

VERMILION PARISH SHERIFF

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Couvillon
Vermilion Parish Sheriff
Abbeville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information, of the Vermilion Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 45 through 50 be presented to supplement the basic financial statements. Such information, although, not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 52 through 54 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 31, 2019

BASIC FINANCIAL STATEMENTS

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest bearing deposits	\$ 6,968,558	\$ 368,144	\$ 7,336,702
Investments	8,059,058	-	8,059,058
Other receivables	1,577	6,159	7,736
Due from other governmental units	1,169,668	-	1,169,668
Restricted assets:			
Inmate cash	-	71,222	71,222
Capital assets, net	1,526,635	95,171	1,621,806
Total assets	17,725,496	540,696	18,266,192
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	29,501	-	29,501
Pension related	1,683,188	-	1,683,188
Total deferred outflows of resources	1,712,689	-	1,712,689
LIABILITIES			
Accounts payable	210,837	46,138	256,975
Other accrued liabilities	5,365	-	5,365
Payable from restricted assets:			
Inmate deposits	-	24,022	24,022
Long-term liabilities:			
Net pension liability	3,016,292	-	3,016,292
Other post employment benefits payable	8,859,288	-	8,859,288
Total liabilities	12,091,782	70,160	12,161,942
DEFERRED INFLOWS OF RESOURCES			
OPEB related	82,663	-	82,663
Pension related	1,126,182	-	1,126,182
Total deferred inflows of resources	1,208,845	-	1,208,845
NET POSITION			
Net investment in capital assets	1,526,635	95,171	1,621,806
Unrestricted	4,610,923	375,365	4,986,288
Total net assets	\$ 6,137,558	\$ 470,536	\$ 6,608,094

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

FUND FINANCIAL STATEMENTS (FFS)

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Balance Sheet
Governmental Fund
June 30, 2019

	<u>General Fund</u>
ASSETS	
Cash and interest bearing deposits	\$ 6,799,229
Investments	8,059,058
Other receivables	1,577
Due from other governmental units	<u>1,169,668</u>
Total assets	<u>\$ 16,029,532</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 99,373
Other accrued liabilities	<u>5,365</u>
Total liabilities	104,738
Fund balance:	
Unassigned	<u>15,924,794</u>
Total liabilities and fund balance	<u>\$ 16,029,532</u>

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

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

Total fund balance for governmental fund		\$ 15,924,794
Capital assets, net		1,526,635
Pension:		
Net pension liability/asset	\$ (3,016,292)	
Deferred inflows of resources	(1,126,182)	
Deferred outflows of resources	<u>1,683,188</u>	(2,459,286)
OPEB:		
Net OPEB liability/asset	\$ (8,859,288)	
Deferred inflows of resources	(82,663)	
Deferred outflows of resources	<u>29,501</u>	(8,912,450)
Net position of the Group Insurance Self-Insurance Internal Service Fund		<u>57,865</u>
Net position		<u>\$ 6,137,558</u>

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

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

	General Fund
Revenues:	
Ad valorem taxes	\$ 2,886,652
Sales tax	5,543,509
Intergovernmental revenues	829,514
Fees, charges, and commissions for services -	
Commissions on licenses, taxes, etc.	71,846
Fines and forfeitures	125,069
Civil and criminal fees	371,449
Court costs and attendance	12,172
Feeding, keeping, and transporting prisoners	710,563
Other	109,864
Investment earnings and losses	344,772
Total revenues	11,005,410
Expenditures:	
Current -	
Public safety	10,613,286
Capital outlay	351,285
Total expenditures	10,964,571
Excess of revenues over expenditures	40,839
Other financing sources (uses):	
Sale of equipment	20,413
Transfers out	(299,395)
Total other financing sources (uses)	(278,982)
Net change in fund balance	(238,143)
Fund balance, beginning	16,162,937
Fund balance, ending	\$ 15,924,794

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

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

Net change in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ (238,143)
Capital outlay	\$ 351,285	
Depreciation expense	<u>(429,715)</u>	(78,430)
Transactions involving capital assets:		
Proceeds from sale of assets	(27,113)	
Gain on disposal of assets	<u>23,222</u>	(3,891)
Change in net position of the Internal service funds is reported with governmental activities		(123,817)
The effect of recording net pension and OPEB liability/asset, and the related deferred outflows of resources, and deferred inflows of resources:		
Change in pension expense	(21,410)	
Nonemployer plan contribution revenue recognized	321,127	
Change in OPEB expense	<u>(308,255)</u>	<u>(8,538)</u>
Changes in net position per Statement of Activities		<u>\$ (452,819)</u>

