

ASSUMPTION PARISH SHERIFF

Napoleonville, Louisiana

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

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Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of funding progress related to other postemployment benefits, the schedule of proportionate share of net pension liability, and the schedule of contributions on pages 43-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2017, on our consideration of the Assumption Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assumption Parish Sheriff's internal control over financial reporting and compliance.

Darnall, Sikes, Gardes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

November 27, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Net Position
June 30, 2017

	Governmental Activities
 ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Cash and interest-bearing deposits	\$ 2,273,287
Investments	423,419
Receivables, net	12,648
Due from other governmental units	332,988
Prepaid items	54,944
Capital assets:	
Depreciable, net of accumulated depreciation	1,318,261
Total assets	4,415,547
 Deferred outflows related to net pension liability	 2,305,732
Total assets and deferred outflows of resources	\$ 6,721,279
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Accounts, salaries, and other payables	225,610
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	142,030
Portion due or payable after one year:	
Compensated absences	200,084
Net other postemployment benefit obligation	1,824,839
Net pension liability	4,104,385
Total liabilities	6,496,948
 Deferred inflows related to net pension liability	 610,015
Net position:	
Net investment in capital assets	1,318,261
Unrestricted (deficit)	(1,703,945)
Total net position	(385,684)
Total liabilities, deferred inflows of resources and net position	\$ 6,721,279

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Activities
Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue And Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public safety	\$ 7,381,560	\$ 1,276,174	\$ 642,591	\$ (5,462,795)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				4,603,662
Grants and contributions not restricted to specific programs:				
State sources				392,879
Interest income				4,109
Miscellaneous				85,084
Asset Donation				87,406
Total general revenues				5,173,140
Change in net position				(289,655)
Net position - July 1, 2016				(96,029)
Net position - June 30, 2017				\$ (385,684)

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Balance Sheet – Governmental Fund
June 30, 2017

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 2,273,287
Investments	423,419
Receivables:	
Due from other governmental agencies	332,988
Other receivables	12,648
Prepaid items	<u>54,944</u>
Total assets	<u>\$ 3,097,286</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 117,972
Due to others	<u>107,638</u>
Total liabilities	225,610
Fund balance:	
Nonspendable	54,944
Unassigned	<u>2,816,732</u>
Total fund balance	<u>2,871,676</u>
Total liabilities and fund balance	<u>\$ 3,097,286</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

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

Total fund balance for governmental funds at June 30, 2017		\$ 2,871,676
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of		
Vehicles, net of \$1,217,009 accumulated depreciation	438,956	
Equipment, net of \$660,057 accumulated depreciation	267,666	
Computers, net of \$198,660 accumulated depreciation	462,659	
Building improvements, net of \$17,544 accumulated depreciation	<u>148,980</u>	1,318,261
Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds		
		2,305,732
Liabilities not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(342,114)	
OPEB obligation payable	(1,824,839)	
Net pension liability	<u>(4,104,385)</u>	(6,271,338)
Deferred inflows of resources related to net pension liability are not payable from current expendable resources and, therefore, are not reported in the funds		
		<u>(610,015)</u>
Net position at June 30, 2017		<u>\$ (385,684)</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

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

	General Fund
Revenues:	
Ad valorem taxes	\$ 4,603,662
Intergovernmental revenues -	
Federal grants and reimbursements	44,210
State sources:	
D.A.R.E. grant	34,255
Gaming revenue	197,810
Revenue sharing	195,069
Supplemental pay	312,922
Local grants and reimbursements	289,401
Fees, charges, and commissions for service	999,781
Interest income	4,109
Miscellaneous	85,084
Asset Donation	<u>87,406</u>
Total revenues	6,853,709
 Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	4,340,089
Operating services	1,159,165
Operations and maintenance	1,026,966
Travel and other charges	16,399
Debt service	1,097
Capital outlay	<u>224,055</u>
Total expenditures	<u>6,767,771</u>
 Net change in fund balance	 85,938
 Fund balance, beginning	 <u>2,785,738</u>
 Fund balance, ending	 <u><u>\$ 2,871,676</u></u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

