

ASSUMPTION PARISH SHERIFF

Napoleonville, Louisiana

Financial Report

Year Ended June 30, 2019

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	6-7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Fund	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities	13
Statement of Fiduciary Net Position	14
Notes to the Financial Statements	15-40
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	42
Schedule of Changes in Total OPEB Liability and Related Ratios	43
Schedule of Proportionate Share of Net Pension Liability	44
Schedule of Contributions	45
Notes to the Required Supplementary Information	46-47
 OTHER SUPPLEMENTARY INFORMATION	
Affidavit of Cash on Hand and of Taxes Collected	49
Schedule of Compensation, Benefits, and Other Payments to Agency Head	50
 INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52-53
Summary Schedule of Prior Year Findings	54
Schedule of Findings and Responses	55-56
Management's Corrective Action Plan for Current Year Findings	57



INDEPENDENT AUDITOR'S REPORT

The Honorable Leland J. Falcon
Assumption Parish Sheriff
Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Assumption Parish Sheriff, as of and for the year ended June 30, 2019, 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Assumption Parish Sheriff, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of changes in total OPEB liability and related ratios, the schedule of proportionate share of net pension liability, and the schedule of contributions on pages 42-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assumption Parish Sheriff's basic financial statements. The affidavit of cash on hand and of taxes collected and the schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The affidavit of cash on hand and of taxes collected and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the affidavit of cash on hand

and of taxes collected and the schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2019, on our consideration of the Assumption Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assumption Parish Sheriff's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
December 26, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 3,381,673
Investments	795,029
Receivables, net	14,995
Due from other governmental units	214,672
Prepaid items	64,912
Capital assets:	
Depreciable, net of accumulated depreciation	<u>1,419,348</u>
Total assets	5,890,629
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to net pension liability	1,181,495
Deferred outflows of resources related to OPEB	<u>488,081</u>
Total deferred outflows of resources	<u>1,669,576</u>
 Total assets and deferred outflows of resources	 <u>\$ 7,560,205</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
LIABILITIES	
Accounts payable	\$ 73,335
Due to others	119,817
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	169,978
Portion due or payable after one year:	
Compensated absences	161,471
Net other postemployment benefit obligation	4,606,359
Net pension liability	<u>1,817,643</u>
Total liabilities	6,948,603
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to net pension liability	1,349,869
NET POSITION	
Net position:	
Net investment in capital assets	1,419,348
Unrestricted (deficit)	<u>(2,157,615)</u>
Total net position	<u>(738,267)</u>
Total liabilities, deferred inflows of resources and net position	 <u>\$ 7,560,205</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Revenue And Changes in Net Position
				Governmental Activities
Governmental activities:				
Public safety	\$ 7,611,183	\$ 1,343,422	\$ 391,341	\$ (5,876,420)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				6,356,179
Grants and contributions not restricted to specific programs:				
State sources				378,460
Interest income				47,956
Miscellaneous				79,006
Asset Donation				163,115
Non-employer pension contributions				<u>193,513</u>
Total general revenues				<u>7,218,229</u>
Change in net position				1,341,809
Net position - July 1, 2018				<u>(2,080,076)</u>
Net position - June 30, 2019				<u>\$ (738,267)</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Balance Sheet – Governmental Fund
June 30, 2019

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 3,381,673
Investments	795,029
Receivables:	
Due from other governmental agencies	214,672
Other receivables	14,995
Prepaid items	<u>64,912</u>
Total assets	<u>\$ 4,471,281</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 73,335
Due to others	<u>119,817</u>
Total liabilities	193,152
Fund balance:	
Nonspendable	64,912
Unassigned	<u>4,213,217</u>
Total fund balance	<u>4,278,129</u>
Total liabilities and fund balance	<u>\$ 4,471,281</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balance for governmental funds at June 30, 2019		\$ 4,278,129
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of		
Vehicles, net of \$1,091,354 accumulated depreciation	494,761	
Equipment, net of \$827,048 accumulated depreciation	525,409	
Computers, net of \$444,727 accumulated depreciation	258,486	
Building improvements, net of \$25,832 accumulated depreciation	<u>140,692</u>	1,419,348
Deferred outflows of resources related to net pension liability and OPEB are not available resources and, therefore, are not reported in the funds		1,669,576
Liabilities not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(331,449)	
OPEB obligation payable	(4,606,359)	
Net pension liability	<u>(1,817,643)</u>	(6,755,451)
Deferred inflows of resources related to net pension liability are not payable from current expendable resources and, therefore, are not reported in the funds		<u>(1,349,869)</u>
Net position at June 30, 2019		<u>\$ (738,267)</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Revenues, Expenditures and Changes
in Fund Balance – Governmental Fund
Year Ended June 30, 2019

