

**PLAQUEMINES PARISH SHERIFF**  
**Pointe-A-La-Hache, Louisiana**

**Financial Report**

**Year Ended June 30, 2017**

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-11B
 <b>BASIC FINANCIAL STATEMENTS</b>	
 <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	14
Statement of activities	15
 <b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Fund description - major funds	
Balance sheet - governmental funds	18
Reconciliation of the governmental funds balance sheet to the statement of net position	19
Statement of revenues, expenditures, and changes in fund balances - governmental funds	20
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	21
Fund descriptions - nonmajor funds	
Statement of fiduciary net position - agency funds and trust fund	23
Statement of changes in fiduciary net position - other post employment benefit plan - PREIF trust fund	24
Notes to basic financial statements	25-61
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund:	
Budgetary comparison schedule	63
Budgetary comparison schedule - revenues	64
Budgetary comparison schedule - expenditures	65-66
Schedule of funding progress	67
Schedule of employer's share of net pension liability	68
Schedule of employer's contributions	69
Schedule of OPEB liability and related ratios	70
Schedule of employer's OPEB contributions	71
Notes to the required supplementary information	72

## TABLE OF CONTENTS

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
Affidavit	74
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	76-77
Schedule of prior and current year audit findings and management's corrective action plan	78-79

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## INDEPENDENT AUDITORS' REPORT

\* A Professional Accounting Corporation

The Honorable Gerald A. Turlich, Jr.  
Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 funds, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of employer's share of net pension liability, schedule of employer contributions, schedule of employer's share of net other postemployment benefit liability, schedule of employer's other postemployment benefit contributions, and notes to the required supplementary information on pages 4 through 11B and 63 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Parish Sheriff's basic financial statements.

The accompanying affidavit is presented as mandated by the Louisiana Legislative Auditor, and is not a required part of the basic financial statements. The affidavit has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### ***Emphasis of Matter***

As discussed in Note 17 to the financial statements, in 2017 the Sheriff adopted new accounting guidance, GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the Plaquemines 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 Plaquemines Parish Sheriff's internal control over financial reporting and compliance.

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

Breaux Bridge, Louisiana  
December 14, 2017

PLAQUEMINES PARISH SHERIFF  
Pointe-a-La-Hache, Louisiana  
Management's Discussion and Analysis  
June 30, 2017

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of three sections: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. Management's discussion and analysis is intended to serve as an introduction to the Plaquemines Parish Sheriff's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains additional information to supplement the basic financial statements, such as required supplementary information.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position (page 14). This is the government-wide statement of position that presents information on Plaquemines Parish Sheriff's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. This statement is designed to display the financial position of the Plaquemines Parish Sheriff. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities (page 15), which reports how the Sheriff's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statements of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenue provided by the Sheriff's taxpayers.

The government-wide financial statements present the governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety.

**FUND FINANCIAL STATEMENTS**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

PLAQUEMINES PARISH SHERIFF  
Pointe-a-La-Hache, Louisiana  
Management's Discussion and Analysis  
June 30, 2017

**FUND FINANCIAL STATEMENTS (Continued)**

The various funds of the Sheriff are classified into two categories: governmental (general fund), and fiduciary (agency funds).

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The governmental fund financial statements are presented on pages 18 through 21 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The fiduciary fund financial statement is presented on page 23 of this report.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Plaquemines Parish Sheriff's budgetary comparison (page 63), progress in funding its obligations to provide other postemployment benefits (page 67), proportionate share of the net pension liability (page 68), and pension contributions (page 69).

PLAQUEMINES PARISH SHERIFF  
 Pointe-a-La-Hache, Louisiana  
 Management's Discussion and Analysis  
 June 30, 2017

**FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE**

The Sheriff's net position at fiscal year-end is a balance of \$85,964,337. The following table provides a summary of the Sheriff's net position:

**COMPARATIVE STATEMENTS OF NET POSITION**

	June 30, 2017		June 30, 2016	
	Governmental Activities	Percentage Total	Governmental Activities	Percentage Total
<u>Assets:</u>				
Current assets	\$ 8,296,646	7%	\$ 7,921,318	6%
Noncurrent assets	2,903,309	2%	2,042,247	2%
Capital assets, net	109,777,732	91%	113,864,193	92%
Total	<u>120,977,687</u>	<u>100%</u>	<u>123,827,758</u>	<u>100%</u>
<u>Deferred Outflows:</u>	7,001,577	100%	4,013,505	100%
<u>Liabilities:</u>				
Current liabilities	2,359,162	6%	3,145,973	8%
Long-term liabilities	38,572,065	94%	34,635,195	92%
Total liabilities	<u>40,931,227</u>	<u>100%</u>	<u>37,781,168</u>	<u>100%</u>
<u>Deferred Inflows:</u>	1,083,700	100%	1,654,841	100%
<u>Net Position:</u>				
Net investment in capital assets	99,913,176	116%	103,372,440	117%
Unrestricted	(13,948,839)	-16%	(14,967,186)	-17%
Total net position (deficit)	<u>\$ 85,964,337</u>	<u>100%</u>	<u>\$ 88,405,254</u>	<u>100%</u>

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.5 to 1 for the year ended June 30, 2017 and 2.5 to 1 for the year ended June 30, 2016.

The Sheriff reported a decrease in net position for the governmental activities for the year ended June 30, 2017. Net position decreased by \$2,440,917 for governmental activities from the prior year.

For the year ended June 30, 2017, 116.2% of the governmental activities' net position is invested in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

PLAQUEMINES PARISH SHERIFF  
 Pointe-a-La-Hache, Louisiana  
 Management's Discussion and Analysis  
 June 30, 2017

**FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE (Continued)**

The following table provides a summary of the Sheriff's changes in net position for the years ended June 30, 2017 and 2016:

**COMPARATIVE STATEMENT OF ACTIVITIES**

	June 30, 2017		June 30, 2016	
	Governmental Activities	Percentage Total	Governmental Activities	Percentage Total
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 3,876,670	15%	\$ 1,985,106	9%
Operating grants	2,516,929	10%	753,194	4%
General Revenues				
Property taxes	17,348,391	66%	17,084,527	77%
State sources	1,383,582	5%	1,331,920	6%
Interest and investment earnings	34,402	0%	28,568	0%
Loss on sale of assets	(225,118)	-1%	(172,867)	-1%
Miscellaneous	1,231,094	5%	1,148,319	5%
Total Revenues	<u>26,165,950</u>	<u>100%</u>	<u>22,158,767</u>	<u>100%</u>
<b>Expenses</b>				
Public safety	28,284,479	99%	26,955,034	97%
Interest expense	322,388	1%	785,961	3%
Total Expenses	<u>28,606,867</u>	<u>100%</u>	<u>27,740,995</u>	<u>100%</u>
<b>Change in Net Position</b>	(2,440,917)		(5,582,228)	
<b>Beginning net position</b>	<u>88,405,254</u>		<u>93,987,482</u>	
<b>Ending net position</b>	<u>\$ 85,964,337</u>		<u>\$88,405,254</u>	

PLAQUEMINES PARISH SHERIFF  
Pointe-a-La-Hache, Louisiana  
Management's Discussion and Analysis  
June 30, 2017

**GOVERNMENTAL REVENUES**

The Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 66% of the Sheriff's total revenues for fiscal year 2017 compared to 77% for fiscal year 2016.

Program revenues, including operating grants received and charges for services, accounted for 25% of governmental operating revenues for fiscal year 2017 compared to 13% for fiscal year 2016.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

The total function of the Sheriff's office is public safety activities. Depreciation on the building improvements, vehicles, office furniture and equipment and law enforcement weapons and communication equipment was \$4,133,105 or 14% of total expenses for fiscal year 2017 and \$4,070,222 or 15% of total expenses for fiscal year 2016.

**FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS**

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. At June 30, 2017, governmental funds reported ending fund balances of \$9,036,940. Of this total, \$5,877,282 or 65% is unassigned indicating availability for continuing the Sheriff's activities.

**MAJOR GOVENMENTAL FUNDS**

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$1,309,467 or 20% from the prior year to \$7,999,692.