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

Total net change in fund balance for the year ended June 30, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 85,938
The change in net position reported for governmental activities in the statement of activities is different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Prior year compensated absences	350,840	
Current year compensated absences	(342,114)	
Change in net OPEB obligation	<u>(140,830)</u>	(132,104)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	224,055	
Depreciation expense for the year ended June 30, 2017	(367,163)	
Current year deletions of capital assets, net of accumulated depreciation	<u>(11,816)</u>	(154,924)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Prior year deferred revenue on fund statements	(13,008)	
Current year deferred revenue on fund statements	<u>-</u>	(13,008)
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:		
Increase in pension expense	(326,761)	
Nonemployer pension contribution revenue	<u>251,204</u>	<u>(75,557)</u>
Total change in net position for the year ended June 30, 2017 per Statement of Activities		<u>\$ (289,655)</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Statement of Fiduciary Net Position
June 30, 2017

ASSETS

Cash and interest-bearing deposits	<u>\$ 2,710,225</u>
Total assets	<u><u>\$ 2,710,225</u></u>

LIABILITIES

Due to taxing bodies and others	\$ 2,696,469
Due to inmates	<u>13,756</u>
Total liabilities	<u><u>\$ 2,710,225</u></u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

INTRODUCTION

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The general fund of the Sheriff is considered to be a major fund.

The funds of the Sheriff are described below:

Governmental Fund -

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

Fiduciary Funds -

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

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

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

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

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus/Basis of Accounting

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

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

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

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

Revenues

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

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

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

Substantially all other revenues are recorded when received.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures

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

Other Financing Sources (Uses)

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

Unearned Revenues

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

Cash and Interest-bearing Deposits

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

Investments

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

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.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

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

Capital Assets

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

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

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

Compensated Absences

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

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

Government-wide financial statements

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

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

Fund financial statements

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

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

Estimates

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

Net Other Postemployment Benefit Obligations

The Sheriff applies the provisions of GASB Statement No. 45 "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*" This pronouncement requires the Sheriff to calculate and recognize a net *other postemployment benefit* (OPEB) obligation at June 30, 2017. The net OPEB obligation is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2009. See Note 10 for further details.

Pensions

The Sheriff applies the provisions of GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions*". This pronouncement requires the Sheriff to calculate and recognize a net pension liability at June 30, 2017. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund and additions to/deductions from the Sheriffs' Pension and Relief Fund fiduciary net position have been determined on the same basis as they are reported by the Sheriffs' Pension and Relief Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for further details.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Sheriff has evaluated subsequent events through November 27, 2017, the date the financial statements were available to be issued. Subsequent to year end, a special ad valorem tax of 4.25 mills on all property subject to taxation within the Law Enforcement District of the Parish of Assumption, State of Louisiana was levied for a period of fifteen years, beginning with the year 2018 and ending with the year 2032, for the purpose of operating the Assumption Parish Sheriff's Office.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

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

The carrying value of the Sheriff's cash and interest-bearing deposits with financial institutions at June 30, 2017 totaled \$4,983,512; \$2,710,225 is included in the Sheriff's fiduciary funds. The bank balance was \$5,098,279. Federal deposit insurance covered \$250,000 of the deposits while the remaining deposits were covered by collateral held by the pledging bank's agent in the Sheriff's name in the amount of \$4,852,438. Cash and interest-bearing deposits are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

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

NOTE 3 INVESTMENTS

Investments held at June 30, 2017 consist of \$423,419 in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955.

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 3 INVESTMENTS (CONTINUED)

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

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

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

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

Interest rate risk – 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign currency risk – not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

A portion of the Sheriff’s deposits in LAMP, \$76,367, is restricted for use pending adjudication of and an authorization from the district court system.

NOTE 4 AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the Parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied by the parish government in June or July and are actually billed to taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Assumption Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 4 AD VALOREM TAXES (CONTINUED)

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2017, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 29.06 mills on property with net assessed valuations totaling \$203,582,097.

Total law enforcement taxes levied during the fiscal year ended June 30, 2017 were \$5,916,084.