	General Fund
Revenues:	
Ad valorem taxes	\$ 6,356,179
Intergovernmental revenues -	
Federal grants and reimbursements	31,167
State sources:	
D.A.R.E. grant	20,001
Gaming revenue	186,451
Revenue sharing	192,009
Supplemental pay	340,173
Local grants and reimbursements	266,551
Fees, charges, and commissions for service	1,076,871
Interest income	47,956
Miscellaneous	79,006
Asset Donation	<u>163,115</u>
Total revenues	8,759,479
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	4,868,574
Operating services	1,188,441
Operations and maintenance	1,049,848
Travel and other charges	19,323
Capital outlay	<u>704,857</u>
Total expenditures	<u>7,831,043</u>
Net change in fund balance	928,436
Fund balance, beginning	<u>3,349,693</u>
Fund balance, ending	<u>\$ 4,278,129</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Fund to the
Statement of Activities
Year Ended June 30, 2019

Total net change in fund balance for the year ended June 30, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 928,436
The change in net position reported for governmental activities in the statement of activities is different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Prior year compensated absences	337,566	
Current year compensated absences	<u>(331,449)</u>	6,117
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	704,857	
Depreciation expense for the year ended June 30, 2019	<u>(369,389)</u>	
Current year deletions of capital assets, net of accumulated depreciation	<u>(11,372)</u>	324,096
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Decrease in pension expense	13,608	
Nonemployer pension contribution revenue	<u>193,513</u>	207,121
Effects of recording net OPEB liability and deferred inflows and outflows of resources related to net OPEB liability:		
Increase in OPEB expense		<u>(123,961)</u>
Total change in net position for the year ended June 30, 2019 per Statement of Activities		<u>\$ 1,341,809</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Fiduciary Net Position
June 30, 2019

ASSETS

Cash and interest-bearing deposits	\$ 414,882
Investments	<u>2,808,620</u>
Total assets	<u>\$ 3,223,502</u>

LIABILITIES

Due to taxing bodies and others	\$ 3,206,678
Due to inmates	<u>16,824</u>
Total liabilities	<u>\$ 3,223,502</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

INTRODUCTION

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Sheriff conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, the Louisiana Governmental Audit Guide. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Basis of Presentation

The accompanying financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America.

Government-Wide Financial Statements

The statements of net position and activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

The funds of the Sheriff are described below:

Governmental Fund -

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

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action or other regulatory proceeding. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting. The agency funds are as follows:

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

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

Bond Fund - accounts for the collection of cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inmate Trust Fund - accounts for the receipts and disbursements made to the individual inmate accounts and for the sale of commissary merchandise and supplies.

Garnishment Fund - accounts for the collection of garnishments and payment of these collections to the appropriate recipients in accordance with court orders.

Hazardous Material Fund - accounts for the receipt and distribution of special service charges on the manufacture, use, storage or transport of hazardous materials as enacted by Ordinance 00-19 of the Assumption Parish Police Jury, as amended by Ordinances 01-01 and 02-11.

Measurement Focus/Basis of Accounting

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

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

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

The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 1. The taxes are generally collected in December, January, and February of the fiscal year.

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest on interest-bearing deposits is recorded or accrued as revenues when earned.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

Unearned Revenues

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

Cash and Interest-bearing Deposits

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits.

Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. All of the Sheriff's investments are in LAMP, which are stated at fair value.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-Term Interfund Receivables/Payables

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

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

Capital assets are recorded in the statement of net position. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5 Years
Equipment	5-10 Years
Computers	5-10 Years
Building improvements	10-40 Years

Compensated Absences

Employees of the Sheriff earn two weeks of annual leave and five days of sick leave each year. Annual leave must be used in the year it is earned. Additional leave of absence, without pay, may be granted at the discretion of the Sheriff.

In lieu of payment for certain hours worked, employees of the Sheriff may elect to receive comp-time. Comp-time may be used for paid time off from work or left to accumulate, up to a maximum of 240 or 480 hours per employee, depending upon service responsibilities. Any unused comp-time at the time of retirement, or separation from employment, is paid to the employee.

In prior years, compensated absences have typically been liquidated by the Sheriff's general fund.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

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

Fund financial statements

Fund balance for the Sheriff's governmental fund (the General Fund) is displayed in the following classification depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned - amounts that are available for any purpose; these amounts can be reported only in the Sheriff's General Fund.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

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.

