants	4,949,148	-	-	4,949,148
Fees, charges, and commissions for services:				
Commissions on State Revenue Sharing	72,601	-	-	72,601
Civil and criminal fees	2,659,362	2,967,636	-	5,626,998
Court attendance	7,514	-	-	7,514
Court costs	18,730	-	-	18,730
Feeding and keeping prisoners	-	1,417,091	-	1,417,091
Miscellaneous commissions	-	81,512	6,973	88,485
Use of money and property:				
Interest	2,650	16,677	11	19,338
Sale of Merchandise	-	217,484	343,744	561,228
Other	159,497	-	-	159,497
Miscellaneous	137,697	-	-	137,697
Total Revenues	<u>15,522,367</u>	<u>4,700,400</u>	<u>366,051</u>	<u>20,588,818</u>
<u>EXPENDITURES</u>				
Public safety:				
Personal services and related benefits	12,843,979	3,021,803	-	15,865,782
Operating services	1,540,155	859,741	96,375	2,496,271
Material and supplies	300,743	122,537	27,793	451,073
Travel and training	44,107	2,285	-	46,392
Capital outlay	167,191	45,346	19,467	232,004
Purchase of merchandise for resale	-	39,801	233,299	273,100
Total Expenditures	<u>14,896,175</u>	<u>4,091,513</u>	<u>376,934</u>	<u>19,364,622</u>
Excess (Deficiency) of Revenues over Expenditures	626,192	608,887	(10,883)	1,224,196
Fund Balance at beginning of year	<u>2,084,596</u>	<u>7,605,524</u>	<u>168,579</u>	<u>9,858,699</u>
Fund Balance at end of year	<u>\$ 2,710,788</u>	<u>\$ 8,214,411</u>	<u>\$ 157,696</u>	<u>\$ 11,082,895</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

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

Total Net Changes in Fund Balances for the year ended June 30, 2017 \$ 1,224,196

Amounts reported for governmental activities in the statement of activities are 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. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay included in expenditures	232,004	
Depreciation expense for year ended June 30, 2017	<u>(474,284)</u>	(242,280)

In the statement of activities, only the gain on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference in cost and accumulated depreciation of disposed assets. (43,313)

Changes in compensated absences payable	(44,908)
Changes in other post employment benefits	(1,006,529)
Non-employer contributions to cost-sharing pension plan	538,325
Pension benefit	<u>(59,167)</u>

Change in Net Position - Governmental Activities \$ 366,324

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 972,967
Total assets	<u>972,967</u>
<u>LIABILITIES</u>	
Due to other funds	321,286
Due to taxing bodies and others	<u>651,681</u>
Total liabilities	<u>972,967</u>
<u>NET POSITION</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

A. BASIS OF PRESENTATION BASIS OF ACCOUNTING

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net position and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities. 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 and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of Section N50.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION BASIS OF ACCOUNTING (continued)

FUND FINANCIAL STATEMENTS (FFS):

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

The Sheriff reports the following major governmental funds:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue

The Work Release Center fund is used to account for the work done by prisoners in private businesses.

Additionally, the Sheriff reports the following fund types:

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

B. REPORTING ENTITY

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

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, etcetera. The Sheriff does not have any component units.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

D. INTERFUND ACTIVITY

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government wide financial statements.

E. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2017, was made available for public inspection and comments from taxpayers at the Sheriff's office during June 2016. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance. Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

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

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. COMPENSATED ABSENCES

The Sheriff has the following policy relating to vacation and sick leave:

Employees earn from one to four weeks of vacation leave each year depending on length of service. Vacation leave vest and is accumulated at year-end.

Employees may accumulate sick leave at a rate of seven hours per month. Sick leave may be accumulated but does not vest.

H. CAPITAL ASSETS

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded at their fair value at the date of donation. The Sheriff maintains a threshold level of \$ 1,000 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	39
Vehicles	5
Equipment	7
Software	3

I. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions. To handle such risk of loss, the Sheriff maintains commercial insurance policies, workers' compensation insurance, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended June 30, 2017.

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.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Net investment in capital assets - This component 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 capital assets.

Restricted net position - This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - This component consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Sheriff has one item that qualifies for this category; pension liability, which is reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Sheriff has one item that qualifies for this category; pension liability. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

N. PENSION PLANS

The West Baton Rouge Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 10. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

O. RECLASSIFICATIONS

Certain amounts in the June 30, 2017 financial statements have been reclassified to conform to the current year presentation. The reclassification has no effect on the change in net position for 2017.