PLAQUEMINES PARISH SHERIFF  
 Pointe-a-La-Hache, Louisiana  
 Management's Discussion and Analysis  
 June 30, 2017

**MAJOR GOVENMENTAL FUNDS (Continued)**

The following table provides a summary of the Sheriff's changes in fund balance of the General Fund for the years ended June 30, 2017 and 2016:

**CONDENSED BALANCE SHEET - GENERAL FUND**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Increase (Decrease)</u>
<u>Assets:</u>			
Cash	\$ 5,192,945	\$ 5,252,260	\$ (59,315)
Investments	1,006,354	877,177	129,177
Receivables	3,243,156	3,154,780	88,376
Prepaid expenses	<u>418,420</u>	<u>152,177</u>	<u>266,243</u>
Total Assets	<u><u>\$ 9,860,875</u></u>	<u><u>\$ 9,436,394</u></u>	<u><u>\$ 424,481</u></u>
 <u>Liabilities:</u>			
Accounts payable	\$ 330,573	\$ 468,523	\$ (137,950)
Salaries and pension liability	35,562	261,326	(225,764)
Contracts & retainage payable	44,982	167,832	(122,850)
Claims payable	434,787	725,766	(290,979)
Deferred revenue	851,964	978,427	(126,463)
Due to employees and others	<u>163,315</u>	<u>144,295</u>	<u>19,020</u>
Total liabilities	1,861,183	2,746,169	(884,986)
 <u>Fund Balance:</u>			
Nonspendable	418,420	152,177	266,243
Restricted	1,703,990	1,573,345	130,645
Unassigned	<u>5,877,282</u>	<u>4,964,703</u>	<u>912,579</u>
Total fund balance	<u><u>7,999,692</u></u>	<u><u>6,690,225</u></u>	<u><u>1,309,467</u></u>
Total liabilities and fund balance	<u><u>\$ 9,860,875</u></u>	<u><u>\$ 9,436,394</u></u>	<u><u>\$ 424,481</u></u>

PLAQUEMINES PARISH SHERIFF  
 Pointe-a-La-Hache, Louisiana  
 Management's Discussion and Analysis  
 June 30, 2017

**MAJOR GOVENMENTAL FUNDS (Continued)**

The following table provides a summary of the Sheriff's deficiency of revenues over expenditures of the General Fund for the years ended June 30, 2017 and 2016:

**CONDENSED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - GENERAL FUND**

	June 30, 2017	June 30, 2016	Increase (Decrease)
<b>Revenues</b>			
Taxes	\$ 17,348,391	\$ 17,084,527	\$ 263,864
Intergovernmental	2,604,547	1,789,373	815,174
Fees	3,876,670	2,067,357	1,809,313
Interest	28,638	22,896	5,742
Miscellaneous	1,231,094	1,148,319	82,775
Total revenues	25,089,340	22,112,472	2,976,868
<b>Expenditures</b>			
Operating Expenditures	22,832,040	22,418,038	414,002
Debt Service Principal	450,000	430,000	20,000
Debt Service Interest	355,738	731,569	(375,831)
Capital Outlay	142,095	990,532	(848,437)
Total expenditures	23,779,873	24,570,139	(790,266)
Other financing sources	-	49,880	(49,880)
Excess (deficiency) of revenues over expenditures	1,309,467	(2,407,787)	3,717,254
Fund balance, beginning	6,690,225	9,098,012	(2,407,787)
Fund balance, ending	\$ 7,999,692	\$ 6,690,225	\$ 1,309,467

Total revenues increased by \$2,976,868 or 13.5% from the prior year. This increase is primarily attributed to fees which reported an increase of \$1,809,313 or 87.5% and intergovernmental revenue which reported an increase of \$815,174 or 45.6% from the prior year. Operating expenditures increased \$414,002 or 1.8% more than the prior fiscal year. The operating expenditures increase is attributed to: Operations and maintenance increase of \$533,949 or 14.4% and Public safety expenditures increase of \$160,216 or 1.1% from the prior year. These increases were offset by a decrease in operating services expenditures of \$257,767 or 5.6%.

PLAQUEMINES PARISH SHERIFF  
Pointe-a-La-Hache, Louisiana  
Management's Discussion and Analysis  
June 30, 2017

**BUDGETARY HIGHLIGHTS**

General Fund

For the fiscal year ended June 30, 2017 the budget adopted by the former Sheriff budgeted a deficit of \$2,101,269. The adopted budget was not amended but immediate steps were taken by the current administration to identify possible additional revenues and cost saving measures. As a result, the budgeted deficit was converted to a budget surplus of \$1,309,467. The elements of this accomplishment was actual revenues in excess of budgeted revenues of \$1,982,840 or 8.6% and actual expenditures less than budgeted expenditures of \$1,427,896 or 5.7%.

The increase in actual revenues over budgeted revenues was accomplished by developing additional revenues from prison operations, settling outstanding reimbursements from the Federal Government, and collecting prior year outstanding taxes.

The decrease in actual expenditures under those budgeted were accomplished by a reduction in budgeted (or planned) capital expenditures and a decrease in the cost of administering the employee health plan as well as a reduction in insurance premiums.

**CAPITAL ASSETS**

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2017, was \$109,777,732. This is a decrease of \$4,086,461 from the prior year. See Note 6 for additional information about changes in capital assets during the fiscal year and capital assets owned at the end of the fiscal year. The decrease was due to the additional depreciation expense reported for buildings and improvements.

PLAQUEMINES PARISH SHERIFF  
 Pointe-a-La-Hache, Louisiana  
 Management's Discussion and Analysis  
 June 30, 2017

**CAPITAL ASSETS (Continued)**

The following table provides a summary of capital asset activity for the Sheriff for the years ended June 30, 2017 and 2016:

<u>Capital Assets</u>	<u>Governmental Activities</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Assets not being depreciated		
Construction in progress	\$ 203,462	\$ 143,757
Land	47,203	47,203
Assets being depreciated		
Buildings and improvements	114,037,444	114,256,023
Equipment and vehicles	12,668,451	13,266,156
Total capital assets	<u>126,956,560</u>	<u>127,713,139</u>
Less accumulated depreciation		
Buildings and improvements	(7,130,372)	(4,404,076)
Equipment and vehicles	(10,048,456)	(9,444,870)
Total accumulated depreciation	<u>(17,178,828)</u>	<u>(13,848,946)</u>
Capital Assets, net	<u>\$ 109,777,732</u>	<u>\$ 113,864,193</u>

**LONG-TERM DEBT**

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

<u>Type of Debt</u>	<u>Beginning Balance</u>	<u>Additions / (Reductions)</u>	<u>Ending Balance</u>
Community disaster loan	\$ 1,490,534	\$ -	\$ 1,490,534
Postemployment benefit obligation payable	14,733,730	1,331,430	16,065,160
Bonds payable	11,890,741	(483,519)	11,407,222
Net pension liability	7,042,427	3,289,455	10,331,882
Total Long-Term Debt	<u>35,157,432</u>	<u>4,137,366</u>	<u>39,294,798</u>
Less current portion of long-term debt	(522,237)	(2,763)	(525,000)
Total Long-Term Debt, Net of Current Maturities	<u>\$ 34,635,195</u>	<u>\$ 4,134,603</u>	<u>\$ 38,769,798</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-a-La-Hache, Louisiana  
Management's Discussion and Analysis  
June 30, 2017

**LONG-TERM DEBT (Continued)**

As noted above, total long-term debt increased by \$4,137,366 or 11.8% from the prior year. Significant long-term transactions included:

- The Sheriff accrued a Net OPEB Obligation expense of \$1,331,430 for post-employment health and life benefits.
- The Sheriff accrued a net pension expense of \$3,289,455 as per the actuarial valuation of our program as per GASB 45 on Other Post-Employment Benefits. The Sheriff has chosen not to fund this actuarial liability.
- The Sheriff reduced Bonds Payable by \$483,519 from the prior year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Plaquemines Parish Sheriff's Office is dependent on Ad Valorem taxes for approximately 66% of its revenue to fund its entire operating expenses. The income from Ad Valorem taxes for 2017-2018 fiscal year is expected to be the same as the prior fiscal year.

The Plaquemines Parish Sheriff's Office operates an 874 bed prison located in Davant, Louisiana. It is the goal of Sheriff Gerald A. Turlich, Jr. to continue to network with State and Federal agencies to increase inmate population in the prison with a combination of State and Federal prisoners and to develop programs that generate revenues and prepare prisoners for their eventual release. The prison programs instituted or maintained by Sheriff Turlich include a re-entry program that provides job skill training for soon to be released prisoners and a work release program that allows select prisoners to work in private industry.

The budget for the fiscal year ended June 30, 2018 anticipates a budget surplus of \$141,152. Sheriff Turlich continues to strive to identify additional revenue opportunities and cost saving measures while not affecting the delivery of law enforcement services to the citizens of Plaquemines Parish.

**CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Gerald A. Turlich, Jr., Sheriff, Plaquemines Parish Sheriff and Tax Collector, 8022 Hwy. 23, Belle Chasse, LA 70037.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Statement of Net Position  
June 30, 2017

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 4,329,387
Investments	2,642
Due from other governmental units and others	3,546,197
Prepaid items	<u>418,420</u>
Total current assets	<u>8,296,646</u>

Noncurrent assets:

Restricted assets -	
Cash and interest-bearing deposits	1,899,597
Investments	1,003,712
Capital assets:	
Construction in progress	203,462
Other capital assets, net of depreciation	<u>109,574,270</u>
Total noncurrent assets	<u>112,681,041</u>
Total assets	<u>120,977,687</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on pension	5,826,532
Deferred amount on bond refunding	<u>1,175,045</u>
Total deferred outflows of resources	<u>7,001,577</u>

LIABILITIES

Current liabilities:

Accounts and other payables	529,450
Compensated absences payable	448,770
Accrued interest payable	161,324
Contracts and retainage payable	44,982
Claims payable	434,787
Unearned revenue	17,116
Bonds payable	525,000
Community disaster loan	<u>197,733</u>
Total current liabilities	<u>2,359,162</u>

Noncurrent liabilities:

Community disaster loan	1,292,801
Postemployment benefit obligation payable	16,065,160
Bonds payable	10,882,222
Net pension liability	<u>10,331,882</u>
Total noncurrent liabilities	<u>38,572,065</u>
Total liabilities	<u>40,931,227</u>