Net Other Postemployment Benefit Obligations

The Sheriff applies the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This pronouncement requires the Sheriff to calculate and recognize a net *other postemployment benefit* (OPEB) obligation at June 30, 2019. See Note 10 for further details.

Pensions

The Sheriff applies the provisions of GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions*". This pronouncement requires the Sheriff to calculate and recognize a net pension liability at June 30, 2019. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund and additions to/deductions from the Sheriffs' Pension and Relief Fund fiduciary net position have been determined on the same basis as they are reported by the Sheriffs' Pension and Relief Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for further details.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement 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 (expense) until then. The Sheriff reported deferred outflows of resources related to pensions and Other Postemployment Benefit (OPEB).

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement 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) until then. The Sheriff reported deferred inflows of resources related to pensions and OPEB.

See Note 8 and Note 10 for additional information related to deferred outflows of resources and deferred inflows of resources related to pensions and OPEB.

Subsequent Events

The Sheriff has evaluated subsequent events through December 26, 2019, the date the financial statements were available to be issued.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

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

The carrying value of the Sheriff's cash and interest-bearing deposits with financial institutions at June 30, 2019 totaled \$3,796,555; \$414,882 is included in the Sheriff's fiduciary funds. The bank balance was \$3,897,150. Federal deposit insurance covered \$250,000 of the deposits while the remaining deposits were covered by collateral held by the pledging bank's agent in the Sheriff's name in the amount of \$3,700,175. Cash and interest-bearing deposits are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 3 INVESTMENTS

Investments held at June 30, 2019 consist of \$3,603,649 in the Louisiana Asset Management Pool (LAMP); \$2,808,620 is included in the Sheriff's fiduciary funds. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent of practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk – LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk – LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk – Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk – LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 99 days as of June 30, 2019.

Foreign currency risk – Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

A portion of the Sheriff's deposits in LAMP, \$79,235, is restricted for use pending adjudication of and an authorization from the district court system.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 4 AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the Parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied by the parish government in June or July and are actually billed to taxpayers by the Sheriff 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 Assumption Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2019, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 33.31 mills on property with net assessed valuations totaling \$237,774,777.

Total law enforcement taxes levied during the fiscal year ended June 30, 2019 were \$7,920,249.

NOTE 5 RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS

Receivables and amounts due from other governmental units at June 30, 2019 consist of the following:

	Receivables	Due from Other Governments
Governmental activities:		
Fees, charges and commissions for services	\$ -	\$ 177,960
State grants and commissions	-	30,089
Local grants and reimbursements	-	6,623
Miscellaneous receivables	14,995	-
Total	\$ 14,995	\$ 214,672

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 6 CAPITAL ASSETS

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities:				
Capital assets being depreciated:				
Vehicles	\$ 1,444,373	\$ 259,348	\$ (117,606)	\$ 1,586,115
Equipment	941,012	412,695	(1,250)	1,352,457
Computers	670,399	32,814	-	703,213
Building improvements	<u>166,524</u>	<u>-</u>	<u>-</u>	<u>166,524</u>
Total capital assets being depreciated	3,222,308	704,857	(118,856)	3,808,309
Less: accumulated depreciation				
Vehicles	1,064,620	132,968	(106,234)	1,091,354
Equipment	719,283	109,015	(1,250)	827,048
Computers	321,465	123,262	-	444,727
Building improvements	<u>21,688</u>	<u>4,144</u>	<u>-</u>	<u>25,832</u>
Total accumulated depreciation	<u>2,127,056</u>	<u>369,389</u>	<u>(107,484)</u>	<u>2,388,961</u>
Total assets being depreciated, net	<u>\$ 1,095,252</u>	<u>\$ 335,468</u>	<u>\$ (11,372)</u>	<u>\$ 1,419,348</u>

Depreciation expense of \$369,389 for the year ended June 30, 2019 was charged to the public safety function.

NOTE 7 ACCOUNTS, SALARIES, AND OTHER PAYABLES

The accounts, salaries, and other payables at June 30, 2019, consist of the following:

	Governmental Activities	Fiduciary Funds	Total
Accounts payable	\$ 73,335	\$ -	\$ 73,335
Due to inmates	-	16,824	16,824
Due to other governmental units	-	3,206,678	3,206,678
Evidence seizures	<u>119,817</u>	<u>-</u>	<u>119,817</u>
Total	<u>\$ 193,152</u>	<u>\$ 3,223,502</u>	<u>\$ 3,416,654</u>

As discussed in Note 14, amounts due to other governmental units in the Fiduciary Funds include \$2,808,619 from taxes paid under protest and are held pending resolution of those protests.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN

Plan Description

The Sheriffs' Pension and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association, and the Sheriff's Pension and Relief Fund's office. The Sheriff's Pension and Relief Fund, State of Louisiana, is the administrator of the Fund and is governed by a board of trustees.