NOTE 5 RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS

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

	Receivables	Due from Other Governments
Governmental activities:		
Fees, charges and commissions for services	\$ -	\$ 281,785
State grants and commissions	-	45,859
Local grants and reimbursements	-	5,344
Miscellaneous receivables	12,648	-
Total	\$ 12,648	\$ 332,988

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 6 CAPITAL ASSETS

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

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental activities:				
Capital assets being depreciated:				
Vehicles	\$1,696,889	\$ 162,875	\$(203,799)	\$ 1,655,965
Equipment	883,018	44,705	-	927,723
Computers	644,844	16,475	-	661,319
Building improvements	<u>166,524</u>	<u>-</u>	<u>-</u>	<u>166,524</u>
Total capital assets being depreciated	3,391,275	224,055	(203,799)	3,411,531
Less: accumulated depreciation				
Vehicles	1,248,594	160,398	(191,983)	1,217,009
Equipment	578,619	81,438	-	660,057
Computers	77,477	121,183	-	198,660
Building improvements	<u>13,400</u>	<u>4,144</u>	<u>-</u>	<u>17,544</u>
Total accumulated depreciation	<u>1,918,090</u>	<u>367,163</u>	<u>(191,983)</u>	<u>2,093,270</u>
Total assets being depreciated, net	<u>\$1,473,185</u>	<u>\$(143,108)</u>	<u>\$ (11,816)</u>	<u>\$ 1,318,261</u>

Depreciation expense of \$367,163 for the year ended June 30, 2017 was charged to the public safety function.

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 7 ACCOUNTS, SALARIES, AND OTHER PAYABLES

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

	Governmental Activities	Fiduciary Funds	Total
Accounts payable	\$ 117,972	\$ -	\$ 117,972
Due to inmates	-	13,756	13,756
Due to other governmental units	-	2,696,469	2,696,469
Evidence seizures	107,638	-	107,638
Total	<u>\$ 225,610</u>	<u>\$ 2,710,225</u>	<u>\$ 2,935,835</u>

As discussed in Note 14, amounts due to other governmental units in the Fiduciary Funds include \$2,297,854 from taxes paid under protest and are held pending resolution of those protests.

NOTE 8 PENSION PLAN

Plan Description

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

Benefits Provided

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

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

with less than thirty years of service is three percent; for members with thirty or more years of service the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

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

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

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following: for a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

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

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

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

Contributions

Contribution requirements for all employers are actuarially determined each year in accordance with state statute. For the year ended June 30, 2016, the actual employer contribution rate was 13.75% with an additional 0% allocated from the Funding Deposit Account. The Sheriff's statutorily required composite contribution rate for the year ended June 30, 2017 was 13.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Employee contributions are based on the employee's annual covered salary and are established

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

by the board of trustees. For the year ended June 30, 2017, the employee contribution rate was 10.25%. Contributions to the pension plan from the Sheriff were \$435,337 for the year ended June 30, 2017.

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

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

At June 30, 2017, the Sheriff reported a liability of \$4,104,385 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the Sheriff's proportion was 0.646676%, which was a decrease of 0.039814% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$762,098. The Sheriff recognized revenue of \$251,204 as its proportionate share of non-employer contributions for the year ended June 30, 2017.

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 430,505
Changes of assumptions	335,315	-
Net difference between projected and actual earnings on pension plan investments	1,027,944	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	507,136	179,510
Employer contributions subsequent to the measurement date	<u>435,337</u>	<u>-</u>
	<u>\$ 2,305,732</u>	<u>\$ 610,015</u>

Sheriff contributions subsequent to the measurement date in the amount of \$435,337 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2017	\$ 246,050
2018	246,050
2019	545,469
2020	264,195
2021	(20,691)
2022	<u>(20,693)</u>
	<u>\$ 1,260,380</u>

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.6%, net of investment expense
Projected salary increases	5.5% (2.875% inflation, 2.625% merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries/RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	7 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

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

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60.0%	6.4%	3.9%
Bonds	25.0%	1.9%	0.5%
Alternative Investments	<u>15.0%</u>	4.3%	<u>0.6%</u>
Total	<u>100.0%</u>		5.0%
Inflation			<u>2.7%</u>
Expected Arithmetic Nominal Return			<u>7.7%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.5%, which was a decrease of 0.1% from the discount rate used to measure the total pension liability at June 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially required rates approved by Public Employees' Retirement Systems' Actuarial Committee taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Sheriff calculated using the discount rate of 7.5%, as well as what the Sheriff's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.5%	\$ 6,963,507
Current discount rate	7.5%	\$ 4,104,385
1% increase	8.5%	\$ 1,744,518

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 8 PENSION PLAN (CONTINUED)

Plan Fiduciary Net Position

The Sheriff's Pension and Relief Fund has issued a stand-alone financial report for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

NOTE 9 DEFERRED COMPENSATION PLAN

The Sheriff offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The Sheriff's contribution to the Plan for the year ended June 30, 2017 was \$60,801.