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 368,144	\$ 169,329
Other receivables	6,159	-
Restricted assets:		
Inmate cash	<u>71,222</u>	<u>-</u>
Total current assets	445,525	169,329
Capital assets, net of accumulated depreciation	<u>95,171</u>	<u>-</u>
Total assets	<u>540,696</u>	<u>169,329</u>
LIABILITIES		
Current liabilities:		
Accounts payable	46,138	-
Claims payable	-	111,464
Payable from restricted assets:		
Inmate deposits	<u>24,022</u>	<u>-</u>
Total current liabilities	<u>70,160</u>	<u>111,464</u>
NET ASSETS		
Net investment in capital assets	95,171	-
Unrestricted	<u>375,365</u>	<u>57,865</u>
Total net assets	<u>\$ 470,536</u>	<u>\$ 57,865</u>

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2019

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	\$ 71,868	\$ 1,617,977
Miscellaneous	<u>315</u>	<u>-</u>
Total operating revenues	<u>72,183</u>	<u>1,617,977</u>
Operating expenses:		
Depreciation	40,995	-
Commissary expenses	52,702	-
Self insurance expenses	<u>-</u>	<u>2,041,386</u>
Total operating expenses	<u>93,697</u>	<u>2,041,386</u>
Operating income (loss)	(21,514)	(423,409)
Non-operating revenues:		
Interest income	<u>677</u>	<u>197</u>
Income (loss) before transfers	(20,837)	(423,212)
Transfers in	<u>-</u>	<u>299,395</u>
Change in net position	(20,837)	(123,817)
Net position, beginning	<u>491,373</u>	<u>181,682</u>
Net position, ending	<u>\$ 470,536</u>	<u>\$ 57,865</u>

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	\$ 59,730	\$ -
Receipts from interfund services provided	-	1,617,977
Payments to suppliers	<u>(17,317)</u>	<u>(2,016,187)</u>
Net cash provided (used) by operating activities	42,413	(398,210)
 Cash flows from noncapital financing activities:		
Transfers from other funds	-	299,395
 Cash flows from investing activities:		
Interest on investments	<u>677</u>	<u>197</u>
 Net increase in cash and cash equivalents	43,090	(98,618)
 Cash and cash equivalents, beginning of period	<u>396,276</u>	<u>267,947</u>
 Cash and cash equivalents, end of period	<u>\$ 439,366</u>	<u>\$ 169,329</u>

(continued)

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Statement of Cash Flows (continued)
Proprietary Funds
Year Ended June 30, 2019

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (21,514)	\$ (423,409)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	40,995	-
Changes in assets and liabilities:		
Other receivables	(2,847)	-
Claims payable	-	25,199
Accounts payable	35,385	-
Due to inmates	(9,606)	-
Net cash provided (used) by operating activities	\$ 42,413	\$ (398,210)
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest bearing deposits - unrestricted	\$ 352,706	\$ 267,947
Cash and interest bearing deposits - restricted	43,570	-
Total cash and cash equivalents	396,276	267,947
Cash and cash equivalents, end of period -		
Cash and interest bearing deposits - unrestricted	368,144	169,329
Cash and interest bearing deposits - restricted	71,222	-
Total cash and cash equivalents	439,366	169,329
Net increase	\$ 43,090	\$ (98,618)

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2019

ASSETS

Assets:

Cash

\$ 544,499

LIABILITIES

Liabilities:

Due to others

\$ 544,499

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

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

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

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Reporting Entity

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

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

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Sheriff as a whole. These statements include all funds of the reporting entity except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds and are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The governmental fund of the Sheriff is considered to be a major fund. The funds of the Sheriff are described below:

Governmental Fund -

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

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

Proprietary Fund -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of the net income, financial position, and cash flows. The following is the Sheriff's proprietary fund type:

Enterprise Fund - The Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to inmates on a continuing basis be financed or recovered primarily through charges; or (b) where the governing body has decided that periodic determination of revenues earned expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Sheriff applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund. The Sheriff's enterprise fund is the Commissary fund.

Internal Service Fund – This fund accounts for self-insurance coverages provided to the employees on a cost reimbursement basis. Because the principal users of the internal services are the Sheriff's governmental activities, the financial statements of the internal services funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Fiduciary Funds -

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

C. Measurement Focus/Basis of Accounting

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

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

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

Revenues

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. The taxes are generally collected in December, January, and February of the fiscal year.

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

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

Expenditures

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

Other Financing Sources (Uses)

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

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

D. Cash and Interest-Bearing Deposits

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

E. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

F. Short-Term Interfund Receivables/Payables

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

G. Bad Debts

Uncollectible amounts due for accounts receivable are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivables. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality.