Benefits Provided

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

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

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

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

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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

Contributions

Contribution requirements for all employers are actuarially determined each year in accordance with state statute. For the year ended June 30, 2018, the actual employer contribution rate was 12.75% with an additional 0% allocated from the Funding Deposit Account. The Sheriff's statutorily required composite contribution rate for the year ended June 30, 2019 was 12.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Employee contributions are based on the employee's annual covered salary and are established by the board of trustees. For the year ended June 30, 2019, the employee contribution rate was 10.25%. Contributions to the pension plan from the Sheriff were \$458,471 for the year ended June 30, 2019.

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, 2018.

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

At June 30, 2019, the Sheriff reported a liability of \$1,817,643 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 entities, actuarially determined. At June 30, 2018, the Sheriff's proportion was 0.474005%, which was an increase of 0.002925% from its proportion measured as of June 30, 2017.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$877,975. The Sheriff recognized revenue of \$193,513 as its proportionate share of non-employer contributions for the year ended June 30, 2019.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 510,241
Changes of assumptions	537,321	-
Net difference between projected and actual earnings on pension plan investments	-	107,901
Changes in proportion and differences between employer contributions and proportionate share of contributions	185,703	731,727
Employer contributions subsequent to the measurement date	<u>458,471</u>	<u>-</u>
	<u>\$ 1,181,495</u>	<u>\$ 1,349,869</u>

Sheriff contributions subsequent to the measurement date in the amount of \$458,471 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. 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 ending June 30,

2019	\$ 119,887
2020	(127,794)
2021	(339,017)
2022	(169,391)
2023	<u>(110,530)</u>
	<u>\$ (626,845)</u>

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Sheriffs' Pension and Relief Fund
Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.25%, net of investment expense
Projected salary increases	5.5% (2.60% inflation, 2.90% merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries/RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected remaining service lives	6 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2018 are as follows:

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62.0%	6.9%	4.3%
Fixed Income	23.0%	3.2%	0.7%
Alternative Investments	<u>15.0%</u>	4.5%	<u>0.7%</u>
Total	<u>100.0%</u>		5.7%
Inflation			<u>2.5%</u>
Expected Arithmetic Nominal Return			<u>8.2%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, which was a decrease of 0.15% from the discount rate used to measure the total pension liability at June 30, 2017. 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 required rates approved by Public Employees' Retirement Systems' Actuarial Committee taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Sheriff calculated using the discount rate of 7.25%, as well as what the Sheriff's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.25%	\$ 4,113,568
Current discount rate	7.25%	\$ 1,817,643
1% increase	8.25%	\$ (115,264)

Plan Fiduciary Net Position

The Sheriff's Pension and Relief Fund has issued a stand-alone financial report for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

NOTE 9 DEFERRED COMPENSATION PLAN

The Sheriff offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The Sheriff's contribution to the Plan for the year ended June 30, 2019 was \$89,474.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. The Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section *P52 Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided

Medical/dental and life insurance benefits are provided to employees upon actual retirement. The employer pays a portion of the medical coverage for the retiree and their dependents. Employees are covered by the Louisiana Sheriffs' Pension and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 12 years of service. However, twenty years of service is required to be eligible for employer-paid OPEB benefits. Effective for retirement on and after July 1, 2016, the employer pays varying percentages of the medical/dental and life premiums as follows: less than 20 years, zero; at least 20 years but less than 25, 50%; at least 25 years but less than 30, 75%; and, more than 30 years, 100%.

Life insurance coverage is continued to retirees by election and based on a blended rate for active employees and retirees. The employer pays for a percentage of the first \$10,000 of retiree life insurance, based on the service schedule in the section above entitled "Plan Terms", and the retiree pays for any elected excess life insurance over \$10,000. However, both are based on the blended rate and there is thus an implied subsidy.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>84</u>
Total	<u>98</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Sheriff's total OPEB liability of \$4,606,359 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$255,069. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 416,257	\$ -
Changes in assumptions	71,824	-
Total	\$ 488,081	\$ -

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

Years ending June 30:

2020	24,404
2021	24,404
2022	24,404
2023	24,404
2024	24,404
Thereafter	366,061

Actuarial Assumptions and Discount Rate

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0% including inflation
Discount rate	3.87% annually
	3.50% annually
Healthcare cost trend rates	Flat 5.5% annually
Mortality rates	RP-2000 Table without projection with 50%/50% unisex blend