NOTE 10 POST RETIREMENT HEALTH CARE INSURANCE BENEFITS

From an accrual accounting perspective, the cost of postemployment health care benefits should be associated with the periods in which the cost occurs, rather than in the future year in which it will be paid. In applying the requirements of GASB Statement No. 45, the Sheriff recognizes the cost of postemployment health care in the year in which the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the liability at June 30, 2009.

Plan Description

The Sheriff provides postemployment medical, dental, and life insurance benefits to employees upon actual retirement. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Sheriff's Association through BlueCross BlueShield of Louisiana. The plan does not issue a publicly available report.

The employer pays 100% of the medical coverage for the retiree only (not dependents). The employer also pays for life insurance coverage after retirement. Employees are covered by the Louisiana Sheriffs' Pension and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 12 years of service. However, twenty years of service with the Assumption Parish Sheriff's Office is required to be eligible for employer-paid OPEB benefits. Effective for retirement on and after July 1, 2016, the employer pays varying percentages of the medical/dental and life premiums as follows: less than 20 years, zero; at least 20 years but less than 25, 50%; at least 25 years but less than 30, 75%; and more than 30 years, 100%.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 POST RETIREMENT HEALTH CARE INSURANCE BENEFITS (CONTINUED)

The value of the retiree dental insurance has been combined with the medical with all actuarial assumptions being the same except that there was not any medical trend assumed for dental insurance rates.

Life insurance coverage is continued to retirees by election. The employer pays for the first \$10,000 of retiree life insurance and the retiree pays for any elected excess life insurance over \$10,000. However, both are based on the blended rate and there is thus an implied subsidy. Since GASB Codification Section P50 requires the use of "unblended" rates, the 94GAR mortality table has been used 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. 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. Based on past experience, we have assumed that 40% of retirees elect to continue full life insurance coverage into retirement.

Contribution Rates

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

Funding Policy

Until 2009, the Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2017, the Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$146,569.

Annual Required Contribution

The Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the normal cost plus the contribution to amortize the unfunded actuarial accrued liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>
Normal cost	\$ 94,756
30-year UAL amortization amount	<u>222,669</u>
Annual required contribution (ARC)	<u>\$ 317,425</u>

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 POST RETIREMENT HEALTH CARE INSURANCE BENEFITS (CONTINUED)

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

Annual required contribution (ARC)	\$ 317,425
Interest on net OPEB obligation	67,360
Adjustment to annual required contribution	<u>(97,386)</u>
Annual OPEB cost (expense)	287,399
Contributions made	<u>(146,569)</u>
Increase in net OPEB obligation	140,830
Net OPEB obligation - beginning of the year	<u>1,684,009</u>
Net OPEB obligation - end of the year	<u><u>\$ 1,824,839</u></u>

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2017, and the preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$ 287,399	51.00%	\$ 1,824,839
6/30/2016	\$ 277,722	48.87%	\$ 1,684,009
6/30/2015	\$ 275,644	31.48%	\$ 1,541,999

Funded Status and Funding Progress

As of June 30, 2017, the Sheriff made no contributions to its postemployment benefits plan. The plan was not funded, has no assets, and has a funded ratio of zero. As of June 30, 2017, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$3,850,276, which is defined as that portion, as determined by a particular actuarial cost method (the Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in the fiscal year ended June 30, 2016, the entire actuarial accrued liability of \$3,850,276 was unfunded.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 POST RETIREMENT HEALTH CARE INSURANCE BENEFITS (CONTINUED)

The funded status of the plan as of June 30, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 3,850,276
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,850,276</u>
Funded ratio (actuarial value of plan assets AAL)	0.00%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 3,584,579
UAAL as a percentage of covered payroll	107.41%

Actuarial Methods and Assumptions

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

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

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 POST RETIREMENT HEALTH CARE INSURANCE BENEFITS (CONTINUED)

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 15%.