H. Capital Assets

Capital assets, which include buildings, furniture, fixtures, equipment, and vehicles, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Computer equipment	3
Vehicles	5
Office furniture	5-10
Equipment	5-10

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

I. Annual and Sick Leave

All full-time employees of the Sheriff's earn from 10 to 15 days of annual leave, depending on their length of service. Full-time employees earn 8 hours sick leave per month actually worked. Sick leave accumulates from year to year, no monetary compensation is allowed at termination. The maximum days of sick leave an employee can accumulate are 31.25 days (250 hours). The Sheriff has no accumulated and vested benefits relating to annual and sick leave, which requires accrual or disclosure to conform with generally accepted accounting principles.

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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Notes to Basic Financial Statements

K. Equity Classifications

In the government-wide statements, net position is displayed in three components:

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

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.

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 other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or 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 spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Sheriff is the highest level of decision-making authority for the Vermilion Parish Sheriff's Office.

Assigned – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Under the Vermilion Parish Sheriff Office's adopted policy, only the Sheriff may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

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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.

L. Interfund Transactions

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

M. Estimates

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

N. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, (described in more detail in Note 4), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide and proprietary fund financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

O. Postemployment Benefits Other than Pensions (OPEB)

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expenses, (described in more detail in Note 6), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

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Abbeville, Louisiana

Notes to Basic Financial Statements

(2) Cash, Interest-Bearing Deposits, and Investments

A. 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 also deposit funds in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. 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. The Sheriff does not have a policy for custodial credit risk; however, 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) are secured as follows:

Bank balances	\$ <u>8,043,724</u>
Deposits are secured as follows:	
Insured	817,817
Uninsured and collateral held by the pledging bank, not in the Sheriff's name	<u>7,225,907</u>
Total	\$ <u>8,043,724</u>

B. Investments

Under state law, the Sheriff may invest in direct United States Treasury obligations fully guaranteed by the government of the United States, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America or issued or guaranteed by United States government instrumentalities which are federally sponsored. The Sheriff categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The Sheriff has the following recurring fair value measurements:

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Description	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury	\$ 3,568,283	\$ 3,568,283	\$ -	\$ -
Municipal Bonds	1,181,660	-	1,181,660	-
Federal Home Loan Banks	1,904,380	-	1,904,380	-
Federal National Mortgage Association	505,344	-	505,344	-
Federal Farm Credit Banks	200,000	-	200,000	-
Federal Home Loan Mortgage Corporation	198,858	-	198,858	-
Mutual Funds	<u>500,533</u>	<u>-</u>	<u>500,533</u>	<u>-</u>
Total	<u>\$ 8,059,058</u>	<u>\$ 3,568,283</u>	<u>\$ 4,490,775</u>	<u>\$ -</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its value to changes in market interest rates. The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the Sheriff's debt type investments to this risk, using the segmented time distribution model is as follows:

Description	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Over 10
U.S. Treasury					
Interest Rates 1.75% - 2.75%	\$ 3,568,283	\$ -	\$ 710,063	\$ 2,858,220	\$ -
Municipal Bonds					
Interest Rates 2.51% - 5.00%	1,181,660	-	1,181,660	-	-
Federal Home Loan Banks					
Interest Rates 1.375% - 2.875%	1,904,380	-	1,493,580	410,800	-
Federal National Mortgage Association					
Interest Rate 5.65%	505,344	-	-	505,344	-
Federal Farm Credit Banks					
Interest Rates 3.120% - 3.125%	200,000	-	-	-	200,000
Federal Home Loan Mortgage Coporation					
Interest Rate 1.375%	198,858	198,858	-	-	-
Mutual Funds	<u>500,533</u>	<u>500,533</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,059,058</u>	<u>\$ 699,391</u>	<u>\$ 3,385,303</u>	<u>\$ 3,774,364</u>	<u>\$ 200,000</u>

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Credit risk is managed by restricting investments to those authorized by R.S. 33:2955.

The Sheriff attempts to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity. Securities from issuers totaling five percent or more of a portfolio are as follows:

<u>Description</u>	<u>Rating</u>	<u>Percentage</u>
Municipal Bonds	AAA	14.66%
Federal Home Loan Banks	AAA	23.63%
Federal National Mortgage Association	AAA	6.27%
Mutual Funds	A	6.21%

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Sheriff will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Sheriff does not have custodial credit risk policies for investments.

(3) Capital Assets

Capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	755,005	95,948	-	850,953
Jail addition	645,167	-	-	645,167
Equipment and vehicles	<u>6,308,447</u>	<u>255,337</u>	<u>308,897</u>	<u>6,254,887</u>
Totals	<u>7,708,619</u>	<u>351,285</u>	<u>308,897</u>	<u>7,751,007</u>
Less accumulated depreciation				
Buildings and improvements	213,742	17,116	-	230,858
Jail addition	425,131	27,107	-	452,238
Equipment and vehicles	<u>5,460,790</u>	<u>385,492</u>	<u>305,006</u>	<u>5,541,276</u>
Total accumulated depreciation	<u>6,099,663</u>	<u>429,715</u>	<u>305,006</u>	<u>6,224,372</u>
Governmental activities, capital assets, net	<u>\$ 1,608,956</u>	<u>\$ (78,430)</u>	<u>\$ (3,891)</u>	<u>\$ 1,526,635</u>