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 3,900,102
Changes for the year:	
Service cost	78,217
Interest	152,447
Differences between expected and actual experience	357,740
Changes in assumptions	248,961
Benefit payments and net transfers	<u>(131,108)</u>
Net changes	<u>706,257</u>
Balance at June 30, 2019	<u>\$ 4,606,359</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1.0% Decrease (2.50%)	Current Discount Rate (3.50%)	1.0% Increase (4.50%)
Total OPEB Liability	\$ 5,512,757	\$ 4,606,359	\$ 3,900,552

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 3,923,739	\$ 4,606,359	\$ 5,476,863

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 11 CHANGES IN AGENCY FUND BALANCES

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

	Balance at July 1, 2018	Additions	Reductions	Balance at June 30, 2019
Sheriff's Fund	\$ 51,257	\$ 699,977	\$ 708,062	\$ 43,172
Tax Collector Fund	2,480,744	22,032,573	21,608,185	2,905,132
Bond Fund	226,973	586,555	555,154	258,374
Inmate Trust Fund	12,933	211,726	207,835	16,824
Garnishment Fund	-	70,198	70,198	-
Hazardous Materials Fund	<u>125</u>	<u>69,048</u>	<u>69,173</u>	<u>-</u>
Total	<u>\$ 2,772,032</u>	<u>\$ 23,670,077</u>	<u>\$ 23,218,607</u>	<u>\$ 3,223,502</u>

NOTE 12 CHANGES IN GENERAL LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions during the year:

	Balance at July 1, 2018	Additions	Payments/ Reductions	Balance at June 30, 2019	Due Within One Year
Governmental activities:					
Compensated absences	\$ 337,566	\$ 166,998	\$ 173,115	\$ 331,449	\$ 169,978
Other postemployment benefits	3,900,102	706,257	-	4,606,359	-
Net pension liability	<u>2,039,905</u>	<u>-</u>	<u>222,262</u>	<u>1,817,643</u>	<u>-</u>
Total	<u>\$ 6,277,573</u>	<u>\$ 873,255</u>	<u>\$ 395,377</u>	<u>\$ 6,755,451</u>	<u>\$ 169,978</u>

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 13 FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Sheriff is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	<u>General</u>
Fund balances:	
Nonspendable -	
Prepaid items	\$ 64,912
Unassigned:	<u>4,213,217</u>
Total fund balances	<u>\$ 4,278,129</u>

NOTE 14 TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2019, include \$2,808,619 of taxes paid under protest plus interest earned to date on the investment of these funds, penalties paid on the protest taxes, and overpayments. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 15 AD VALOREM TAXES COLLECTED AND ASSESSED AND UNCOLLECTED

The amount of ad valorem taxes collected and assessed and uncollected for the current year by the taxing authority is as follows:

	Taxes Assessed	Taxes Collected	Amount Uncollected
Assumption Parish Special Law Enforcement	\$ 6,664,428	\$ 6,585,679	\$ 78,749
Assumption Parish School Board	7,876,876	7,783,801	93,075
Assumption Parish Assessor	962,345	950,973	11,372
Assumption Parish Parks and Recreation	337,454	330,264	7,190
Assumption Parish Drainage Districts	127,900	127,900	-
Assumption Parish Council on Aging	900,324	889,685	10,639
Assumption Parish Police Jury	882,320	871,894	10,426
Assumption Parish Consolidated Fire District	1,000,364	988,543	11,821
Atchafalaya Levee District	745,463	735,931	9,532
Lafourche Levee District	60,336	60,319	17
Assumption Parish Library	400,138	395,410	4,728
Assumption Parish Light Districts	205,885	205,762	123
Department of Agriculture & Forestry	10,896	10,896	-
Louisiana Tax Commission	11,861	11,861	-
Bayou Lafourche Freshwater	406,134	401,335	4,799
Public Buildings and Governmental Facility	200,067	197,703	2,364
LA Cooperative Extension Service	200,067	197,703	2,364
Total	<u>\$ 20,992,858</u>	<u>\$ 20,745,659</u>	<u>\$ 247,199</u>

Uncollected taxes consist of moveable property, assessments for which due process was not effected, or assessments determined to be invalid and not removed from the tax rolls. The Sheriff continues with legal efforts to collect unremitted assessments.