2. 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 in October and billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of West Baton Rouge Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's and legislative pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2017, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.10 mills on property with assessed valuations totaling \$392,612,283.

The sheriff has authorized and levied an ad valorem tax of 16.10 mills.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

3. CHANGES IN FIDUCIARY NET POSITION

A summary of changes in fiduciary net position due to taxing bodies and others is as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Tax Collector Fund	\$ 23,519	\$ 34,248,880	\$ 34,248,995	\$ 23,404
Clearing Account	204,783	725,094	724,418	205,459
Work Release – Inmate	659,724	4,695,120	4,692,883	661,961
Inmate Account – Jail	60,298	919,982	906,383	73,897
Work Release – Trustee	11,458	93,107	96,319	8,246
Civil Account	-	893,212	893,212	-
Total	<u>\$ 959,782</u>	<u>\$ 41,575,395</u>	<u>\$ 41,562,210</u>	<u>\$ 972,967</u>

4. CASH

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

Governmental Funds:	
Petty Cash	\$ 1,300
Interest bearing and non-interest bearing demand deposits	<u>9,384,215</u>
Total governmental funds	<u>9,385,515</u>
Fiduciary Funds:	
Interest bearing demand deposits	<u>972,967</u>
Total fiduciary funds	<u>972,967</u>
Total	<u>\$ 10,358,482</u>

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

5. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At June 30, 2017, the government's bank balance of \$11,576,910 was not exposed to custodial credit risk.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

6. RECEIVABLES

The accounts receivables at June 30, 2017 are as follows:

<u>Class of Receivable</u>	
Local	\$ 239,452
State	522,911
Federal	9,303
Total	<u>\$ 771,666</u>

7. DEFERRED COMPENSATION PLAN

The Sheriff participates in the State of Louisiana Deferred Compensation Plan, (an IRC 457 deferred compensation plan). The plan covers all full-time employees. The Sheriff matches 25% to 100% of employee contributions based on years of service. The Sheriff's contributions for the years ending June 30, 2017 and 2016 were \$299,513 and \$278,024, respectively.

8. CAPITAL ASSETS

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

Governmental Activities:

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital				
Assets June 30, 2016	\$ 446,331	\$ 4,607,070	\$ 5,240,411	\$ 10,293,812
Additions	-	39,801	192,203	232,004
Deletions	-	-	(837,985)	(837,985)
Cost of Capital				
Assets June 30, 2017	<u>446,331</u>	<u>4,646,871</u>	<u>4,594,629</u>	<u>9,687,831</u>
Accumulated Depreciation				
June 30, 2016	-	1,207,698	4,441,188	5,648,886
Additions	-	101,658	372,626	474,284
Deletions	-	-	(794,672)	(794,672)
Accumulated Depreciation				
June 30, 2017	<u>-</u>	<u>1,309,356</u>	<u>4,019,142</u>	<u>5,328,498</u>
Capital Assets, net of Accumulated Depreciation				
June 30, 2017	<u>\$ 446,331</u>	<u>\$ 3,337,515</u>	<u>\$ 575,487</u>	<u>\$ 4,359,333</u>

For the year ended June 30, 2017, depreciation expense was \$474,284.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long term debt transactions of the West Baton Rouge Sheriff for the year ended June 30, 2017:

	OPEB	Compensated Absences	Net Pension Liability
Balance at July 1, 2016	\$ 5,374,917	\$ 526,999	\$ 6,176,216
Increases	1,361,191	44,908	2,619,387
Decreases	<u>(354,662)</u>	<u>-</u>	<u>-</u>
Balance at June 30, 2017	<u>\$ 6,381,446</u>	<u>\$ 571,907</u>	<u>\$ 8,795,603</u>

10. PENSION PLAN

Substantially all employees of the West Baton Rouge Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System); a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

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

The Sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date- an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Description:

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

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. 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. Members who joined the system on or after January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. PENSION PLAN (continued)

Members with 20 or more years of service may retire with a reduced retirement at age 55. For members eligible on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12 month period within the 36 month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12 month period within the 60 months shall not exceed 115% of the preceding 12 month period.

A member is eligible to receive disability benefits if the member has at least 10 years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 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 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 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 18 years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen 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 4 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.

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.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. PENSION PLAN (continued)

In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

Cost of living 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.

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2016, the actual employer contribution rate was 13.75 percent.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the West Baton Rouge Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the West Baton Rouge Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The West Baton Rouge Parish Sheriff's contributions to the System, for the years ending June 30, 2017, 2016, and 2015, were \$1,278,134, \$1,301,359, and \$1,309,086, respectively.