VERMILLION PARISH SHERIFF
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activity:				
Capital assets being depreciated:				
Buildings	\$ 191,409	\$ -	\$ -	\$ 191,409
Equipment	<u>395,850</u>	<u>-</u>	<u>-</u>	<u>395,850</u>
Totals	<u>587,259</u>	<u>-</u>	<u>-</u>	<u>587,259</u>
Less accumulated depreciation				
Buildings	185,376	3,341	-	188,717
Equipment	<u>265,717</u>	<u>37,654</u>	<u>-</u>	<u>303,371</u>
Total accumulated depreciation	<u>451,093</u>	<u>40,995</u>	<u>-</u>	<u>492,088</u>
Business-type activity, capital assets, net	<u>\$ 136,166</u>	<u>\$ (40,995)</u>	<u>\$ -</u>	<u>\$ 95,171</u>

Depreciation expense was charged to the law enforcement governmental activity and to the commissary business-type activity in the amount of \$429,715 and \$40,995, respectively.

(4) Pension Plan

The Sheriffs' Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are bases, are recognized in the period in which the employee is compensated for services performed. 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. The following is a description of the plan and its benefits and is provided for general information purposes only.

Plan Description: Employees of the Sheriff are provided with retirement benefits through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issued a stand-alone audit report that can be obtained on the Legislative Auditor's website, www.lla.la.gov.

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

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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.

Retirement Benefits 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.

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

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

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received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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

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

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, 2018, the actual employer contribution rate was 12.75% with an additional -0-% allocated from the Funding Deposit Account. Employer proportionate share of contributions for the year ended June 30, 2018 was \$690,862.

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 \$321,127 and excluded from pension expense for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2019, the Sheriff reported a liability of \$3,016,292 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30,

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2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Sheriff's proportion was .786589%, which was a decrease of .001756% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$712,604 net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

At June 30, 2019, 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
	<u> </u>	<u> </u>
Differences between expected and actual experiences	\$ -	\$ 846,721
Changes of assumptions	891,658	-
Net difference between projected and actual earnings on pension plan investments	-	179,057
Change in proportion and differences between employer contributions and proportionate share of contributions	100,336	100,404
Employer contributions subsequent to the measurement date	<u>691,194</u>	<u>-</u>
Total	<u>\$ 1,683,188</u>	<u>\$ 1,126,182</u>

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Deferred outflows of resources of \$691,194 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense at June 30, as follows:

Fiscal Year Ended		
6/30/2020		\$ 168,839
6/30/2021		49,518
6/30/2022		(318,698)
6/30/2023		(37,209)
6/30/2024		<u>3,362</u>
Total		<u><u>\$ (134,188)</u></u>

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

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

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A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25% per annum
Projected Salary Increases	5.5% (2.60% inflation, 2.90 % merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sec Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
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 returns by the target asset allocation percentage and by adding expected inflation.

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Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2018 were as follows:

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Real Rates of Return
Equity Securities	62%	6.9%	4.3%
Bonds	23%	3.2%	0.7%
Alternative Investments	<u>15%</u>	<u>4.5%</u>	<u>0.7%</u>
Totals	100%		5.7%
Inflation			<u>2.5%</u>
Expected Arithmetic Nominal Return			<u>8.2%</u>

Discount Rate: The discount rate used to measure the total pension liability was 7.25%, which was a .15% decrease from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.25%, 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 or one percentage-point higher than the current rate:

	1.0% Decrease 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
Employer's proportionate share of the net pension liability	<u>\$ 6,826,273</u>	<u>\$ 3,016,292</u>	<u>\$ (191,275)</u>

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Notes to Basic Financial Statements

(5) Litigation and Claims

The Sheriff is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Sheriff.

(6) Post-Retirement Health Care and Life Insurance Benefits

Plan Description – The Vermilion Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Vermilion Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75. The plan does not issue a stand alone report.

Benefits Provided – Medical/dental and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 15 years of service.

Life insurance coverage is continued to retirees by election based on a blended rate for active employees and retirees. The employer pays for life insurance of \$10,000 after retirement for retirees and the retirees may elect to continue insurance amounts above \$10,000 after retirement. However, the rates for both are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 74/75 requires the use of "unblended" rates, we have used the valuation mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Based on past experience, we have assumed that 75% of retirees continue the higher insurance amounts into retirement. 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.