NOTE 16 LITIGATION AND CLAIMS

At June 30, 2019, the Sheriff was involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, the only exposure to the Sheriff would be any costs in defense of the lawsuits with no liability to the Sheriff in excess of insurance coverage. It is the opinion of the Sheriff, after conferring with legal counsel, that the liabilities, if any, which might arise from these lawsuits would not have a material adverse effect on the Sheriff's financial position.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 17 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to auto liability; professional law enforcement liability; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Sheriff has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Sheriff is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended June 30, 2019. Settled claims have not exceeded the commercial coverage in any of the previous three years.

NOTE 18 EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Sheriff's office is located in the annex to the parish courthouse. The cost of maintaining and operating the annex parish courthouse, and Assumption Parish Detention Center, as required by statute, is paid by the Assumption Parish Police Jury. These expenditures are not included in the accompanying financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 5,673,000	\$ 6,365,400	\$ 6,356,179	\$ (9,221)
Intergovernmental revenues -				
Federal grants and reimbursements	62,500	51,025	31,167	(19,858)
State sources -				
D.A.R.E. grant	32,000	20,001	20,001	-
Gaming revenue	183,275	195,815	186,451	(9,364)
Revenue sharing	192,125	192,010	192,009	(1)
Supplemental pay	336,000	337,395	340,173	2,778
Local grants and reimbursements	376,370	519,649	266,551	(253,098)
Fees, charges and commissions for services	870,620	962,260	1,076,871	114,611
Interest income	27,500	38,200	47,956	9,756
Miscellaneous	49,500	103,856	79,006	(24,850)
Asset Donation	-	20,950	163,115	142,165
Total revenues	<u>7,802,890</u>	<u>8,806,561</u>	<u>8,759,479</u>	<u>(47,082)</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,726,400	4,880,040	4,868,574	11,466
Operating services	1,247,100	1,269,160	1,188,441	80,719
Operations and maintenance	1,121,000	1,056,810	1,049,848	6,962
Travel and other charges	20,650	19,750	19,323	427
Debt service	2,000	-	-	-
Capital outlay	385,000	688,840	704,857	(16,017)
Total expenditures	<u>7,502,150</u>	<u>7,914,600</u>	<u>7,831,043</u>	<u>83,557</u>
Net change in fund balance	300,740	891,961	928,436	36,475
Fund balance, beginning	<u>3,291,798</u>	<u>3,349,693</u>	<u>3,349,693</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,592,538</u>	<u>\$ 4,241,654</u>	<u>\$ 4,278,129</u>	<u>\$ 36,475</u>

See independent auditor's report and accompanying notes to the required supplementary information.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended June 30, 2019

	2018	2019
Service cost	\$ 84,603	\$ 78,217
Interest	142,504	152,447
Changes of benefit terms	-	-
Differences between expected and actual experience	83,108	357,740
Changes in assumptions	(181,809)	248,961
Benefit payments	(124,273)	(131,108)
Net change in total OPEB liability	4,133	706,257
Total OPEB liability - beginning	3,895,969	3,900,102
Total OPEB liability - ending	\$ 3,900,102	\$ 4,606,359
 Covered-employee payroll	 \$ 2,851,934	 \$ 2,937,492
 Net OPEB liability as a percentage of covered-employee payroll	 136.75%	 156.81%

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2019

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.677423%	\$ 2,682,599	\$ 4,421,468	60.67%	87.34%
2016	0.686490%	\$ 3,060,041	\$ 4,381,356	69.84%	86.61%
2017	0.646676%	\$ 4,104,385	\$ 4,461,856	91.99%	82.10%
2018	0.471080%	\$ 2,039,905	\$ 3,285,560	62.09%	88.49%
2019	0.474005%	\$ 1,817,643	\$ 3,258,555	55.78%	90.41%

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Contributions
Year Ended June 30, 2019

Year ended June 30,	Statutorily Required Contribution	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 649,003	\$ 649,003	\$ -	\$ 4,381,356	14.81%
2016	\$ 613,505	\$ 613,505	\$ -	\$ 4,461,856	13.75%
2017	\$ 435,337	\$ 435,337	\$ -	\$ 3,285,560	13.25%
2018	\$ 415,466	\$ 415,466	\$ -	\$ 3,258,555	12.75%
2019	\$ 458,471	\$ 458,471	\$ -	\$ 3,742,617	12.25%

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Required Supplementary Information

NOTE 1 BASIS OF ACCOUNTING

The budgetary basis is in accordance with generally accepted accounting principles (GAAP).