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 \$8,795,603 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 1.3858%, which was an increase of 0.0002% from its proportion measured as of June 30, 2015.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. PENSION PLAN (continued)

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
Differences between expected and actual experience	\$ -	\$ (922,561)
Changes of assumptions	718,573	-
Net difference between projected and actual earnings on pension plan investments	2,202,861	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	57,183	(55,763)
Employer contributions subsequent to the measurement date	1,278,135	-
Total	\$ 4,256,752	\$ (978,324)

The Sheriff reported a total of \$1,278,135 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in net pension liability in the year ended June 30, 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	LSRPF
2017	\$ 232,871
2018	232,871
2019	874,520
2020	623,500
2021	18,266
2022	18,265
	\$ 2,000,293

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is 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		7.60%, net of investment expense

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. PENSION PLAN (continued)

Actuarial Assumptions (continued)

Projected salary increases	5.5% (2.875% inflation, 2.625% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity Securities	60%	3.9%
Bonds	25%	0.5%
Alternative investments	15%	0.6%
Total	<u>100%</u>	<u>5.0%</u>
Inflation		<u>2.7%</u>
Expected Arithmetic Nominal Return		<u>7.7%</u>

Mortality Rate

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.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. PENSION PLAN (continued)

Discount Rate

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

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.50%	7.50%	8.50%
WBRSO Share of NPL	\$ 14,922,637	\$ 8,795,603	\$ 3,738,463

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 12 years of service at any age. However, there is an additional retirement benefit payable for 20 or more years of service.

Life insurance coverage is provided to retirees in the flat amount of \$10,000 and the employer pays 100% of the "cost" of the retiree life insurance, but based on the blended rates (active and retired). There is therefore an implicit employer subsidy to the extent that the higher retiree rates are diluted by the lower active rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance and thus estimate and value this employer subsidy. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees and dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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.

Fund Policy. Until Fiscal Year Ending June 30, 2010, the West Baton Rouge Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (the West Baton Rouge Parish Sheriff's Office's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In Fiscal Year Ending June 30, 2016, the West Baton Rouge Parish Sheriff's Office's portion of health care and life insurance funding cost for retired employees totaled \$352,770 and life totaled \$1,892.

Effective with the Fiscal Year beginning July 1, 2010, the West Baton Rouge Parish Sheriff's Office implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB Codification Section P50). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

Annual Required Contribution. West Baton Rouge Parish Sheriff's Office'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 Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

Normal Cost	\$	499,673
30-year UAL amortization amount		957,353
Annual required contribution (ARC)	\$	<u>1,457,026</u>

Net Post-Employment Benefit Obligation (Asset). The table below shows West Baton Rouge Parish Sheriff's Office's net other post-employment benefit (OPEB) obligation (asset) for fiscal year ending June 30, 2017:

Net OPEB Obligation - beginning of year	\$	5,374,917
Interest on net OPEB Obligation		214,997
Annual required contribution (ARC)		1,457,026
Less: Adjustment to ARC		<u>(310,832)</u>
Annual OPEB cost		1,361,191
Contributions made		-
Less: Current year retiree premium		<u>(354,662)</u>
Increase in net OPEB obligation		1,006,529
Net OPEB obligation - end of year	\$	<u>6,381,446</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The following table shows the Sheriff's Office's annual post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (OPEB) liability (asset):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
6/30/2017	\$1,361,191	26.06%	\$6,381,446
6/30/2016	\$1,323,133	23.78%	\$5,374,917
6/30/2015	\$974,068	23.05%	\$4,366,424

Funded Status and Funding Progress. In the fiscal year ending June 30, 2017, the West Baton Rouge Parish Sheriff's Office made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$17,216,847 which is defined as that portion, as determined by a particular actuarial cost method (the West Baton Rouge Parish Sheriff's Office uses the Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>June 30, 2017</u>
Actuarial Accrued Liability (AAL) (b)	\$ 17,216,847
Actuarial Value of Plan Assets (a)	-
Unfunded AAL (UAAL) (b-a)	\$ 17,216,847
Funded Ratio (a/b)	0.00%
Covered payroll	\$ 8,652,559
UAAL as a percentage of covered payroll	198.98%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits include 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's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Sheriff's Office 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's Office 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.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should the OPEB obligations be funded, 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 as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 12%.