Employees covered by benefit terms – At July 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	29
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>123</u>
	<u><u>152</u></u>

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Total OPEB Liability

The Sheriff's total OPEB liability of \$8,859,288 was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

Changes in the Total OPEB Liability

Total OPEB obligation - beginning of year	\$ 8,635,803
Changes for the year:	
Service cost	189,154
Interest	299,168
Difference between expected and actual experience	(88,568)
Benefit payments and net transfers	<u>(176,269)</u>
Net change	<u>223,485</u>
Total OPEB obligation - end of year	<u>\$ 8,859,288</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.5%)</u>	<u>Current Rate</u> <u>(3.5%)</u>	<u>1% Increase</u> <u>(4.5%)</u>
Total OPEB Liability	<u>\$ 10,364,501</u>	<u>\$ 8,859,288</u>	<u>\$ 7,681,258</u>

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

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

	1% Decrease (4.5%)	Current Rate (5.5%)	1% Increase (6.5%)
Total OPEB Liability	\$ 7,654,317	\$ 8,859,288	\$ 10,183,286

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$479,813. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 29,501	\$ 82,663

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

Fiscal Year Ended		
6/30/2020		\$ (3,798)
6/30/2021		(3,798)
6/30/2022		(3,798)
6/30/2023		(3,798)
6/30/2024		(3,798)
Thereafter		(34,172)
Total		\$ (53,162)

(7) Deferred Compensation Plan

Effective November 2018, the Sheriff entered into an AXA 457(b) deferred compensation plan with Axa Equitable. All employees are eligible to participate in the Plan. The Plan allows employees to defer a portion of their salary until future years. The Sheriff makes matching contributions of each employee’s elective deferral depending on years of service up to 100% of the employee’s contribution. Contributions made by the Sheriff for the year ended June 30, 2019 were \$85,405.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

(8) Risk Management

A. Commercial Insurance Coverage

The Sheriff is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorist, and collision; surety bond coverage; and marine liability. In addition to the above policies, the Sheriff maintains a public official's liability policy and a law enforcement policy. No claims were paid, which exceeded the policies' coverage amount, on any of the policies during the past three years.

B. Group Self- Insurance

Effective March 1, 2015, the Sheriff established a risk management program for its group health and life insurance coverage and accounts for it in the Self Insurance Fund. Both the employer and employees' share of premiums are paid into this fund and are available to pay claims and administrative costs. Interfund premiums are based primarily upon the insured fund's number of participants.

For the year ended June 30, 2019, the claims liability of \$111,464 was reported in the Self Insurance Fund. The claims liability is based on the requirements of GASB, which is that a liability for claims be reported as of the financial statement date if information prior to the issuance of the financial statement indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

Reconciliation of Claims Liabilities

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning	\$ 86,265	\$ 103,163
Claims incurred	(1,636,841)	(1,254,286)
Claims payments	<u>1,662,040</u>	<u>1,237,388</u>
Unpaid claims, ending	<u>\$ 111,464</u>	<u>\$ 86,265</u>

Claims payable of \$111,464 at June 30, 2019 consisted of claims incurred prior to June 30, 2019 and paid subsequent to that date.

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

(9) Tax Abatements

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten year of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at the time. The future value of this exempt property could be subject to significant fluctuations from today's value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed due, no adjustments have been made to the Sheriff's financial statements to record a receivable. The Sheriff's ad valorem tax revenues were reduced by \$83,828 as a result of the tax abatement.

(10) Ex-officio Tax Collector

The amount of cash on hand in the tax collector account consists of the following:

Payments received in June and disbursed in July were for:

State revenue sharing	\$ 817
Occupational licenses	42,684
Ad Valorem taxes	<u>291,807</u>
Total	<u>\$ 335,308</u>

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

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

Abbeville Harbor & Terminal	\$ 410,048
Abrom Kaplan Memorial Hospital	461,217
Assessment District	802,070
Consolidated Gravity #2	302,904
Consolidated Gravity Drainage District #1	503,276
Coulee Baton	85,229
Coulee Des Jonc Drainage District	251,808
Coulee Kinney	934,415
Gravity Drainage District #2	372,035
Gueydan Gravity Drainage	497,582
Gueydan Memorial Guest Home	193,890
Isle Maronne	270,166
Louisiana Department of Agriculture	1,691
Louisiana Tax Commission	27,579
7th Ward Fire District	216,776
7th Ward Gravity 2 Maint	489,636
Pecan Island Fire District #16	196,027
Prairie Gregg	777,571
Teche Vermilion Fresh Water District	431,657
Twin Parish Port	182,335
Vermilion Parish Library	1,334,618
Vermilion Parish Police Jury	5,035,029
Vermilion Parish School Board	12,138,270
Vermilion Parish Sheriff's Office	2,886,652
Total	<u>\$ 28,802,481</u>

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

Taxes assessed and uncollected were due to delinquent taxes and movable property and the amounts are as follows:

	Unpaid - Delinquent Taxes	Movable Property	Total
	<u> </u>	<u> </u>	<u> </u>
Abbeville Harbor & Terminal	\$ 247	\$ 2,648	\$ 2,895
Abrom Kaplan Memorial Hospital	636	(636)	-
Assessment District	227	6,616	6,843
Consolidated Gravity #2	-	762	762
Consolidated Gravity Drainage District #1	-	320	320
Coulee Baton	151	11	162
Coulee Des Jonc Drainage District	-	965	965
Coulee Kinney	-	14,990	14,990
Gravity Drainage District #2	6	4,504	4,510
Gueydan Sub Drainage District #5	-	12,448	12,448
Gueydan Memorial Guest Home	-	4,086	4,086
Isle Maronne	-	116	116
7th Ward Fire District	-	1,733	1,733
7th Ward Gravity Drainage District 2	-	3,854	3,854
Pecan Island Fire District #16	1,005	1,154	2,159
Teche Vermilion Fresh Water District	123	3,560	3,683
Twin Parish Port	-	140	140
Vermilion Parish Library	377	11,011	11,388
Vermilion Parish Police Jury	1,639	45,906	47,545
Vermilion Parish School Board	3,428	100,134	103,562
Vermilion Parish Sheriff's Office	1,034	23,257	24,291
Total	<u>\$ 8,873</u>	<u>\$ 237,579</u>	<u>\$ 246,452</u>

(11) Occupational Licenses

Collections settled during the year for occupational licenses are as follows:

	<u>Collected</u>	<u>Settled</u>	<u>Unsettled</u>
Vermilion Parish Police Jury	\$ 463,232	\$ 426,951	\$ 36,281
Vermilion Parish Sheriff's Office	81,747	75,344	6,403
Total	<u>\$ 544,979</u>	<u>\$ 502,295</u>	<u>\$ 42,684</u>

VERMILLION PARISH SHERIFF
Abbeville, Louisiana

Notes to Basic Financial Statements

(12) Expenditures of the Sheriff's Office paid by the Parish Police Jury

The cost of maintaining and operating the Sheriff's buildings, as required by statute, is paid by the Vermilion Parish Police Jury. These expenditures are not included in the accompanying financial statements.

(13) Compensation, Benefits, and Other Payment to Sheriff

A detail of compensation, benefits, and other payments paid the Sheriff Mike Couvillon is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 160,338
Benefits- Insurance	7,291
Benefits- Retirement	22,290
Benefits- Dental	338
Benfits- Life Insurance	1,757
Cell phone	1,484
Registration fees	275
Conference travel	1,365
Total	<u>\$ 195,138</u>

(14) New Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The statement addresses the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of GASB 84 are effective for reporting periods beginning after December 15, 2018. The effect of implementation on the Sheriff's financial statements has not yet been determined.

**REQUIRED SUPPLEMENTARY
INFORMATION**

VERMILION PARISH SHERIFF
Abbeville, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 2,900,000	\$ 2,830,000	\$ 2,886,652	\$ 56,652
Sales tax	5,750,000	5,406,550	5,543,509	136,959
Intergovernmental revenues	843,000	855,051	829,514	(25,537)
Fees, charges, and commissions for services -				
Commissions on licenses, taxes, etc.	65,000	66,000	71,846	5,846
Fines and forfeitures	115,500	123,200	125,069	1,869
Civil and criminal fees	300,000	376,400	371,449	(4,951)
Court costs and attendance	12,000	11,500	12,172	672
Feeding, keeping, and transporting prisoners	727,500	735,100	710,563	(24,537)
Other	41,900	131,079	109,864	(21,215)
Investment earnings and losses	25,000	16,000	344,772	328,772
Total revenues	<u>10,779,900</u>	<u>10,550,880</u>	<u>11,005,410</u>	<u>454,530</u>
Expenditures:				
Current -				
Public safety	10,376,362	10,536,464	10,613,286	(76,822)
Capital outlay	375,000	485,790	351,285	134,505
Total expenditures	<u>10,751,362</u>	<u>11,022,254</u>	<u>10,964,571</u>	<u>57,683</u>
Excess of revenues over expenditures	<u>28,538</u>	<u>(471,374)</u>	<u>40,839</u>	<u>512,213</u>
Other financing sources (uses):				
Sale of equipment	8,000	20,413	20,413	-
Transfers out	-	-	(299,395)	(299,395)
Total other financing sources(uses)	<u>8,000</u>	<u>20,413</u>	<u>(278,982)</u>	<u>(299,395)</u>
Net change in fund balance	36,538	(450,961)	(238,143)	212,818
Fund balance, beginning	<u>16,162,937</u>	<u>16,162,937</u>	<u>16,162,937</u>	<u>-</u>
Fund balance, ending	<u>\$ 16,199,475</u>	<u>\$ 15,711,976</u>	<u>\$ 15,924,794</u>	<u>\$ 212,818</u>