NOTE 2 BUDGETARY PRACTICES

Budgetary Information

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

1. The chief civil deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally budgeted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

NOTE 3 OTHER POSTEMPLOYMENT BENEFITS

Changes of Benefit Terms – There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions – The discount rate as of June 30, 2018 was 3.87% and changed to 3.50% as of June 30, 2019.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Required Supplementary Information

NOTE 4 PENSION PLAN

Changes of Benefit Terms – There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions – The discount rate changed from 7.40% to 7.25% and the investment rate of return changed from 7.50% to 7.25% during the June 30, 2018 valuation.

OTHER SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA, PARISH OF ASSUMPTION

AFFIDAVIT

Leland J. Falcon, Sheriff of Assumption Parish

BEFORE ME, the undersigned authority, personally came and appeared, Leland J. Falcon, the sheriff of Assumption Parish, State of Louisiana, who after being duly sworn, deposed and said:

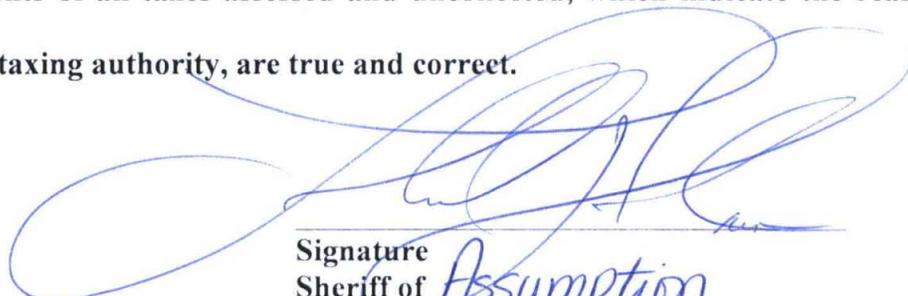
The following information is true and correct:

\$2,905,131.81 is the amount of cash on hand in the tax collector account on June 30, 2019;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2018, by taxing authority, are true and correct.

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


Signature
Sheriff of Assumption
(Parish)

SWORN to and subscribed before me, Notary, this 26th day of December 20 19, in my office in the Napoleonville, Louisiana.
(City/Town)

 (Signature)
Christy Jacobs (Print), # 146480
Notary Public
Ex-Officio Notary Public (Commission)

See independent auditor's report.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
Year Ended June 30, 2019

Agency Head Name: Leland Falcon, Sheriff

<u>Purpose</u>	<u>Amount</u>
Annual salary	\$ 110,119
Benefits - insurance (health)	11,670
Benefits - insurance (life)	1,050
Benefits - retirement	29,320
Benefits - disability insurance	1,019
Benefits - deferred compensation match	5,506
Registration fees	50
Conference travel	<u>1,062</u>
Total	<u>\$ 159,796</u>

See independent auditor's report.

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER INFORMATION**



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

The Honorable Leland J. Falcon
Assumption Parish Sheriff
Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Assumption Parish Sheriff (Sheriff), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 26, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

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

Assumption Parish Sheriff's Response to Finding

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

Purpose of this Report

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

Dannall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
December 26, 2019

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 2019

2018-001 Finding: Inadequate Segregation of Accounting Functions
Status: This finding is unresolved. See current year finding 2019-001.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Findings and Responses
Year Ended June 30, 2019

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

Unmodified opinions have been expressed on the financial statements of the Sheriff's governmental activities, the major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2019.

Deficiencies in Internal Control – Financial Reporting

One deficiency in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 2019-001 in Part 2. We consider the deficiency to be a material weakness.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the year ended June 30, 2019.

MANAGEMENT LETTER

This section is not applicable for the year ended June 30, 2019.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

The results of our tests disclosed one finding related to the audit of the June 30, 2019 financial statements.

2019-001 Inadequate segregation of accounting functions

Criteria: A strong internal control system requires the segregation of responsibilities between different individuals responsible for separate major areas of the accounting system.

Condition: Due to the small number of accounting personnel, the Sheriff did not have adequate segregation of functions within the accounting system.

Cause: The failure to design and implement policies and procedures necessary to achieve adequate internal control led to this condition.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Findings and Responses
Year Ended June 30, 2019

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards* (Continued)

Effect: The likelihood that a material misstatement will not be prevented or detected and corrected on a timely basis is increased. The perpetration of fraudulent activity is easier to achieve under this condition.

Recommendation: An analysis of the benefits that would be obtained by adequately segregating functions within the accounting system and the costs to employ additional individuals to achieve adequate segregation should be performed.

Views of Responsible Officials and Planned Corrective Actions: This information is reported in a separate schedule titled "Management's Corrective Action Plan for Current Year Findings".

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2019, the Sheriff did not meet the requirements to have a single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; therefore, this section is not applicable.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2019

2019-001 Inadequate segregation of accounting functions

Management's Response and Planned Corrective Action: The Assumption Parish Sheriff is aware of the condition and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.