Post-Employment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence four years after eligibility to enter the D.R.O.P. (four years in D.R.O.P.), as described above under "Plan Description." The Sheriff's Office has assumed that employees would wait until thirty years of service (but not later than age sixty and twenty years of service) to enter the D.R.O.P. because of the enhanced benefit formula. Medical benefits are provided to employees upon actual retirement. The employees are covered by a retirement system whose retirement eligibility (D.R.O.P entry) provisions are as follows: 12 years service at any age. However, there is an additional retirement benefit payable for 20 or more years of service. Entitlement to benefits continues through Medicare to death.

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. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

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

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which the Internal Revenue Service has 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" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays the cost of the medical for the retirees only and not for dependents, but it is based on the blended rate for active and retired before Medicare eligibility.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The medical rates provided applicable before age 65 are "blended" rates. Since GASB Codification Section P50 mandates that "unblended" rates be used, we have estimated the "unblended" medical rates for retired before and after Medicare eligibility. It has been assumed that the retiree rate before Medicare eligibility is 130% of the blended rate and that after Medicare eligibility that it is 80% of the blended rate.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit 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 the valuation purposes that there will not be any changes in the future.

12. LITIGATION AND CLAIMS

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

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

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

14. LEASE COMMIMMENTS

The Sheriff leases vehicles under various leasing arrangements which qualify as operating leases. The lease payments are made on a monthly basis under scheduled terms that vary.

Management has estimated the future minimum lease payments under all of the non-cancellable lease agreements in effect at June 30, 2017 as follows:

Year ending June 30,	<u>Amount</u>
2018	\$ 288,638
2019	235,522
2020	206,987
2021	<u>80,140</u>
	<u>\$ 811,287</u>

Lease payments made during the year ended June 30, 2017 totaled \$220,009 for the leases.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

15. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at the end of the year was \$21,859.

As of June 30, 2017 the West Baton Rouge Parish Sheriff has collected all taxes assessed by the West Baton Rouge Parish Assessor for the 2016 tax year.

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

West Baton Rouge Parish Assessor	\$ 965,818
Atchafalaya Levee District	1,572,840
West Baton Rouge Parish Drainage District	2,815,340
West Baton Rouge Parish Council	6,287,591
Louisiana Agriculture & Forestry Commission	3,964
West Baton Rouge Parish School Board	12,274,096
West Baton Rouge Parish Council on Aging	977,548
Louisiana Tax Commission	14,872
West Baton Rouge Parish Museum	782,039
West Baton Rouge Parish Sheriff	6,295,417
West Baton Rouge Parish Library	1,603,179
	<u>\$ 33,592,704</u>

16. DUE TO/FROM OTHER FUNDS

During the year, the general fund records receivables for its portion of fines, taxes, bonds or fees collected by these funds and due to others for any advances to these funds. Individual balances due to/from other funds at June 30, 2017 are as follows:

	Due to Other Funds	Due From Other Funds
Major Governmental Funds:		
General Fund	\$ -	\$ 42,331
Work Release Center	-	256,408
Subtotal – Major Governmental Funds	-	<u>298,739</u>
Non-Major Governmental Funds:		
Drug Task Force Fund	4,343	-
Prisoner Welfare Fund	-	26,890
Subtotal – Non-Major Governmental Funds	<u>4,343</u>	<u>26,890</u>
Fiduciary Funds:		
Inmate Account (Jail)	26,890	-
Inmate Account (WRC)	256,408	-
Clearing Account	37,266	-
Tax Collector	<u>722</u>	<u>-</u>
Subtotal- Fiduciary Funds	<u>321,286</u>	<u>-</u>
TOTAL	<u><u>\$ 325,629</u></u>	<u><u>\$ 325,629</u></u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

17. TAX ABATEMENTS

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP"). For the year ending June 30, 2017, the government participated in the Industrial Tax Exemption Program.

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2016-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. Under the original program guidelines, the exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. Effective June 24, 2016 the term of the exemption contract which shall be for up to, but no more than five years and may provide for an ad valorem exemption of up to 100 percent and terms for renewal may be included provided that the renewal of the contract shall be for a period up to, but no more than three years and may provide for an ad valorem tax exemption of up to, but no more than 80 percent. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

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

	<u>Total</u>
Tax Abatement Program	
Industrial Tax Exemption Program	\$ 2,405,146
	<u>\$ 2,405,146</u>

18. SUBSEQUENT EVENTS

In preparing the financial statements, the West Baton Rouge Parish Sheriff has evaluated events and transactions for potential recognition or disclosure through December 29, 2017, and has determined that no events occurred that require disclosure.