Post employment Benefit Plan Eligibility Requirements – Although employees may retire at age 55 and 12 years of service, historically they have tended to wait until 20 years of service to retire because of the requirement of twenty years to obtain OPEB benefits. In addition, many employees have historically worked until completion of 30 years of service (including the D.R.O.P. period). To accommodate these historical tendencies, we have assumed that actual retirement (and commencement of OPEB benefits) occurs at the earlier of: first, completion of 30 years of service and the end of the D.R.O.P. period; and, second, five years after attainment of age 55 and completion of 20 years of service. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

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

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

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the total blended rate, as required by GASB Codification Section P50 for valuation purposes. The employer contribution is then that unblended rate less the retiree's contribution, if any. The rates after age 65 were unblended and used without adjustment.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 10 POST RETIREMENT HEALTH CARE INSURANCE BENEFITS (CONTINUED)

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

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

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

NOTE 11 CHANGES IN AGENCY FUND BALANCES

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

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017
Sheriff's Fund	\$ 38,458	\$ 113,993	\$ 97,223	\$ 55,228
Tax Collector Fund	1,960,270	17,722,645	17,339,774	2,343,141
Bond Fund	374,518	585,467	667,710	292,275
Inmate Trust Fund	9,402	183,008	178,654	13,756
Garnishment Fund	-	59,613	59,613	-
Hazardous Materials Fund	50	46,269	40,494	5,825
Total	<u>\$ 2,382,698</u>	<u>\$ 18,710,995</u>	<u>\$ 18,383,468</u>	<u>\$ 2,710,225</u>

NOTE 12 CHANGES IN GENERAL LONG-TERM LIABILITIES

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

	Balance at July 1, 2016	Additions	Payments/ Reductions	Balance at June 30, 2017	Due Within One Year
Governmental activities:					
Compensated					
absences	\$ 350,840	\$ 136,927	\$ 145,653	\$ 342,114	\$ 142,030
Other postemployment					
benefits	1,684,009	140,830	-	1,824,839	-
Net pension liability	<u>3,060,041</u>	<u>1,044,344</u>	<u>-</u>	<u>4,104,385</u>	<u>-</u>
Total	<u>\$ 5,094,890</u>	<u>\$ 1,322,101</u>	<u>\$ 145,653</u>	<u>\$ 6,271,338</u>	<u>\$ 142,030</u>

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 13 FUND BALANCE

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

	<u>General</u>
Fund balances:	
Nonspendable -	
Prepaid items	\$ 54,944
Unassigned:	<u>2,816,732</u>
Total fund balances	<u>\$2,871,676</u>

NOTE 14 TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2017, include \$2,297,854 of taxes paid under protest plus interest earned to date on the investment of these funds, penalties paid on the protest taxes, and overpayments. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

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ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 15 AD VALOREM TAXES COLLECTED AND ASSESSED AND UNCOLLECTED

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

	Taxes <u>Assessed</u>	Taxes <u>Collected</u>	Amount <u>Uncollected</u>
Assumption Parish Special Law Enforcement	\$ 4,849,204	\$ 4,791,665	\$ 57,539
Assumption Parish School Board	6,572,963	6,494,969	77,994
Assumption Parish Assessor	802,633	793,109	9,524
Assumption Parish Parks and Recreation	268,100	262,368	5,732
Assumption Parish Drainage Districts	130,344	129,238	1,106
Assumption Parish Council on Aging	750,904	741,994	8,910
Assumption Parish Police Jury	756,930	737,160	19,770
Assumption Parish Consolidated Fire District	834,343	824,443	9,900
Atchafalaya Levee District	613,179	605,570	7,609
Lafourche Levee District	56,436	56,074	362
Assumption Parish Library	333,730	329,770	3,960
Assumption Parish Light Districts	186,164	183,549	2,615
Department of Agriculture & Forestry	10,894	10,874	20
Louisiana Tax Commission	12,497	12,497	-
Bayou Lafourche Freshwater	338,730	334,711	4,019
Public Buildings and Governmental Facility	166,863	164,883	1,980
LA Cooperative Extension Service	166,863	164,883	1,980
Total	<u>\$16,850,777</u>	<u>\$16,637,757</u>	<u>\$ 213,020</u>

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

NOTE 16 LITIGATION AND CLAIMS

At June 30, 2017, the Sheriff was involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, the only exposure to the Sheriff would be any costs in defense of the lawsuits with no liability to the Sheriff in excess of insurance coverage. It is the opinion of the Sheriff, after conferring with legal counsel, that the liabilities, if any, which might arise from these lawsuits would not have a material adverse effect on the Sheriff's financial position.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Financial Statements

NOTE 17 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to auto liability; professional law enforcement liability; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Sheriff has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Sheriff is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended June 30, 2017. Settled claims have not exceeded the commercial coverage in any of the previous three years.