Name and Title of Contact Person: Leland J. Falcon, Sheriff

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of the Assumption Parish Sheriff,

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
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 do not address purchasing.
 - c) **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures do not address disbursements.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Written policies and procedures were obtained and address the functions noted above.

- 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 and address payroll functions, but do not specifically address (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

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

Written policies and procedures do not address credit cards.

- 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 all the functions noted above with the exception of: (2) dollar thresholds by category of expense.

- 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.

Written policies and procedures were obtained and 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.

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

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures do not address disaster recovery/business continuity..

Board (or Finance Committee, if applicable)

These procedures are not applicable to entities managed by a single election official such as a Sheriff.

Bank Reconciliations

No exceptions were noted during the fiscal year ended June 30, 2018 SAUP engagement; therefore, this section was excluded from testing this fiscal year.

Collections

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

Obtained listing of deposit sites where deposits for cash/checks/money orders are prepared from management and management's representation that the listing is complete.

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

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

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

No exceptions noted.

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

One employee responsible for collecting cash is also responsible for preparing/making bank deposits.

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

One employee responsible for collecting cash is also responsible for posting collection entries to the general ledger.

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

One employee responsible for reconciling cash collections to the general ledger is also responsible for collecting cash.

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

No exceptions noted.

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

- a) Observe that receipts are sequentially pre-numbered.
No exceptions noted.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
No exceptions noted.
- e) Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments from management and management's representation that the listing is complete.
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
No exceptions noted.
 - b) At least two employees are involved in processing and approving payments to vendors.
No exceptions noted.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
Two employees are responsible for processing payments and adding/modifying vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Two employees are responsible mailing checks and processing payments.
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that

the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

No exceptions noted.

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

See exceptions for 9c and 9d above. No other exceptions noted.

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

No exceptions were noted during the fiscal year ended June 30, 2018 SAUP engagement; therefore, this section was excluded from testing this fiscal year.

Travel and Travel-Related Expense Reimbursement

No exceptions were noted during the fiscal year ended June 30, 2018 SAUP engagement; therefore, this section was excluded from testing this fiscal year.

Contracts

No exceptions were noted during the fiscal year ended June 30, 2018 SAUP engagement; therefore, this section was excluded from testing this fiscal year.

Payroll and Personnel

No exceptions were noted during the fiscal year ended June 30, 2018 SAUP engagement; therefore, this section was excluded from testing this fiscal year.

Ethics

No exceptions were noted during the fiscal year ended June 30, 2018 SAUP engagement; therefore, this section was excluded from testing this fiscal year.

Debt Service

No exceptions were noted during the fiscal year ended June 30, 2018 SAUP engagement; therefore, this section was excluded from testing this fiscal year.

Other

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

No misappropriations of public funds and assets noted.

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

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.

Dannall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

December 26, 2019



Assumption Parish Sheriff's Office

Leland J. Falcon, Sheriff & Ex-Officio Tax Collector

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Independent Accountant's Report on Applying Agreed-Upon Procedures Management Response

Written Policies and Procedures

1. b) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2019-2020 fiscal year. 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 will be reviewed for inclusion in the revised policies and procedures.
1. c) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2019-2020 fiscal year. Disbursements, including processing, reviewing, and approving will be reviewed for inclusion in the revised policies and procedures.
1. e) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2019-2020 fiscal year. Payroll/Personnel, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked will be reviewed for inclusion in the revised policies and procedures.
1. g) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2019-2020 fiscal year. Credit cards, including (1) how cards are to be controlled; (2) allowable business uses; (3) documentation requirements; (4) required approvers; and (5) monitoring card usage will be reviewed for inclusion in the revised policies and procedures.
1. h) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2019-2020 fiscal year. Travel and expense reimbursement, including (2) dollar thresholds by category of expense will be reviewed for inclusion in the revised policies and procedures.
1. k) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2019-2020 fiscal year. Disaster recovery and business continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and

(6) identification of personnel, processes, and tools needed to recover operations after a critical event will be reviewed for inclusion in the revised policies and procedures.

Collections

5. b) Management is aware of the inadequate segregation of accounting functions and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.
5. c) Management is aware of the inadequate segregation of accounting functions and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.
5. d) Management is aware of the inadequate segregation of accounting functions and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.

Non-Payroll Disbursements

9. c) Management is aware of the inadequate segregation of accounting functions and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.
9. d) Management is aware of the inadequate segregation of accounting functions and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.
10. b) Management is aware of the inadequate segregation of accounting functions and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.