DEFERRED INFLOWS OF RESOURCES

1,083,700

NET POSITION

Net investment in capital assets	99,913,176
Restricted	-
Unrestricted	<u>(13,948,839)</u>
Total net position	<u>\$ 85,964,337</u>

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Statement of Activities  
For the Year Ended June 30, 2017

Expenses:	
Public safety:	
Personal services and related benefits	\$ 15,397,225
Operating services	4,338,511
Operations and maintenance	8,546,768
Travel	1,975
Interest expense	<u>322,388</u>
Total expenses	<u>28,606,867</u>
Program revenues:	
Fines, forfeitures, and other fees	3,876,670
Federal grants	<u>2,516,929</u>
Total program revenues	<u>6,393,599</u>
Net program expense	<u>(22,213,268)</u>
General revenues:	
Property taxes, levied for general purposes	17,348,391
State sources	1,383,582
Interest and investment earnings	34,402
Loss on sale of assets	(225,118)
Miscellaneous	<u>1,231,094</u>
Total general revenues	<u>19,772,351</u>
Change in net position	(2,440,917)
Beginning net position	<u>88,405,254</u>
Ending net position	<u>\$ 85,964,337</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTION - MAJOR FUNDS**

### **MAJOR FUNDS**

#### **General Fund**

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

#### **Capital Projects Fund - Katrina Projects**

The Capital Projects Fund - Katrina Projects is used to account for the construction of a new permanent jail facility as well as other smaller construction projects.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Balance Sheet  
Governmental Funds  
June 30, 2017

	General	Capital Projects Fund - Katrina Projects	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 5,192,945	\$ 1,036,039	\$ 6,228,984
Investments	1,006,354	-	1,006,354
Receivables:			
Due from other governmental units and others	3,223,405	207,275	3,430,680
Due from other funds	19,751	-	19,751
Prepaid items	418,420	-	418,420
Total assets	\$ 9,860,875	\$ 1,243,314	\$11,104,189
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 330,573	\$ -	\$ 330,573
Salaries and pension liabilities	35,562	-	35,562
Contracts and retainage payable	44,982	-	44,982
Claims payable	434,787	-	434,787
Deferred revenue	851,964	186,315	1,038,279
Due to other funds	-	19,751	19,751
Due to others	44,502	-	44,502
Due to employees	118,813	-	118,813
Total liabilities	1,861,183	206,066	2,067,249
Fund balance -			
Nonspendable	418,420	-	418,420
Restricted	1,703,990	1,037,248	2,741,238
Committed	-	-	-
Assigned	-	-	-
Unassigned	5,877,282	-	5,877,282
Total fund balances	7,999,692	1,037,248	9,036,940
Total liabilities and fund balances	\$ 9,860,875	\$ 1,243,314	\$11,104,189

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

Total fund balance for governmental funds at June 30, 2017 \$ 9,036,940

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 47,203	
Construction in progress	203,462	
Buildings and improvements, net of \$7,130,372 accumulated depreciation	106,907,072	
Equipment and vehicles, net of \$10,048,456 accumulated depreciation	<u>2,619,995</u>	109,777,732

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Bond payable	\$ (10,350,000)	
Community disaster loan	(1,490,534)	
Net postemployment benefit obligation payable	(16,065,160)	
Bond premium, net of \$150,891 accumulated amortization	(1,057,222)	
Accrued interest payable	(161,324)	
Compensated absences payable	(448,770)	
Net pension liability	(10,331,882)	
Deferred outflows of resources	7,001,577	
Deferred inflows of resources	<u>(1,083,700)</u>	(33,987,015)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Fees, charges, and commissions	\$ 115,517	
Federal grant (FEMA funds)	<u>1,021,163</u>	<u>1,136,680</u>

Total net position of governmental activities at June 30, 2017 \$ 85,964,337

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

	<u>General</u>	<u>Capital Projects Fund - Katrina Projects</u>	<u>Total</u>
<b>Revenues:</b>			
Taxes	\$ 17,348,391	\$ -	\$17,348,391
Intergovernmental	2,604,547	1,253,227	3,857,774
Fees, charges, and commissions for services	3,876,670	-	3,876,670
Interest income	28,638	5,764	34,402
Miscellaneous	1,231,094	-	1,231,094
Total revenues	<u>25,089,340</u>	<u>1,258,991</u>	<u>26,348,331</u>
<b>Expenditures:</b>			
Current -			
Public safety	14,254,702	-	14,254,702
Operating services	4,338,511	-	4,338,511
Operations and maintenance	4,236,852	176,811	4,413,663
Travel	1,975	-	1,975
Debt service - principal	450,000	-	450,000
Debt service - interest	355,738	-	355,738
Capital outlay	142,095	129,667	271,762
Total expenditures	<u>23,779,873</u>	<u>306,478</u>	<u>24,086,351</u>
Excess of revenues over expenditures	<u>1,309,467</u>	<u>952,513</u>	<u>2,261,980</u>
Fund balances, beginning	<u>6,690,225</u>	<u>84,735</u>	<u>6,774,960</u>
Fund balances, ending	<u>\$ 7,999,692</u>	<u>\$ 1,037,248</u>	<u>\$ 9,036,940</u>

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

Total net change in fund balance at June 30, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 2,261,980
The change in net position reported for governmental activities in the statement of activities is different because:		
<p>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.</p>		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 271,762	
Depreciation expense for the year ended June 30, 2017	<u>(4,133,105)</u>	(3,861,343)
<p>Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price do not affect the statement of revenues, expenditures, and changes in fund balance. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.</p>		
		(225,118)
Current year postemployment benefit obligation accrual		(1,331,430)
<p>Governmental funds record all debt activity in the Statement of Revenues, Expenditures and Changes in Fund Balance whereas some of the debt activity (ex: principal payments) is recorded in the Statement of Net Position.</p>		
Principal debt payments	\$ 450,000	
Accrued interest adjustment	13,033	
Amortization of bond premium	33,519	
Amortization of deferred amount on refunding	(13,202)	
Compensated absences payable	(94,053)	
Effect of GASB 68 (revenues less expenses)	<u>282,960</u>	672,257
Revenues recognized in the Statement of Revenues, Expenditures, and Changes in Fund Balance in a different year as compared to the Statement of Activities:		
Federal grant (FEMA funds)		<u>42,737</u>
Total changes in net position at June 30, 2017 per Statement of Activities		<u>\$ (2,440,917)</u>

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

## **FUND DESCRIPTIONS - NONMAJOR FUNDS**

### **FIDUCIARY FUNDS - AGENCY FUNDS**

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary net position.

#### **Civil Fund**

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

#### **Tax Collector Fund**

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

#### **Installment Fines Fund**

The Installment Fines Fund is used to account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

#### **Bonds and Fines Fund**

The Bonds and Fines Fund is used to account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

#### **Prison Inmate Fund**

The Prison Inmate Fund is used to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

#### **Other Post Employment Benefit Plan - Plaquemines Parish Retired Employees' Insurance Fund (PREIF) Trust Fund**

The Plaquemines Parish Retired Employees' Insurance Fund was created during the year ended June 30, 2013. This fund is being used to accumulate funds with the intention of using these funds to pay for retiree benefits that are being accrued under GASB 45. These funds are considered assets for GASB 45 purposes and therefore, reduce the liability as noted on page 44.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Statement of Fiduciary Net Position - Agency Funds and Trust Fund  
June 30, 2017

	Agency Funds	Other Post Employment Benefit Plan - PREIF Trust Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,995,021	\$ -	\$ 3,995,021
Cash and deposits	-	36,330	36,330
Domestic equity investments	-	540,296	540,296
Fixed income investments	-	632,222	632,222
Total assets	<u>3,995,021</u>	<u>1,208,848</u>	<u>5,203,869</u>
<b>LIABILITIES</b>			
Held for others pending court action	661,884	-	661,884
Held for inmates	118,262	-	118,262
Held for taxing bodies	<u>3,214,875</u>	-	<u>3,214,875</u>
Total liabilities	<u>3,995,021</u>	<u>-</u>	<u>3,995,021</u>
<b>NET POSITION</b>			
Net position restricted for postemployment benefits other than pensions	-	1,208,848	1,208,848
Total net position	<u>\$ -</u>	<u>\$ 1,208,848</u>	<u>\$ 1,208,848</u>

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Statement of Changes in Fiduciary Net Position -  
Other Post Employment Benefit Plan - PREIF Trust Fund  
For the Year Ended June 30, 2017

Additions:	
Employer contributions	<u>\$ 1,127,126</u>
Investment income:	
Net increase in fair value of investments	63,687
Interest and dividends	22,777
Less investment expense	<u>(8,468)</u>
Net investment income	<u>77,996</u>
Total additions	<u>1,205,122</u>
Deductions:	
Benefit payments	<u>947,126</u>
Net increase in net position	257,996
Net position, beginning	<u>950,852</u>
Net position, ending	<u>\$ 1,208,848</u>

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Plaquemines Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed below.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, 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, fines, costs, and bond forfeitures imposed by the district court.