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

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

NOTE 19 REVENUE ANTICIPATION LOAN

During the year, the Sheriff borrowed \$500,000 from a local financial institution to cover operating costs until the entity's tax revenue was received. The balance was paid back in full during the year, and there was no liability at year end. Interest expense in the amount of \$1,097 was paid during the year ended June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Ad valorem taxes	\$ 5,044,500	\$4,625,212	\$4,603,662	\$ (21,550)
Intergovernmental revenues -				
Federal grants and reimbursements	40,242	39,442	44,210	4,768
State sources -				
D.A.R.E. grant	34,255	34,255	34,255	-
Gaming revenue	210,543	195,412	197,810	2,398
Revenue sharing	188,731	195,069	195,069	-
Supplemental pay	380,064	312,683	312,922	239
Local grants and reimbursements	402,284	434,901	289,401	(145,500)
Fees, charges and commissions for services	678,150	886,958	999,781	112,823
Interest income	1,956	3,172	4,109	937
Miscellaneous	52,114	95,750	85,084	(10,666)
Asset Donation	-	87,406	87,406	-
Total revenues	<u>7,032,839</u>	<u>6,910,260</u>	<u>6,853,709</u>	<u>(56,551)</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,469,177	4,346,425	4,340,089	6,336
Operating services	1,208,522	1,211,311	1,159,165	52,146
Operations and maintenance	1,124,395	1,096,288	1,026,966	69,322
Travel and other charges	22,361	19,477	16,399	3,078
Debt service	8,384	1,097	1,097	-
Capital outlay	<u>200,000</u>	<u>225,845</u>	<u>224,055</u>	<u>1,790</u>
Total expenditures	<u>7,032,839</u>	<u>6,900,443</u>	<u>6,767,771</u>	<u>132,672</u>
Net change in fund balance	-	9,817	85,938	76,121
Fund balance, beginning	<u>2,785,738</u>	<u>2,785,738</u>	<u>2,785,738</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,785,738</u>	<u>\$2,795,555</u>	<u>\$2,871,676</u>	<u>\$ 76,121</u>

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Funding Progress – Other Postemployment Benefits
Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) (b)	Unfunded Actuarial Accrued Liabilities (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2014 *	\$ -	\$ 2,883,425	\$ 2,883,425	0.00%	\$ 3,374,727	85.44%
July 1, 2015	\$ -	\$ 3,702,188	\$ 3,702,188	0.00%	\$ 4,687,600	78.98%
July 1, 2016 **	\$ -	\$ 3,850,276	\$ 3,850,276	0.00%	\$ 3,584,579	107.41%

* The Sheriff opted to not have a full actuarial valuation performed, but instead had an estimated valuation performed based on the July 1, 2012 actuarial valuation.

** The Sheriff opted to not have a full actuarial valuation performed, but instead had an estimated valuation performed based on the July 1, 2015 actuarial valuation.

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2017

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.677423%	\$ 2,682,599	\$ 4,421,468	60.67%	87.34%
2015	0.686490%	\$ 3,060,041	\$ 4,381,356	69.84%	86.61%
2016	0.646676%	\$ 4,104,385	\$ 4,461,856	91.99%	82.10%

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Contributions
Year Ended June 30, 2017

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Notes to the Required Supplementary Information

NOTE 1 BASIS OF ACCOUNTING

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

NOTE 2 BUDGETARY PRACTICES

Budgetary Information

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

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

OTHER SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA, PARISH OF ASSUMPTION

AFFIDAVIT

Leland J. Falcon, Sheriff of Assumption Parish

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

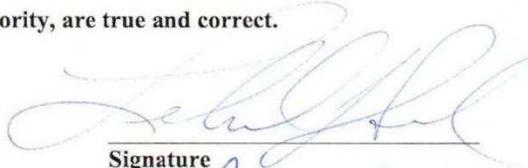
The following information is true and correct:

\$2,343,140.70 is the amount of cash on hand in the tax collector account on June 30, 2017;

He further deposed and said:

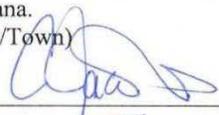
All itemized statements of the amount of taxes collected for tax year 2016, by taxing authority, are true and correct.