REQUIRED
SUPPLEMENTARY INFORMATION

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 6,179,383	\$ 6,324,667	\$ 6,293,956	\$ (30,711)
Intergovernmental revenues:				
Federal grants	571,353	667,995	611,797	(56,198)
State grants:				
State revenue sharing (net)	57,950	61,257	61,257	-
State supplemental pay	510,000	537,715	530,990	(6,725)
Dare Grant	18,777	18,777	17,168	(1,609)
Other State & Local Grants	4,402,400	4,475,227	4,949,148	473,921
Fees, charges, and commissions for services:				
Commissions on State Revenue Sharing	69,750	72,600	72,601	1
Civil and criminal fees	1,960,550	2,908,128	2,659,362	(248,766)
Court attendance	7,500	7,874	7,514	(360)
Court costs	15,000	19,916	18,730	(1,186)
Use of money and property:				
Interest	1,121	2,629	2,650	21
Other	5,000	152,039	159,497	7,458
Miscellaneous	35,000	103,204	137,697	34,493
Total Revenues	<u>13,833,784</u>	<u>15,352,028</u>	<u>15,522,367</u>	<u>170,339</u>
<u>EXPENDITURES</u>				
Public safety:				
Personal services and related benefits	13,404,816	13,088,214	12,843,979	244,235
Operating services	1,051,307	1,085,873	1,540,155	(454,282)
Material and supplies	35,550	539,265	300,743	238,522
Travel and training	30,000	42,000	44,107	(2,107)
Capital outlay	30,000	161,646	167,191	(5,545)
Total Expenditures	<u>14,551,673</u>	<u>14,916,998</u>	<u>14,896,175</u>	<u>20,823</u>
Excess (deficiency) of Revenues over Expenditures	(717,889)	435,030	626,192	191,162
Fund Balance, July 1, 2016	<u>1,872,675</u>	<u>2,084,596</u>	<u>2,084,596</u>	<u>-</u>
Fund Balance, June 30, 2017	<u>\$ 1,154,786</u>	<u>\$ 2,519,626</u>	<u>\$ 2,710,788</u>	<u>\$ 191,162</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
WORK RELEASE CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Fees, charges, and commissions for services:				
Civil and criminal fees	\$ 2,964,631	\$ 2,974,191	\$ 2,967,636	\$ (6,555)
Feeding and keeping prisoners	1,427,948	1,405,110	1,417,091	11,981
Miscellaneous commissions			81,512	81,512
Use of money and property:				
Interest	12,857	16,752	16,677	(75)
Sale of Merchandise	246,370	219,901	217,484	(2,417)
Total Revenues	<u>4,651,806</u>	<u>4,615,954</u>	<u>4,700,400</u>	<u>84,446</u>
<u>EXPENDITURES</u>				
Public safety:				
Personal services and related benefits	3,090,349	3,103,181	3,021,803	81,378
Operating services	698,068	794,421	859,741	(65,320)
Material and supplies	122,000	141,214	122,537	18,677
Travel and training	4,200	4,900	2,285	2,615
Capital outlay	23,500	45,346	45,346	-
Purchase of merchandise for resale	18,000	36,450	39,801	(3,351)
Total Expenditures	<u>3,956,117</u>	<u>4,125,512</u>	<u>4,091,513</u>	<u>33,999</u>
Excess of Revenues over Expenditures	695,689	490,442	608,887	118,445
Fund Balance, July 1, 2016	<u>7,614,186</u>	<u>7,605,524</u>	<u>7,605,524</u>	<u>-</u>
Fund Balance, June 30, 2017	<u>\$ 8,309,875</u>	<u>\$ 8,095,966</u>	<u>\$ 8,214,411</u>	<u>\$ 118,445</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2017

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2014	-	\$ 11,607,224	\$ 11,607,224	0.0%	\$ 8,252,039	140.66%
July 1, 2015	-	\$ 16,554,661	\$ 16,554,661	0.0%	\$ 8,559,690	193.40%
July 1, 2016	-	\$ 17,216,847	\$ 17,216,847	0.0%	\$ 8,652,559	198.98%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Annual Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Increase (Decrease) to Net OPEB Obligation</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 974,068	\$ 224,548	23.05%	\$ 749,520	\$ 4,366,424
June 30, 2016	\$ 1,323,133	\$ 314,640	23.78%	\$ 1,008,493	\$ 5,374,917
June 30, 2017	\$ 1,361,191	\$ 354,662	26.06%	\$ 1,006,529	\$ 6,381,446

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF THE SHERIFF'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2017