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the Sheriff are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Sheriff which are considered to be major funds are described below:

Governmental Funds –

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

General Fund

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

Capital Projects Fund – Katrina Projects –

This capital projects fund is used to account for the construction of a new permanent jail facility as well as other smaller construction projects.

The following funds are nonmajor funds:

Agency Funds

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

The individual agency funds used by the Sheriff for the year ended June 30, 2017 are as follows:

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

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

Installment Fines Fund - To account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

Bonds and Fines Fund - To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Prison Inmate Fund - To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Plaquemines Parish Retired Employees Insurance Fund (PREIF) - To account for funds accumulated for the purpose of paying retiree benefits accrued under GASB 45.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized as soon as they are both “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days, excluding the FEMA grant program. For the FEMA grant program, the government uses 12 months as the availability period. All other grant revenues are

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

recognized in the same period as the underlying expenditures. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for buildings, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Sheriff's threshold for capitalization is \$5,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of revenue bonds payable, postemployment benefit obligation payable, and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Employees of the Sheriff's office earn from 10 to 25 days of vacation leave each year, depending on their length of service and earn 5 days of sick leave. Both vacation and sick leave must be taken in the calendar year it is earned. Therefore, at December 31 of each year, any unused days are lost. At June 30, 2017, the Sheriff had \$448,770 of accrued benefits.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*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.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Sheriff. The Sheriff is the highest level of decision-making authority for the Sheriff's office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Sheriff.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only the Sheriff may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

As of June 30, 2017, fund balances are composed of the following:

	General Fund	Capital Projects Fund - Katrina Projects	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 418,420	\$ -	\$ 418,420
Restricted:			
Bond proceeds and sinking fund	1,703,990	-	1,703,990
Capital projects - FEMA funds	-	1,037,248	1,037,248
Committed:	-	-	-
Assigned:	-	-	-
Unassigned:	<u>5,877,282</u>	<u>-</u>	<u>5,877,282</u>
Total fund balances	<u>\$7,999,692</u>	<u>\$ 1,037,248</u>	<u>\$ 9,036,940</u>

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

E. Cash, Interest-Bearing Deposits and Investments

Cash, interest-bearing deposits and investments include amounts in demand deposits, time deposits, and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP), which are stated at cost. An investment in the amount of \$1,006,354 at June 30, 2017 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments 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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$11,432,853 of which \$5,203,869 is attributable to nonmajor fiduciary funds, which are not presented in the statement of net position.

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 11,851,847</u>
At June 30, 2017 the deposits are secured as follows:	
Federal deposit insurance	\$ 755,312
Pledged securities	<u>11,096,535</u>
Total	<u>\$ 11,851,847</u>

Deposits in the amount of \$11,096,535 were exposed to custodial credit risk. These are uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Sheriff's name. The Sheriff does not have a policy for custodial credit risk.

(3) Investment

The Sheriff had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP. GASB Statement No. 31 requires that investments that fall within the definitions of said statement be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At June 30, 2017, the Sheriff's investment, at cost, is \$1,006,354. The amortized cost of this investment at June 30, 2017 was also \$1,006,354.

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the taxing bodies in October and are actually billed to the 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 Plaquemines 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, 2017, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 17.70 mills on property with assessed valuations totaling \$1,026,946,701.

Total law enforcement taxes levied during 2017 were \$18,176,967. Taxes receivable in the General Fund at June 30, 2017 was \$122,305 and is presented as cash on the statement of net position because the funds were in the hands of the tax collector at June 30, 2017.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Due From Other Governmental Units and Others

Amounts due from other governmental units at June 30, 2017 consist of the following:

Federal grants	\$ 2,578,830
State grants	17,268
Maintenance of prisoners - parish and state	542,190
Video poker	26,814
Other	<u>381,095</u>
	<u>\$ 3,546,197</u>

The allowance for doubtful accounts is \$514,709.

(6) Capital Assets

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

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Governmental activities:				
Assets not being depreciated:				
Construction in progress	\$ 143,757	\$ 59,705	\$ -	\$ 203,462
Land	47,203	-	-	47,203
Assets being depreciated:				
Buildings and improvements	114,256,023	114,944	(333,523)	114,037,444
Equipment and vehicles	<u>13,266,156</u>	<u>97,113</u>	<u>(694,818)</u>	<u>12,668,451</u>
Totals	<u>127,713,139</u>	<u>271,762</u>	<u>(1,028,341)</u>	<u>126,956,560</u>
Less accumulated depreciation:				
Buildings and improvements	(4,404,076)	(2,870,777)	144,481	(7,130,372)
Equipment and vehicles	<u>(9,444,870)</u>	<u>(1,262,328)</u>	<u>658,742</u>	<u>(10,048,456)</u>
Total accumulated depreciation	<u>(13,848,946)</u>	<u>(4,133,105)</u>	<u>803,223</u>	<u>(17,178,828)</u>
Governmental activities, capital assets, net	<u>\$ 113,864,193</u>	<u>\$ (3,861,343)</u>	<u>\$ (225,118)</u>	<u>\$ 109,777,732</u>

Depreciation expense was charged to governmental activities as operations and maintenance in the amount of \$4,133,105.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2017:

Accounts	\$ 366,170
Due to employees	118,778
Due to others	<u>44,502</u>
Totals	<u>\$ 529,450</u>

(8) Short-Term Debt

The Sheriff borrowed \$2,000,000 from Mississippi River Bank during the course of the fiscal year ended June 30, 2017 to cover general operating expenditures. This was a revenue anticipation note, bearing interest at 3.75%. The principal and interest due was paid before June 30, 2017.

(9) Long-Term Debt

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

Long-term debt, June 30, 2016	\$ 13,381,275
Debt assumed	-
Debt retired	<u>(483,519)</u>
Long-term debt, June 30, 2017	<u>\$ 12,897,756</u>

The General Fund has historically paid this debt.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

\$3,163,271 Community Disaster Loan due in annual installments of \$163,648 to \$180,000; interest rate of 2.69 percent; full maturity at September, 2026	\$ 1,490,534
\$12,215,000 Series 2009 Limited Tax Bonds due in annual installments of \$450,000 to \$515,000; interest rates of 4.5 percent to 5.0 percent; full maturity at September, 2019, net of unamortized premium	1,510,257
\$8,875,000 Series 2016 Limited Tax Refunding Bonds due in annual installments of \$55,000 to \$885,000; interest rates of 2.0 percent to 4.0 percent; full maturity at September, 2031, including unamortized premium	<u>9,896,965</u>
Total long-term debt	12,897,756
Less: Current portion	<u>(722,732)</u>
Net long-term portion	<u>\$ 12,175,024</u>

The annual requirements to amortize all debt outstanding as of June 30, 2017 are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 722,732	\$ 532,840	\$ 1,255,572
2019	673,872	397,776	1,071,648
2020	702,338	368,085	1,070,423
2021	735,898	342,100	1,077,998
2022	754,554	320,219	1,074,773
2023-2027	4,146,140	1,218,100	5,364,240
2028-2032	<u>4,105,000</u>	<u>422,900</u>	<u>4,527,900</u>
	11,840,534	3,602,020	15,442,554
Add: Unamortized premium	<u>1,057,222</u>	<u>-</u>	<u>1,057,222</u>
	<u>\$12,897,756</u>	<u>\$ 3,602,020</u>	<u>\$ 16,499,776</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(10) Risk Management

The Sheriff is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. Health care risk and workers' compensation risk are handled by self-insurance plans, which are explained in the following paragraphs. Property hazards and auto and professional liability are handled by purchasing commercial insurance. There have been no significant reductions in this insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

A. Health Care Liability

The Sheriff established a limited risk management program for group hospitalization insurance. The Sheriff hired Gulf South Risk Services, Inc. as administrator for this program. This plan provides employee health benefits up to a maximum of \$3,000,000 per employee in a lifetime. The Sheriff purchases commercial insurance for individual claims in excess of \$100,000.

The General Fund of the Sheriff recognizes the assets, liabilities, revenues and expenditures of the group hospitalization insurance plan. The claims liability of \$297,817 reported in the fund at June 30, 2017, is based on the loss that is probable to have existed at the date of the financial statements and the amount of the loss that can be reasonably reduced by estimated insurance reimbursements. The Sheriff currently does not discount its claims liabilities.

B. Workers' Compensation

The Sheriff established a limited risk management program for workers' compensation. The Sheriff hired Gulf South Risk Services, Inc. as the administrator for this program. The liability for these claims is \$75,970 and is part of the claims payable balance at June 30, 2017.

A reconciliation of changes in liabilities is as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
Group hospitalization				
2015-2016	466,037	3,037,647	(2,939,054)	564,630
2016-2017	564,630	2,787,108	(3,053,921)	297,817
Workers' Compensation				
2015-2016	120,740	110,256	(89,860)	141,136
2016-2017	141,136	66,428	(131,594)	75,970

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Claims payable for group hospitalization of \$297,817 at June 30, 2017 was determined as follows:

1. Claims incurred prior to June 30, 2017 and paid subsequently	\$ 368,573
2. Provision for claims incurred but not reported	37,837
3. Health insurance receivable	<u>(108,593)</u>
Total claims payable	<u>\$ 297,817</u>

The provision for claims incurred but not reported was estimated at June 30, 2017 based on historical information.