VERMILION PARISH SHERIFF
Abbeville, Louisiana

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

Total OPEB Liability *	2018	2019
Service cost	\$ 190,268	\$ 189,154
Interest	287,438	299,168
Changes of benefit terms	-	-
Differences between expected and actual experience	33,715	(88,568)
Changes of assumptions	-	-
Benefit payments	(176,269)	(176,269)
Net change in total OPEB liability	335,152	223,485
 Total OPEB liability - beginning	 8,300,651	 8,635,803
 Total OPEB liability - ending	 \$ 8,635,803	 \$ 8,859,288
 Covered-employee payroll	 \$ 5,348,868	 \$ 5,348,868
 Total OPEB liability as a percentage of covered-employee payroll	 161.45%	 165.63%

* Equal to net OPEB liability

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Schedule of Employer's Share of Net Pension Liability -
Sheriff's Pension and Relief Fund
For the Year Ended June 30, 2019

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.786589%	\$ 3,016,292	\$ 5,413,831	55.7%	90.41%
2018	0.788345%	\$ 3,413,750	\$ 5,460,432	62.5%	88.49%
2017	0.805553%	\$ 5,112,760	\$ 5,501,500	92.9%	82.10%
2016	0.793902%	\$ 3,538,832	\$ 5,250,386	67.4%	86.61%
2015	0.760857%	\$ 3,012,998	\$ 5,035,032	59.8%	87.34%

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

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Schedule of Employer Contributions -
Sheriff's Pension and Relief Fund
For the Year Ended June 30, 2019

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 691,194	\$ 691,194	-	\$ 5,642,362	12.25%
2018	\$ 690,269	\$ 690,269	-	\$ 5,413,831	12.75%
2017	\$ 723,512	\$ 723,512	-	\$ 5,460,432	13.25%
2016	\$ 756,462	\$ 756,462	-	\$ 5,501,500	13.75%
2015	\$ 748,180	\$ 748,180	-	\$ 5,250,386	14.25%

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

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2019

(1) Budgets and Budgetary Accounting

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

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

Expenditures did not exceed appropriations in the General Fund.

(2) OPEB

Benefit changes –

There were no changes of benefit terms.

Changes of assumptions –

There were no changes of assumptions.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2019

(3) Pension Plan

Changes of Benefit Terms -

There were no changes of benefit terms.

Changes of Assumptions –

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	6.00%	7.70%	3.000%	6	6.00%
2016	7.60%	7.70%	2.870%	6	5.50%
2017	7.50%	7.60%	2.875%	7	5.50%
2018	7.40%	7.50%	2.775%	7	5.50%
2019	7.25%	7.25%	2.600%	6	5.50%

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

**OTHER SUPPLEMENTARY
INFORMATION**

STATE OF LOUISIANA, PARISH OF VERMILION

AFFIDAVIT

The Honorable Michael Couvillon, Sheriff of Vermilion Parish

BEFORE ME, the undersigned authority, personally came and appeared, Michael Couvillon, the Sheriff of Vermilion Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$335,308 is the amount of cash on hand in the tax collector account on June 30, 2019;

He further deposed and said:

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

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

Michael Couvillon, Sheriff of Vermilion Parish

SWORN to and subscribed before me, Notary, this 31st day of October 2019, in my office in Abbeville, Louisiana.

Jody G. Meaux (Signature)
JODY G. MEAUX (Print), # 40220
Notary Public
DEATH (Commission)



JODY G. MEAUX
NOTARY PUBLIC
STATE OF LOUISIANA
Notary Public No. 40220
My Commission Expires at Death

VERMILION PARISH SHERIFF
 Abbeville, Louisiana
 Agency Funds

Combining Statement of Fiduciary Net Position
 June 30, 2019

	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS				
Cash	<u>\$ 56,239</u>	<u>\$ 335,308</u>	<u>\$ 152,952</u>	<u>\$ 544,499</u>
LIABILITIES				
Due to taxing bodies and others	<u>\$ 56,239</u>	<u>\$ 335,308</u>	<u>\$ 152,952</u>	<u>\$ 544,499</u>