Louisiana Sheriff's Pension and Relief Fund	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	1.3858%	1.3856%	1.3714%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,795,603	\$ 6,176,216	\$ 5,430,652
Employer's Covered-Employee Payroll	\$ 9,646,293	\$ 9,464,430	\$ 9,186,570
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	91.1812%	65.2571%	59.1151%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.0970%	86.6065%	87.3447%

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

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF WEST BATON ROUGE PARISH SHERIFF'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2017

Louisiana Sheriffs' Pension and Relief Fund	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,278,134	\$ 1,301,359	\$ 1,309,086
Contributions in relation to contractually required contributions	<u>1,278,134</u>	<u>1,301,359</u>	<u>1,309,086</u>
Contribution deficiency (excess)	-	-	-
 Employer's Covered Employee Payroll	 \$ 9,646,293	 \$ 9,464,430	 \$ 9,186,570
Contributions as a % of Covered Employee Payroll	13.2500%	13.7500%	14.2500%

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

OTHER SUPPLEMENTARY INFORMATION

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special revenue fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purpose.

PRISONER WELFARE FUND

The prisoner welfare fund accounts for sales to prisoners in parish jail. Revenues are used to purchase recreational equipment, personal items, and items for resale.

DRUG TASK FORCE FUND

The Drug Task Force is a federal anti-drug abuse grant awarded by the Louisiana Commission in Law Enforcement to local law enforcement authorities to enhance their efforts in the prevention of drug traffic.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017

	<u>Drug Task Force Fund</u>	<u>Prisoner Welfare Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 13,254	\$ 145,758	\$ 159,012
Receivables	4,379	6,383	10,762
Due from other funds	-	26,890	26,890
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 17,633</u>	<u>\$ 179,031</u>	<u>\$ 196,664</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 32,083	\$ 32,083
Accrued liabilities	2,542	-	2,542
Due to other funds	4,343	-	4,343
Total liabilities	<hr/> <u>6,885</u>	<hr/> <u>32,083</u>	<hr/> <u>38,968</u>
<u>FUND BALANCE</u>			
Assigned	<hr/> 10,748	<hr/> 146,948	<hr/> 157,696
Total fund balance	<hr/> <u>10,748</u>	<hr/> <u>146,948</u>	<hr/> <u>157,696</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 17,633</u>	<u>\$ 179,031</u>	<u>\$ 196,664</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017

	Drug Task Force Fund	Prisoner Welfare Fund	Total
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal grants	\$ 15,323	\$ -	\$ 15,323
Miscellaneous commissions	-	6,973	6,973
Use of money and property:			
Interest	11	-	11
Sale of Merchandise	-	343,744	343,744
Total Revenues	15,334	350,717	366,051
<u>EXPENDITURES</u>			
Public safety:			
Operating services	15,323	81,052	96,375
Material and supplies	-	27,793	27,793
Capital outlay	-	19,467	19,467
Purchase of merchandise for resale	-	233,299	233,299
Total Expenditures	15,323	361,611	376,934
Excess (deficiency) of Revenues over Expenditures	11	(10,894)	(10,883)
Fund Balance at beginning of year	10,737	157,842	168,579
Fund Balance at end of year	\$ 10,748	\$ 146,948	\$ 157,696

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA, PARISH OF WEST BATON ROUGE PARISH

AFFIDAVIT

Michael B. Cazes, Sheriff of West Baton Rouge Parish

BEFORE ME, the undersigned authority, personally came and appeared, Michael B. Cazes, the Sheriff of West Baton Rouge Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct: \$23,404 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.

[Handwritten Signature]
Signature
Sheriff of West Baton Rouge Parish

SWORN to and subscribed before me. Notary, this 28th day of December 2017, in my office in Pont Allen, Louisiana. (City/Town)

[Handwritten Signature] (Signature)

Barbara Keal (Print), # 81940
Notary Public

life (Commission)

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2017

Agency Head Name: Mike Cazes, Sheriff

Purpose	Amount
Salary	\$ 159,540
Benefits- insurance	11,084
Benefits- retirement	55,537
Travel	<u>2,177</u>
Total	<u><u>\$ 228,338</u></u>



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

Honorable Mike Cazes
West Baton Rouge Parish Sheriff
Port Allen, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining information of the West Baton Rouge 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 West Baton Rouge Parish Sheriff's basic financial statements, and have issued our report thereon dated December 29, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the West Baton Rouge Parish 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*.

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.