Claims payable for workers' compensation is based on information provided by a third party administrator.

(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:

	Civil Fund	Tax Collector Fund	Installment Fines Fund	Bonds and Fines Fund	Prison Inmate Fund	PREIF Trust Fund
Balances, June 30, 2016	\$ 46,002	\$ 4,488,031	\$ 311,510	\$ 381,496	\$ 60,761	\$ 950,852
Additions	515,966	69,062,953	123,846	1,072,135	518,008	257,996
Deletions	<u>(503,203)</u>	<u>(70,336,109)</u>	<u>(112,815)</u>	<u>(1,173,053)</u>	<u>(460,507)</u>	<u>-</u>
Balances, June 30, 2017	<u>\$ 58,765</u>	<u>\$ 3,214,875</u>	<u>\$ 322,541</u>	<u>\$ 280,578</u>	<u>\$118,262</u>	<u>\$1,208,848</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(12) Operating Leases

Rental expense for the year ended June 30, 2017 was \$98,612. The Sheriff had the following outstanding lease agreements at June 30, 2017:

<u>Description</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Monthly Lease Amount</u>
Postage meter	5 Years	2/19	\$ 231
Copier	5 Years	12/21	127
Copier	5 Years	12/21	125
Copier	5 Years	7/21	166

The minimum future payments for these arrangements are as follows:

<u>Year Ended June 30,</u>	
2018	\$ 7,799
2019	6,874
2020	5,024
2021	5,024
2022	<u>2,512</u>
 Total	 <u>\$ 27,233</u>

(13) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2017, the Sheriff is involved in several lawsuits claiming damages. On two of the claims, the Sheriff feels that they may have to satisfy their deductible of \$25,000, so \$50,000 has been accrued for these two claims. Other claims are either premature for estimation of possible loss or management believes there is no exposure. Therefore, no accrual has been recorded for these claims.

B. Grant Audit

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. A receivable of \$2,578,830 is included in due from other governmental units. This balance represents the amount expected to be reimbursed by the FEMA Public Assistance Grant for expenditures incurred in years ended June 30, 2006 through June 30, 2017.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

(15) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2017:

	Receivables	Payables
Major funds		
Governmental Funds:		
General Fund	\$ 19,751	\$ -
Capital Projects Fund - Katrina Projects	-	19,751
Total	\$ 19,751	\$ 19,751

Interfund receivables and payables resulted from the General Fund paying for some Capital Project Fund expenditures, due to delay in funding from the State of Louisiana on the FEMA projects. The Capital Projects Fund will repay the General Fund once the funds are received from the State.

(16) Post-Retirement Health Care and Life Insurance Benefits / GASB 45

Plan Description — The Plaquemines Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement through a single-employer plan administered by the Sheriff's office. The name of the plan is Plaquemines Parish Sheriff Group Health and Dental Plan. The plan is authorized by the Sheriff's office. A separately issued financial report for the plan is not issued.

The employer pays 100% of the medical coverage for the retiree. Retirees pay \$150 per month for dependent coverage prior to Medicare eligibility and \$39.20 per month for Medicare dependents. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 12 years of service; or, 30 years of service at any age. Employees first eligible for the retirement system on and after January 1, 2012 are eligible for retirement (D.R.O.P. entry) as follows: age 62 and 12 years of service; or, age 60 and 20 years of service; or age 55 and 30 years of service. At least 12 years of service with Plaquemines Parish Sheriff's Office is required for retiree medical benefits.

Life insurance coverage is continued for retirees and the employer pays for 100% of the retiree's life insurance after retirement. However, the rates are based on the blended active/retired

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

rate and there is thus an implicit subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced at age 65 by 75% and at age 70 by 50%. All the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

**Fund Policy** — Until 2007, the Plaquemines Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Plaquemines Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Plaquemines Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$947,126 and \$882,600, respectively. In Fiscal Year Ending June 30, 2015, the Plaquemines Parish Sheriff began funding the ARC by making additional contributions over and above the current year's retiree funding costs.

Effective July 1, 2007, the Plaquemines Parish Sheriff implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

**Annual Required Contribution** — The Plaquemines Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

Normal cost	\$ 681,207
30 year UAL amortization amount	<u>1,899,188</u>
Annual required contribution (ARC)	<u>\$ 2,580,395</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Net Post-employment Benefit Obligation (Asset) — The table below shows the Plaquemines Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30, 2017:

Beginning net OPEB obligation	<u>\$14,733,730</u>
Annual required contribution	2,580,395
Interest on net OPEB obligation	884,024
ARC adjustment	<u>(1,070,389)</u>
OPEB cost	2,394,030
Contribution to irrevocable trust	(180,000)
Current year retiree premium	<u>(882,600)</u>
Change in net OPEB obligation	<u>1,331,430</u>
Ending net OPEB obligation	<u>\$16,065,160</u>

The following table shows the Plaquemines Parish Sheriff's annual other post employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post employment benefits (OPEB) liability for the last two years and the current year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$1,976,771	45.19%	\$13,268,785
6/30/2016	2,503,545	41.49%	14,733,730
6/30/2017	2,394,030	29.35%	16,065,160

Funded Status and Funding Progress — In the fiscal year ending June 30, 2017, the Plaquemines Parish Sheriff's Office contributed \$180,000 to its post employment benefits plan over and above the retiree premium costs. The plan, with accrued interest and unrealized gains/losses, thus had assets of \$1,208,848 as of June 30, 2017. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$28,601,349 which is defined as that portion, as determined by a particular actuarial cost method (the Plaquemines Parish Sheriff uses the Entry Age Normal Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Actuarial accrued liability (AAL)	\$ 28,601,349
Actuarial valuation of plan assets	<u>(1,208,848)</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 27,392,501</u>
Funded ratio (actuarial value of plan assets/AAL)	4.23%
Covered payroll (active plan members)	\$ 9,587,539
UAAL as a percentage of covered payroll	285.71%

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

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

Actuarial Cost Method — The ARC is determined using the Individual Entry Age Normal Cost Method. Each employee's service costs are calculated as a level percentage of that employee's projected pay. The attribution period extends from the first period for which the employee provides service under the benefit terms through the assumed commencement of benefit payments for that employee. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets — Because of the nature of the investments in the trust, we have used actual market value as the actuarial value of assets. It is anticipated that in future valuations, should more volatile investments be used, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Codification Section P50 would be used.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Turnover Rate — An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximate 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18-25	20.0%
26-40	12.0%
41-54	8.0%
55+	6.0%

Post employment Benefit Plan Eligibility Requirements — We have assumed that employees retire three years after the earliest eligibility to retire (or enter D.R.O.P.) as described in the section above entitled "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) — Since this plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75, the investment return assumption is determined in accordance with paragraph 36 of GASB 75. It has been assumed that the OPEB plan's fiduciary net position is projected (in conformity with paragraphs 37-39 of GASB 75) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 30-35), and, therefore, the expected long-term rate of return on plan investments equal to 6% annually has been used. It is important to note that, upon full implementation of GASB 75 in the next fiscal year, it is likely that it will be necessary to increase the additional employer contributions which are being made over and above the employer paid retiree premiums.

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

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

Method of Determining Value of Benefits — The "value of benefits" has been assumed to be the portion of the medical cost after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The same tier coverage (employee only, family, etc.) has been assumed after retirement as that while active immediately before retirement. The employer pays 100% of the cost of the medical benefits for the retiree. Retirees pay \$150 per month for dependent coverage prior to Medicare eligibility and \$39.20 per month for Medicare dependents. The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the total "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility and 80% after Medicare eligibility.

Inflation Rate — Included in the Salary Increase Assumption, the Investment Return Assumption, and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Projected Salary Increases — For purposes of determining the actuarial OPEB costs and liabilities in this valuation, an annual salary increase of 4% has been used.

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

(17) Group Health and Dental Plan Trust / GASB 74

The Plaquemines Parish Sheriff's Office adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, as it relates to the Plaquemines Parish Retired Employees Insurance Fund (PREIF) accounted for as a trust. The trust is managed by 3 trustees (Sheriff and two other employees).

The Plaquemines Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement.

Methodology:

Plan Terms

Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree. The employer establishes contribution rates and benefit terms and can amend such (on a discretionary basis) as well. Retirees pay \$150 per month for dependent coverage prior to Medicare eligibility and \$39.20 per month for Medicare dependents. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 12 years of service; or, 30 years of service at any age. Employees first eligible for the retirement system on and after January 1, 2012 are eligible for retirement (D.R.O.P. entry) as follows: age 62 and 12 years of service; or, age 60 and 20 years of service; or age 55 and 30 years of service. At least 12 years of service with Plaquemines Parish Sheriff's Office is required for retiree medical benefits.