VERMILION PARISH SHERIFF
Abbeville, Louisiana
Agency Funds

Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2019

	Civil Fund	Tax Collector Fund	Bond Fund	Total
Balances, beginning of year	\$ 58,056	\$ 235,348	\$ 186,595	\$ 479,999
Additions:				
Deposits -				
Sheriff's sales, suits, and seizures	956,742	-	-	956,742
Garnishments	190,257	-	-	190,257
Bonds	-	-	10,551	10,551
Fines, forfeitures and costs	60,426	-	858,849	919,275
Taxes, fees, etc., paid to tax collector	-	30,444,724	-	30,444,724
Interest	131	84,159	298	84,588
Total additions	<u>1,207,556</u>	<u>30,528,883</u>	<u>869,698</u>	<u>32,606,137</u>
Total	<u>1,265,612</u>	<u>30,764,231</u>	<u>1,056,293</u>	<u>33,086,136</u>
Reductions:				
Taxes, fees, etc., distributed to taxing bodies and others	-	21,453,267	-	21,453,267
Deposits settled to -				
State agencies	-	29,216	9,045	38,261
Sheriff's General Fund	270,785	3,156,866	130,496	3,558,147
Clerk of Court	57,259	-	48,111	105,370
Police Jury	-	5,650,124	274,532	5,924,656
District Attorney	-	-	126,129	126,129
Crime lab	-	-	94,425	94,425
Indigent defender board	-	-	137,942	137,942
Litigants, attorneys etc.	627,148	-	52,504	679,652
Other settlements	11,556	-	30,141	41,697
Other reductions	242,625	139,450	16	382,091
Total reductions	<u>1,209,373</u>	<u>30,428,923</u>	<u>903,341</u>	<u>32,541,637</u>
Balances, end of year	<u>\$ 56,239</u>	<u>\$ 335,308</u>	<u>\$ 152,952</u>	<u>\$ 544,499</u>

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Michael Couvillon
Vermilion Parish Sheriff
Vermilion, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vermilion Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated October 31, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Sheriff's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 31, 2019

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Sheriff did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Sheriff does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (continued)
Year Ended June 30, 2019

CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of fully segregating accounting functions and determined that it would not be cost effective to fully segregate these functions. We evaluated our processes, and to the extent practicable with our current staffing level, have reassigned duties and functions and have created compensating controls. While this may not be sufficient to eliminate this finding, we feel that we have taken appropriate steps to reduce the financial statement risk caused by inadequate segregation of accounting functions.

2019-002

Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Sheriff's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition is the result from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of establishing controls over financial reporting and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receive annual training related to their job duties. Additionally, we carefully review the financial statements, related notes and all proposed journal entries. All questions are adequately answered by our Auditors to allow us to appropriately supervise these functions. We feel that we have taken appropriate steps to reduce the financial statement risk caused by this finding.

VERMILION PARISH SHERIFF
Abbeville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (continued)
Year Ended June 30, 2019

B. Compliance

None reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of duties

CONDITION: The Sheriff did not have adequate segregation of duties within the accounting function.

RECOMMENDATION: The Sheriff determined that it is not cost effective to achieve complete segregation of duties within the accounting department. As such, management has determined that no plan is considered necessary.

CURRENT STATUS: Unresolved. See item 2019-001.

2018-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Sheriff does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2019-002.

B. Compliance

None reported.

**VERMILION PARISH SHERIFF
(AS EX-OFFICIO TAX COLLECTOR)**

Statewide Agreed-Upon Procedures Report

Fiscal Period July 1, 2018 through June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Michael Couvillon,
Vermilion Parish Sheriff, and the
Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, we obtained the prior year audit report and we observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, we observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, we obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

- 4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), we obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and we observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). Alternately, we used a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

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

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

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

- 11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
- 12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
 - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- 14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above we obtained ethics documentation from management, and:
 - a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

Debt Service

21. We obtained a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings:

In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Board or Finance Committee, Credit Cards/Debit Cards/Fuel Cards/P-Cards, Travel and Travel-Related Expense Reimbursements, Contracts, Payroll and Personnel, Ethics, Debt Service, and Other.

No exceptions were found as a result of applying procedures listed above except:

Bank Reconciliations:

1 out of 5 was not prepared within two months.

1 out of 5 was being performed monthly but not being printed out and thus we were unable to test

2 of the 5 bank reconciliations tested did not include evidence that a member of management who does not handle cash, post ledgers or issue checks has reviewed each bank reconciliation.

Managements Response:

Due to staffing limits as well as budgetary constraints, the VPSO does not employ enough personnel to adequately segregate specific financial requirements.

4 of the 5 bank reconciliations did not have documentation reflecting that management had researched reconciling items that had been outstanding for more than 12 months from the statement closing date.

Managements Response:

The office is currently reviewing the best course of action to take with regards to those outstanding items.

Collections:

1 collection was deposited 5 days after receipt.

56 collections were deposited 7 days after receipt.

24 collections were deposited 9 days after receipt.

2 collections did not have documentation of collection date; therefore, we could not test if the deposit was made within one business day of receipt.

Managements Response:

Due to staffing limits as well as budgetary constraints, the VPS does not employ enough personnel to adequately segregate specific financial requirements.

Non-Payroll Disbursements:

5 of the 10 disbursements tested did not include evidence of segregation of duties.

Managements Response:

Due to staffing limits as well as budgetary constraints, the VPS does not employ enough personnel to adequately segregate specific financial requirements.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 31, 2019