Dies, Dupuy & Ruiz

Gonzales, Louisiana
December 29, 2017

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the West Baton Rouge Parish Sheriff's Office as of and for the year June 30, 2017.
2. No significant deficiencies were reported relating to the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the West Baton Rouge Parish Sheriff's Office were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

1. None

C. FINDINGS - COMPLIANCE

1. None

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017

A. FINDINGS - FINANCIAL STATEMENT AUDIT

1. None

B. FINDINGS – COMPLIANCE

1. None



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

To the Honorable Mike Cazes, West Baton Rouge Parish Sheriff and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above with the exception of how vendors are added to the vendor list.

Management's response: The Sheriff intends to amend the purchasing policy to address how vendors are added to the vendor list.

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

Written policies and procedures were obtained and address the functions noted above.

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

The Sheriff only has a formal policy for the Work Release Center Fund receipts that address the functions noted above. The Sheriff does not have a receipts policy for the remaining funds.

Management's response: The Sheriff intends to prepare a receipts policy to address the functions noted above for all activities of the Sheriff's office.

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

Written policies and procedures were obtained noting that the policy did not address the functions noted above.

Management's response: The Sheriff intends to amend the payroll/personnel policy to address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above with the exception of what types of services require written contracts.

Management's response: The Sheriff intends to amend the contracting policy to address what types of services require written contracts.

- 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.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

The Sheriff does not have an ethics policy to address the functions noted above.

Management's response: The Sheriff intends to prepare an ethics policy to address the functions noted above.

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

The Sheriff does not have a debt service policy to address the functions noted above.

Management's response: The Sheriff intends to prepare a debt policy to address the functions noted above.

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 Sheriff does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Sheriff.

- 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).

The Sheriff does not have a board of finance committee. Therefore; no minutes of meetings required to be maintained by the Sheriff.

- 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.

Not applicable.

- 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.

The Sheriff does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the 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. 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;

Obtained bank statements and reconciliations for all months in the fiscal period for all 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

The bank reconciliations prepared for all accounts did not include evidence that the Sheriff has reviewed each bank reconciliation for the period July 1, 2016 through November 30, 2016. However, beginning January 2017, the Sheriff implemented procedures to review all monthly bank reconciliations and there was evidence that the Sheriff reviewed each bank reconciliation prepared for the months December 2016 through June 2017.

- 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.

The bank reconciliations reviewed included reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period and management did not have documentation reflecting that it has researched reconciling items.

Management's response: Beginning January 2017, the Sheriff implemented procedures to review all monthly bank reconciliations and there was evidence that the Sheriff reviewed reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period..

Collections

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

Obtained listing of cash collection locations and management's representation that listing is complete.

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

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank

account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Collections are performed by ten employees of the Sheriff at four locations. The ten employees responsible for collecting cash are bonded. Two of the ten employees responsible for collecting cash are responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. Employees at three of the four locations share the same cash drawer.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- 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.

The entity does not have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections in the cash collection location selected.

Management's response: There are ten employees that are responsible for cash collections at the Sheriff's four cash collection sites. Efforts will be made to develop a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers to the extent possible with the limited number of employees involved at each location.

- 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.

One of the four cash collection sites made deposits within one day of collection. Three of the four cash collection sites were not made within on day of collection. The number of days from receipt to deposit for each location is as follows:

<i>Location</i>	<i>Revenue Source</i>	<i>Number of Receipts</i>	<i>Number of Days from Collection to Deposit</i>
<i>West Baton Rouge Court House</i>	<i>Civil Suits</i>	<i>17</i>	<i>4-18 days</i>
<i>West Baton Rouge Court House</i>	<i>All remaining sources</i>	<i>181</i>	<i>2 days</i>
<i>West Baton Rouge Jail</i>	<i>Commissary, Inmate Deposits</i>	<i>70</i>	<i>2 days</i>

Management's response: Due to the low volume of civil suit receipts collected during the year; deposits were made twice a month. Efforts will be made to develop a process to deposit cash collections on a more consistent basis. The Sheriff noted that the 181 receipts at the court house was collected on a Friday before a holiday weekend as the remaining collection for the week tested were made within one day of collection. Efforts will be made to the extent possible with the resources at the Jail to deposit cash collections within one day.

- 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.

Sequentially numbered receipts and/or other related collection documentation supported the cash collection.

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.

The entity does not have a formal process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

Management's response: Efforts will be made to develop a formal process to determine completeness of all cash collections, including transfer, for each revenue source to the extent possible with the limited number of employees involved.

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.

Obtained listing of disbursements and management's representation that listing is complete.

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

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

We were unable to perform the above prescribed procedure for 20 of the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices and/or adequate supporting documentation was present for the 20 of 25 transactions, matched the associated payments, and checks were signed by authorized signor. 5 of the 25 transactions tested were supported by a purchase order that separated initiation from the approval function.