Employees Covered by Benefit Terms

Employee and retiree census data were provided by the administrative staff of the Plaquemines Parish Sheriff's Office. Data for active and retired employees included name and/or employee ID, date of birth, date of hire and/or retirement, medical coverage type (single, employee/child, family, etc.), life insurance amount and the current total portion of the premiums paid by employer and employee/retiree. The valuation used the "Closed Group" method; i.e., the employees and retirees as of the valuation date were used and employees to be hired in the future were not considered.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	58
Inactive members entitled to but not yet receiving benefit payments	-
Active employees	<u>203</u>
	<u>261</u>

Value of Benefits Method

The "value of benefits" has been assumed to be the portion of the medical cost after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The same tier coverage (employee only, family, etc.) has been assumed after retirement as that while active immediately before retirement. The employer pays 100% of the cost of the medical benefits for the retiree. Retirees pay \$150 per month for dependent coverage prior to Medicare eligibility and \$39.20 per month for Medicare dependents. The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the total "unblended" rates as required by GASB 75 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility and 80% after Medicare eligibility.

Actuarial Assumptions and Basis:

Actuarial Cost Method

The ARC is determined using the individual Entry Age Normal Cost Method. Each employee's service costs are calculated as a level percentage of that employee's projected pay. The attribution period extends from the first period for which the employee provides service under the benefit terms through the assumed commencement of benefit payments for that employee. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets

During the fiscal year ending June 30, 2015, the Plaquemines Parish Sheriff's Office began funding for the OPEB benefits. The actual market value of the trust has been used as the actuarial value of assets.

Mortality

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Expected Time of Commencement of Benefits

We have assumed that employees retire three years after the earliest eligibility to retire (or enter D.R.O.P.) as described in the section above entitled "Plan Terms".

Turnover

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%.

Future Cost Increase (Trend) Rate

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

Investment Return Assumption (Discount Rate)

Since this plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75, the investment return assumption is determined in accordance with paragraph 36 of GASB 75. The projection of cash flows used to determine the discount rate assumed that Sheriff contributions will be made at rates equal to the actuarially determined contribution rates. It has been assumed that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and, therefore, the expected long-term rate of return on plan investments equal to 6% annually has been used. The long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. It is important to note that, upon full implementation of GASB 75 in the next fiscal year, it is likely that it will be necessary to increase the additional employer contributions which are being made over and above the employer paid retiree premiums.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	7.1%
Fixed Income	4.9%

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Projected Salary Increases

For purposes of determining the actuarial OPEB costs and liabilities in this valuation, an annual salary increase of 4% has been used.

Inflation Rate

Included in the Salary Increase Assumption, the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Post-retirement Benefit Increases

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

Life Insurance

Life insurance coverage is continued to retirees and the employer pays for 100% of the retiree's life insurance after retirement. However, the rates are based on the blended active/retired rate and there is thus an implicit subsidy. Since GASB 75 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

A summary of the actuarial methods and assumptions used in determining the other postretirement benefits liability as of June 30, 2017 are as follows:

Valuation date	July 1, 2016
	Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.5% annually
Healthcare trend	Graded from 8% down to 5% ultimate over ten years
Salary increases	4.0% annually
Investment return	6.0% annually
Retirement age	3 years after the earliest of: 30 years of service; and, attainment of age 55 and 12 years of service; employees first eligible for the retirement system on and after 1/1/2012 must be at least age 62 with 12 years of service or age 60 with 20 years of service; retirees must have at least 12 years with this Sheriff's office to be eligible for retiree medical benefits.
Mortality	94GAR projected to 2002, 50% unisex blend
Turnover	Age specific table with an average of 10% when applied to the active census.

Investments

Investment Policy — The Trust's policy in regard to its investment policy and the allocation of invested assets is established by and may be amended by the trustees. There were no significant changes in the investment policies in fiscal year end June 30, 2017. The following was the Sheriff's asset allocation policy as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	≤ 50%
Fixed Income	≥ 50%
Total	<u>100%</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

The annual money-weighted rate of return on investments, net of investment expense, was 8.2 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the Sheriff at June 30, 2017 were as follows:

Total OPEB liability	\$ 28,601,349
Plan fiduciary net position	<u>(1,208,848)</u>
Sheriff's net OPEB liability	<u>\$ 27,392,501</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.2%

Sensitivity to Changes in Discount Rate

The following presents the employer's proportionate share of the net OPEB liability using the discount rate of 6.0%, as well as what the employer's proportionate share of the net OPEB liability would be if it were calculate using a discount rate that is one percentage-point lower (5.0%) or one percentage-point higher (7.0%) that the current rate as of June 30, 2017:

	Changes in discount rate		
	1.0% Decrease 5.0%	Current Discount Rate 6.0%	1.0% Increase 7.0%
Employer's proportionate share of the net OPEB liability	<u>\$30,127,326</u>	<u>\$ 27,392,501</u>	<u>\$22,436,468</u>

Sensitivity to Changes in Trend Rate

The following presents the employer's proportionate share of the net OPEB liability using the trend rate of 8.0%, as well as what the employer's proportionate share of the net OPEB liability would be if it were calculate using a trend rate that is one percentage-point lower (7.0% decreasing to 4.0%) or one percentage-point higher (9.0% decreasing to 6.0%) than the current rate as of June 30, 2017:

	Changes in trend rate		
	1.00% Decrease (7.0% decreasing to 4.0%)	Current Trend Rate (8.0% decreasing to 5.0%)	1.00% Increase (9.0% decreasing to 6.0%)
Employer's proportionate share of the net OPEB liability	<u>\$22,264,907</u>	<u>\$ 27,392,501</u>	<u>\$ 30,356,924</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(18) Ex-officio Tax Collector

The amount of cash on hand at year end was \$3,214,875. The amount of taxes collected by taxing authority was:

Plaquemines Parish Government	\$ 14,987,758
Plaquemines Parish School Board	26,730,642
Plaquemines Parish Assessor	1,068,434
Plaquemines Parish Hospital Service Districts	5,005,812
Plaquemines Parish Law Enforcement	17,510,450
Plaquemines Port Harbor & Terminal	1,483,936
Louisiana Tax Commission	<u>102,887</u>
	<u>\$66,889,919</u>

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

	Bankruptcies	LTC Decreases	No Property Found	Unpaid
Plaquemines Parish Government	\$ 48	\$ 161,220	\$ 10,269	\$ 399,698
Plaquemines Parish School Board	85	287,536	18,314	712,861
Plaquemines Parish Assessor	3	11,493	732	28,493
Plaquemines Parish Hospital Service Districts	16	53,846	3,430	133,496
Plaquemines Parish Law Enforcement	56	188,356	11,997	466,974
Plaquemines Port Harbor & Terminal	5	15,962	1,017	39,574
Louisiana Tax Commission	-	-	-	-
	<u>\$ 213</u>	<u>\$ 718,413</u>	<u>\$ 45,759</u>	<u>\$1,781,096</u>

The amount of occupational licenses collected by taxing authority was:

Plaquemines Parish Government	\$ 738,181
Plaquemines Parish Law Enforcement	<u>130,267</u>
	<u>\$ 868,448</u>

(19) Pension Plan / GASB 68

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund (Fund) and additions to / deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the 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.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Summary of Significant Accounting Policies:

The Sheriff's Pension and Relief Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The Sheriff's Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

Fund Employees:

The Fund is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the Fund's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The Fund was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriff's Association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Retirement Benefits

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

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

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

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

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

Disability Benefits

A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

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

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.

Deferred Benefits

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

Back Deferred Retirement Option Plan (Back-DROP)

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Cost-of-Living Adjustments

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

Employer Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, the actual employer contribution rate was 13.75% with an additional 0% allocated from the Funding Deposit Account.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$632,352 and excluded from pension expense for the year ended June 30, 2016.

Schedule of Employer Allocations:

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentages for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Sheriffs' Pension and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2016 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2016.

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

At June 30, 2017, the Sheriff reported a liability of \$10,331,882 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was 1.627864%, which was an increase of 0.047965% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$1,834,495 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$5,675.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 1,083,700
Changes of assumptions	844,083	-
Net difference between projected and actual earnings on pension plan investments	2,587,622	-
Change in proportion and differences between employer contributions and proportionate share of contributions	915,399	-
Employer contributions subsequent to the measurement date	1,479,428	-
Total	\$ 5,826,532	\$ 1,083,700

Deferred outflows of resources of \$1,479,428 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
2018	\$ 529,782
2019	529,782
2020	1,283,507
2021	806,140
2022	57,100
2023	57,093

Actuarial Assumptions:

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.6%, net of investment expense
Discount Rate	7.5%
Projected Salary Increases	5.5% (2.875% inflation, 2.625% merit)
Expected Remaining Service Lives	2016 - 7 years 2015 - 6 years 2014 - 6 years
Mortality Rates	Sex Distinct Table for active members, healthy annuitants and beneficiaries  RP-2000 Disabled Lives Mortality Table
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the 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.

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.

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

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

	Expected Rate of Return		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60%	6.4%	3.9%
Bonds	25%	1.9%	0.5%
Alternative Investments	15%	4.3%	0.6%
Cash and Cash Equivalents	-	-	-
Totals	100%		5.0%
Inflation			<u>2.7%</u>
Expected Arithmetic Nominal Return			<u>7.7%</u>

Discount Rate:

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

Sensitivity to Changes in the Discount Rate:

The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.5%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate as of June 30, 2016:

	Changes in discount rate		
	1.0% Decrease 6.5%	Current Discount Rate 7.5%	1.0% Increase 8.5%
Employer's proportionate share of the net pension liability	<u>\$17,529,091</u>	<u>\$ 10,331,882</u>	<u>\$ 4,391,440</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2016 were recognized in the current reporting period except as follows:

- a. Differences between Expected and Actual Experience – Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual resulted in a deferred inflow of resources in the amount of \$1,083,700 for the year ended June 30, 2016.
- b. Changes of Assumptions – Changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$844,083 for the year ended June 30, 2016.
- c. Differences between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The differences between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$2,587,622 for the year ended June 30, 2016.
- d. Change in Proportion – Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in the employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion are presented in the Schedule of Pension Amounts by Employer as deferred outflows or deferred inflows as of June 30, 2016. The change in proportion resulted in a deferred outflow of resources in the amount of \$915,399 for the year ended June 30, 2016.

Contributions - Proportionate Share:

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

Retirement Fund Audit Report:

The Sheriffs' Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

(20) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Plaquemines Parish Sheriff's Office is required to disclose the compensation, reimbursements, benefits, and other payments made to the Sheriff, in which the payments are related to the position. The following is a schedule of payments made to the Sheriff for the year ended June 30, 2017.

Entity head: Gerald A. Turlich, Jr., Sheriff

Salary and allowance	\$ 159,540
Benefits - insurance	36,825
Benefits - retirement	41,038
Benefits - disability insurance	577
Registration fees	1,730
Travel	<u>3,360</u>
Total	<u>\$ 243,070</u>

(21) New Accounting Pronouncements

In June 2015, the GASB approved Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB Statement No. 75 replaces the requirements of postemployment benefits other than pensions. The provisions of GASB Statement No. 75 must be implemented by the Sheriff for the year ending June 30, 2018. The effect of implementation on the Sheriff's financial statements has not yet been determined.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

PLAQUEMINES PARISH SHERIFF  
 Pointe-A-La-Hache, Louisiana  
 General Fund

Budgetary Comparison Schedule  
 For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 16,750,000	\$ 16,750,000	\$ 17,348,391	\$ 598,391
Intergovernmental	1,507,000	1,507,000	2,604,547	1,097,547
Fees, charges, and commissions for services	4,097,900	4,097,900	3,876,670	(221,230)
Interest Income	21,500	21,500	28,638	7,138
Miscellaneous	730,100	730,100	1,231,094	500,994
Total revenues	23,106,500	23,106,500	25,089,340	1,982,840
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety -				
Personal services and related benefits	14,216,669	14,216,669	14,254,702	(38,033)
Operating services	5,503,000	5,503,000	4,338,511	1,164,489
Operations and maintenance	3,859,000	3,859,000	4,236,852	(377,852)
Travel	25,000	25,000	1,975	23,025
Debt service	985,100	985,100	805,738	179,362
Capital outlay	619,000	619,000	142,095	476,905
Total expenditures	25,207,769	25,207,769	23,779,873	1,427,896
Excess (deficiency) of revenues over expenditures	(2,101,269)	(2,101,269)	1,309,467	3,410,736
Fund balance, beginning	5,416,731	6,690,225	6,690,225	-
Fund balance, ending	\$ 3,315,462	\$ 4,588,956	\$ 7,999,692	\$ 3,410,736

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes:				
Ad valorem	\$ 16,750,000	\$16,750,000	\$17,348,391	\$ 598,391
Intergovernmental:				
Federal grants	34,000	34,000	1,220,965	1,186,965
Refuge revenue sharing (payment in lieu) State of Louisiana -	22,000	22,000	16,158	(5,842)
Revenue sharing	220,000	220,000	223,429	3,429
Poker machines	230,000	230,000	193,981	(36,019)
Supplemental pay	800,000	800,000	786,661	(13,339)
Grants	201,000	201,000	163,353	(37,647)
Total intergovernmental	<u>1,507,000</u>	<u>1,507,000</u>	<u>2,604,547</u>	<u>1,097,547</u>
Fees, charges, and commissions for services:				
Feeding and keeping prisoners	3,081,000	3,081,000	2,931,607	(149,393)
Civil and criminal fees	503,900	503,900	551,058	47,158
Reimbursements from parish council	398,000	398,000	269,659	(128,341)
Commissary sales commissions	110,000	110,000	120,768	10,768
Witness fees	5,000	5,000	3,578	(1,422)
Total fees, charges, and commissions for services	<u>4,097,900</u>	<u>4,097,900</u>	<u>3,876,670</u>	<u>(221,230)</u>
Interest income	<u>21,500</u>	<u>21,500</u>	<u>28,638</u>	<u>7,138</u>
Miscellaneous:				
Contraband	25,000	25,000	51,800	26,800
Sale of assets	15,000	15,000	22,112	7,112
Miscellaneous	675,100	675,100	1,046,914	371,814
Donations	15,000	15,000	110,268	95,268
Total miscellaneous	<u>730,100</u>	<u>730,100</u>	<u>1,231,094</u>	<u>500,994</u>
Total revenues	<u>\$ 23,106,500</u>	<u>\$23,106,500</u>	<u>\$25,089,340</u>	<u>\$ 1,982,840</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Current:				
Public Safety -				
Personal services and related benefits:				
Sheriff's salary and expense allowance	156,669	156,669	158,770	(2,101)
Deputies' salaries	11,000,000	11,000,000	11,200,105	(200,105)
Pension and payroll taxes	3,060,000	3,060,000	2,895,827	164,173
Total personnel service and related benefits	14,216,669	14,216,669	14,254,702	(38,033)
Operating services:				
Hospitalization insurance	3,970,000	3,970,000	2,201,567	1,768,433
Hospitalization reinsurance/admin. fee	-	-	738,227	(738,227)
Life insurance	275,000	275,000	235,889	39,111
Auto insurance	300,000	300,000	352,299	(52,299)
Deputy liability insurance	370,000	370,000	307,624	62,376
Other liability insurance	588,000	588,000	502,905	85,095
Total operating services	5,503,000	5,503,000	4,338,511	1,164,489
Operations and maintenance:				
Auto fuel and oil	376,000	376,000	624,588	(248,588)
Auto maintenance	200,000	200,000	248,847	(48,847)
Deputy uniforms, supplies, etc.	397,500	397,500	213,479	184,021
Office supplies and expenses	400,000	400,000	506,183	(106,183)
Recordation expenses	-	-	11,485	(11,485)
Leases and rentals	190,000	190,000	98,612	91,388
Utilities	650,000	650,000	475,005	174,995
Telephone	155,000	155,000	96,000	59,000
Prisoner feeding and maintenance	740,800	740,800	944,632	(203,832)
Legal fees	50,000	50,000	49,382	618
Other professional fees	239,000	239,000	316,081	(77,081)
Emergency funds/hurricane expenses	-	-	1,294	(1,294)
Criminal investigation expense	50,000	50,000	48,255	1,745
Equipment maintenance	267,200	267,200	248,787	18,413
Boat and computer maintenance	53,000	53,000	76,877	(23,877)
Witness fees	1,500	1,500	150	1,350
Membership dues	35,000	35,000	73,115	(38,115)
Other	54,000	54,000	204,080	(150,080)
Total operations and maintenance	3,859,000	3,859,000	4,236,852	(377,852)

(continued)

PLAQUEMINES PARISH SHERIFF  
 Pointe-A-La-Hache, Louisiana  
 General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Travel	<u>25,000</u>	<u>25,000</u>	<u>1,975</u>	<u>23,025</u>
Debt service:				
Interest	535,100	535,100	355,738	179,362
Bond principal payments	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Total debt service	<u>985,100</u>	<u>985,100</u>	<u>805,738</u>	<u>179,362</u>
Capital outlay:				
Equipment	<u>619,000</u>	<u>619,000</u>	<u>142,095</u>	<u>476,905</u>
Total capital outlay	<u>619,000</u>	<u>619,000</u>	<u>142,095</u>	<u>476,905</u>
 Total expenditures	 <u>\$25,207,769</u>	 <u>\$25,207,769</u>	 <u>\$ 23,779,873</u>	 <u>\$ 1,427,896</u>

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2011	\$ -	\$ 30,140,122	\$ 30,140,122	0.0%	\$ 11,388,325	265%
July 1, 2013	664,657	19,801,699	19,137,042	3.4%	8,188,506	234%
July 1, 2015	794,852	25,738,933	24,944,081	3.1%	10,726,368	233%

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.524730%	\$ 6,037,939	\$ 9,570,338	63.09%	87.34%
2016	1.579899%	7,042,427	10,479,675	67.20%	86.61%
2017	1.627864%	10,331,882	11,117,371	92.93%	82.10%

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

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 1,493,354	\$ 1,493,354	\$ -	\$ 10,479,675	14.25%
2016	1,528,639	1,528,639	-	11,117,371	13.75%
2017	1,479,428	1,479,428	-	11,165,492	13.25%