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

We were unable to perform the above prescribed procedure for 20 of the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices and/or adequate documentation was present for the 20 of 25 transactions, matched the associated payments. 5 of the 25 transactions tested were supported by a purchase order that was approved by a person who did not initiate the purchase.

- 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.

We were unable to perform the above prescribed procedure for 20 of the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices and/or adequate documentation was present for the 20 of 25 transactions, matched the associated payments. Payments for 5 of the 25 transactions tested were not processed without an approved purchase order, receiving report as applicable, and an approved invoice.

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.

The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's response: The Sheriff is aware of the lack of segregation of duties. The Sheriff reviews supporting documentation prior to signing checks for purchase/disbursements, reviews and approves bank statements and bank reconciliations in efforts to mitigate risk associated with the limited number of employees involved with these transactions. Management feels that this is the most cost-efficient process for the Sheriff with the limited number of resources available in the accounting department.

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.

There are two people with signatory authority, the Sheriff and the accountant. The Sheriff has signatory authority and makes the final authorization for disbursements. The Sheriff also has authority to initiate

purchases. The accountant is an authorized signor for the entity and is responsible for initiating and recording purchases.

Management's response: Due to the limited number of resources available, the Sheriff is unable to adequately segregate these duties. The Sheriff reviews supporting documentation prior to signing checks for purchases/disbursements, reviews and approves bank statements and bank reconciliations in efforts to mitigate risk associated with the limited number of employees involved with these transactions. Management feels that this is the most cost-efficient process for the Sheriff with the limited number of resources available in the accounting department.

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.

The supply of unused checks is maintained in a locked location. The accountant who has signatory authority and system access to print checks has access to print checks has access to the supply of unused 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.

Sheriff has a signature stamp. The stamp is kept locked in his office under his control and used only with his knowledge and consent. Checks are not maintained under the control of the signer until mailed.

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

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

Obtained listing of credit cards/debit cards/fuel cards and management's representation that listing is complete.

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

Ten credit cards were 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.]]

Sheriff receives all credit card statements received in the mail, and reviews all statements prior to forwarding to accounting. Review and approval is not evidenced in writing for this, however the Sheriff signs all disbursement checks for credit card disbursements.

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

No finance charges and/or late fees were assessed on the selected statements.

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 noted.

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

No exceptions noted.

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

Transactions included in 2 of the 10 statements tested did not have purchase orders for the purchases made during that period required by policy. Transactions included in 8 of the 10 statements were supported by documentation required by policy.

- 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.

No exceptions noted.

- 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.

No exceptions noted.

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.

Obtained listing of travel and related expense reimbursements and management's representation that listing is complete.

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

Policies were obtained. No amounts listed exceeded GSA rates.

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.

Expenses were paid in accordance with written policy.

- 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 noted.

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

No exceptions noted.

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

No exceptions noted for 1 of 3 employees tested. Detail support of the mileage claimed on 2 of the 3 reimbursements tested for the two individuals were not maintained.

Management's response: Appropriate mileage is determined at time of reimbursement, however, evidence used to determine mileage is not maintained. The Sheriff will review policies with employees to ensure all supporting documentation of expenses are attached to reimbursements.

- 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 noted.

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

No exceptions noted.

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.

Obtained listing of contracts in effect and management's representation that listing was complete.

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

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

Formal/written contracts were obtained that supports the services arrangements. No exceptions noted.

- 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).

Not applicable.

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

Contracts were for operating leases. Each contract selected was not subject to the Louisiana Public Bid Law or Procurement Code and quotes were solicited.

- 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.

The contracts selected were not amended during the current fiscal period.

- 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.

Payments made on each contract were within the terms and conditions of the contract.

- 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).

Not applicable.

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:

Obtained listing of employees with their related salaries and management's representation that listing was complete.

- 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 noted.

- 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.

Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.

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

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and

does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- 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 noted.

- 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.

Sheriff maintained written documentation of leave records for selected employees/officials.

- 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 noted.

- 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.

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 for the fiscal period.

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.

The Sheriff maintained documentation demonstrating that required ethics training was completed during the calendar year 2017. However, documentation demonstrating that required ethics training was completed during the calendar year 2016 was not maintained.

- 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 they have received 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.

No debt was 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.

The Sheriff did not have outstanding debt during the current fiscal period.

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

Not applicable.

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

The Sheriff has posted on its premises and website the notice required by R.S. 24:523.1.

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 noted.

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

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

Dez, Dupuy + Remy

Gonzales, Louisiana
December 29, 2017