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

Schedule of OPEB Liability and Related Ratios  
For the Year Ended June 30, 2017

	2017
Total OPEB Liability:	
Beginning total OPEB liability	\$ 26,936,857
Service cost	681,207
Interest	1,616,211
Changes of benefit terms	-
Differences between expected and actual experience	(632,926)
Changes of assumptions	-
Benefit payments	-
Net change in total OPEB liability	1,664,492
Ending total OPEB liability (A)	\$ 28,601,349
Plan Fiduciary Net Position:	
Beginning plan fiduciary net position	\$ 950,852
Contributions - employer	1,127,126
Net investment income	77,996
Benefit payments	(947,126)
Net change in plan fiduciary net position	257,996
Plan fiduciary net position - ending (B)	\$ 1,208,848
Net OPEB Liability (A - B)	\$ 27,392,501
Plan fiduciary net position as a percentage of the total OPEB liability	4.23%
Covered-employee payroll	\$ 9,587,539
Sheriff's net OPEB liability as a percentage of covered-employee payroll	285.71%
Money-weighted rate of return on investments	8.20%

Notes to Schedule:

*Benefit changes* : None

*Changes of assumptions* : None

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

Year ended June 30,	Actuarially Required Contribution	Contributions in Relation to Actuarially Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2016	\$ 2,580,395	\$ 1,062,600	\$ 1,517,795	\$ 9,587,539	11.08%

Notes to Schedule:

*Benefit changes:* None

*Changes of assumptions:* None

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

PLAQUEMINES PARISH SHERIFF  
Pointe-A-La-Hache, Louisiana

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

(1) Budget and Budgetary Accounting

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

1. The chief administrative 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 adopted or as finally amended by the Sheriff.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**OTHER SUPPLEMENTARY INFORMATION**

STATE OF LOUISIANA, PARISH OF PLAQUEMINES

AFFIDAVIT

Gerald A. Turlich, Jr., Sheriff of Plaquemines

BEFORE ME, the undersigned authority, personally came and appeared, Gerald A. Turlich, Jr., the sheriff of Plaquemines Parish, State of Louisiana, who after being duly sworn, deposed and said:

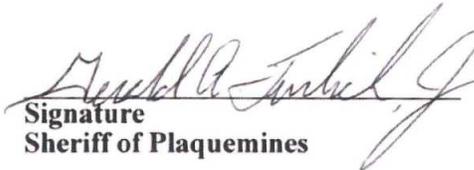
The following information is true and correct:

\$3,214,875 is the amount of cash on hand in the tax collector account on June 30, 2017;

He further deposed and said:

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

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

  
Signature  
Sheriff of Plaquemines

SWORN to and subscribed before me, Notary, this 14<sup>th</sup> day of December 2017, in my office in the Balk Chasse, Louisiana.  
(City/Town)

Monica Nicosia (Signature)  
Monica Nicosia (Print), # 81045  
Notary Public  
\_\_\_\_\_  
(Commission)

Monica Nicosia #81045  
Ex-Officio Notary  
Plaquemines Parish Sheriff's Office

**INTERNAL CONTROL  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The Honorable Gerald A. Turlich, Jr.  
Plaquemines Parish Sheriff  
Pointe-A-La-Hache, 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 Plaquemines Parish Sheriff, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Plaquemines Parish Sheriff's basic financial statements and have issued our report thereon dated December 14, 2017.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of prior and current year audit

findings and management's corrective action plan, we identified item 2017-001 that we consider to be a material weakness in internal control.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Plaquemines Parish 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 is required to be reported under *Government Auditing Standards*.

### **Plaquemine Parish Sheriff's Response to Findings**

The Plaquemines Parish Sheriff's response to the findings identified in our audit is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. The Plaquemine Parish 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Breaux Bridge, Louisiana  
December 14, 2017

Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

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

I. Prior Year Findings:

Internal Control over Financial Reporting

2016-001 – Inadequate Segregation of Accounting Functions

Finding:

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

Status:

Unresolved. See item 2017-001.

Compliance

2016-002 – Noncompliance with Louisiana Local Government Budget Act

Finding:

Louisiana Revised Statute (LSA-R.S.) 39:1301-1315, known as the Local Government Budget Act, requires that the budget be amended when actual expenditures and other uses plus projected expenditures and other uses exceed the budgeted expenditures and other uses by five percent or more. The Plaquemines Parish Sheriff's expenditures and other uses exceeded the budget by approximately 36.4%.

Status:

Resolved.

Management Letter Items

There were no findings that were required to be reported at June 30, 2016.

(continued)

Plaquemines Parish Sheriff  
Pointe-A-La-Hache, Louisiana

Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2017

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control over Financial Reporting

2017-001– Inadequate Segregation of Accounting Functions; Year Initially Occurred – Unknown

Condition and Criteria:

The Sheriff's department did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Sheriff's department.

Cause:

This condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Sheriff Gerald A. Turlich, Jr., has determined that it is not cost effective to achieve adequate segregation of accounting duties. No plan is considered necessary.

Compliance

There are no findings that are required to be reported at June 30, 2017.

Management Letter Items

There are no management letter items at June 30, 2017.

**PLAQUEMINES PARISH SHERIFF**  
**Pointe-A-La-Hache, Louisiana**

**Statewide Agreed-Upon Procedures Report**

**Year Ended June 30, 2017**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:

Conrad O. Chapman, CPA\* 2006

To the Management of Plaquemines Parish Sheriff,

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

### *Written Policies and Procedures*

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

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

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

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

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

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

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

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

*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 the functions noted above.*

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

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

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

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

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

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

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

*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.*

***Board (or Finance Committee, if applicable)***

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

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

*The Sheriff's Office is not required to maintain minutes; therefore, this step is not applicable.*

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

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

*The Sheriff's Office is not required to maintain minutes; therefore, this step is not applicable.*

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

*The Sheriff's Office is not required to maintain minutes; therefore, this step is not applicable.*

### ***Bank Reconciliations***

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

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

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

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.*

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

*Obtained bank statements and reconciliations for all months in the fiscal period noting no evidence of management review for the accounts tested.*

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

*Obtained bank statements and reconciliations for all months in the fiscal period noting that 2 of the accounts tested had no evidence of management research for items that have been outstanding for more than 6 months.*

### ***Collections***

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

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

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

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

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

*Written documentation was obtained and addresses the functions noted above, except that at 1 location, employees share a cash drawer and at 1 location the persons responsible for collecting cash also deposit the cash. The Sheriff's office does require that both individuals collecting the cash sign off on a count sheet, verifying that they agree to the amount collected. This control aids the Sheriff in ensuring that the amount of cash collected matches the amount that is deposited in the bank.*

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

*No exceptions noted.*

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

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

*Collection documentation was obtained and addressed the functions noted above. Out of the 22 deposits tested, 8 were considered late (1 was 2 days late, 4 were 13 days, 1 was 22 days, 1 was 46 days late, and 1 was 57 days late). The instances that were 46 and 57 days late were donations. It is believed that the donations were received much later than the date on the checks; however, since no indication of the date received was noted, we are unable to determine the true collection date.*

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

*No exceptions noted.*

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

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

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

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

*Listing of disbursements and management's representation that the listing is complete was obtained*

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

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

*Examined supporting documentation for each of the 25 disbursements selected and found 19 of the purchases were not initiated using a purchase order system. As a matter of Sheriff's policy, these transactions did not require a purchase order.*

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

*No exceptions noted.*

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

*Except for not having purchase orders as mentioned in 9a) above, no other exceptions were noted.*

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

*One individual has the ability to add vendors and process contract payments.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*Neither a signature stamp nor signature machine is used.*

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

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

*Listing of active credit cards and fuel cards and name of person who maintains possession of cards and management's representation that the listing is complete was obtained. The Sheriff's office does not use bank debit cards or P-cards.*

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

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

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

*No exceptions noted.*

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

*There were no finance charges and/or late fees assessed.*

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

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted*

### ***Travel and Expense Reimbursement***

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

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

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

*Policies were obtained. No amounts listed exceed GSA rates.*

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

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

*Expenses were paid in accordance with written policy.*

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]  
*No exceptions noted.*
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).  
*No exceptions noted.*
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)  
*No exceptions noted.*
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.  
*No exceptions noted.*
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
*No exceptions noted.*

### ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.  
*Listing of all contracts in effect and management's representation that the listing is complete was obtained.*
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.  
*No exceptions noted.*
  - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)  
*No noncompliance noted.*

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

*No quotes were obtained on three of the contracts tested as a best practice.*

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

*No contract amendments were noted.*

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

*No noncompliance noted.*

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

*The Sheriff's Office does not maintain minutes nor does it have a board; therefore, this step is not applicable.*

### ***Payroll and Personnel***

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

*Listing of employees with their related salaries and management's representation that the listing is complete was obtained*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted*

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

*No exceptions noted*

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

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

*No exceptions noted*

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

*No exceptions noted*

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

*No exceptions noted*

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

*No exceptions noted*

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

*No exceptions noted*

#### ***Ethics (excluding nonprofits)***

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

*No exceptions noted*

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

*Management asserted that they have received no allegations during the fiscal period.*

#### ***Debt Service (excluding nonprofits)***

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

*State Bond Commission approval was obtained.*

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

*All scheduled debt service payments were made and debt reserves were maintained as required by debt covenants.*

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

*The entity had no tax millages relating to debt service.*

***Other***

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

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

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

*Required notices were posted on the entity's premises and website.*

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

*No exceptions noted.*

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

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

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

Breaux Bridge, Louisiana  
December 14, 2017