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



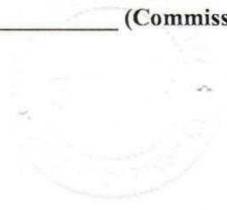
Signature
Sheriff of Assumption
(Parish)

SWORN to and subscribed before me, Notary, this 27th day of November 2017, in my office in the Napoleonville, Louisiana.
(City/Town)

 (Signature)

CHRISTY JACOBS (Print), # 146480

Notary Public
Ex-Officio (Commission)



See independent auditor's report.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
Year Ended June 30, 2017

Agency Head Name: Leland Falcon, Sheriff

<u>Purpose</u>	<u>Amount</u>
Annual salary	\$ 105,279
Benefits - insurance (health)	12,060
Benefits - insurance (life)	1,180
Benefits - retirement	28,640
Benefits - disability insurance	1,038
Benefits - deferred compensation match	5,264
Reimbursements	<u>176</u>
Total	<u>\$ 153,637</u>

See independent auditor's report.

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



Eugene H. Darnall, CPA, Deceased 2009
 E. Larry Sikes, CPA/PFS, CVA, CFP®
 Danny P. Frederick, CPA
 Clayton E. Darnall, CPA, CVA
 Eugene H. Darnall, III, CPA
 Stephanie M. Higginbotham, CPA
 John P. Armato, CPA/PFS
 J. Stephen Gardes, CPA
 Jennifer S. Ziegler, CPA/PFS, CFP®
 Chris A. Miller, CPA, CVA
 Steven G. Moosa, CPA
 M. Rebecca Gardes, CPA
 Joan B. Moody, CPA
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 Erich G. Loewer, III, CPA, M.S. Tax
 Jeremy C. Meaux, CPA
 Stephen R. Dischler, CPA, MBA
 Pamela Mayeux Bonin, CPA, CVA
 Craig C. Babineaux, CPA/PFS, CFP®
 Adam J. Curry, CPA, CFP®
 Kyle P. Saltzman, CPA, CFE
 Jacob C. Roberie, CPA

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*

Kevin S. Young, CPA
 Christy S. Dew, CPA, MPA
 Rachel W. Ashford, CPA
 Veronica L. LeBleu, CPA, MBA
 Christine Guidry Berwick, CPA, MBA
 Brandon L. Porter, CPA
 Brandon R. Dunphy, CPA
 Robert C. Darnall, CPA, CVA, M.S.

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Assumption Parish Sheriff (Sheriff), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff’s basic financial statements and have issued our report thereon dated November 27, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2017-001, that we consider to be a material weakness.

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 Certified Public Accountants
 Society of Louisiana
 Certified Public Accountants

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Compliance and Other Matters

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

Assumption Parish Sheriff's Response to Finding

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

Purpose of this Report

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

Darnall, Sikes, Gardes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

November 27, 2017

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 2017

2016-001 Finding: Inadequate Segregation of Accounting Functions
Status: This finding is unresolved. See current year finding 2017-001.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Findings and Responses
Year Ended June 30, 2017

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

Unmodified opinions have been expressed on the financial statements of the Sheriff's governmental activities, the major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2017.

Deficiencies in Internal Control – Financial Reporting

One deficiency in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 2017-001 in Part 2. We consider the deficiency to be a material weakness.

Material Noncompliance – Financial Reporting

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

FEDERAL AWARDS

This section is not applicable for the year ended June 30, 2017.

MANAGEMENT LETTER

This section is not applicable for the year ended June 30, 2017.

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

The results of our tests disclosed one finding related to the audit of the June 30, 2017 financial statements.

2017-001 Inadequate segregation of accounting functions

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

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

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

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Schedule of Findings and Responses
Year Ended June 30, 2017

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

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

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

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

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2017, the Sheriff did not meet the requirements to have a single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; therefore, this section is not applicable.

ASSUMPTION PARISH SHERIFF
Napoleonville, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2017

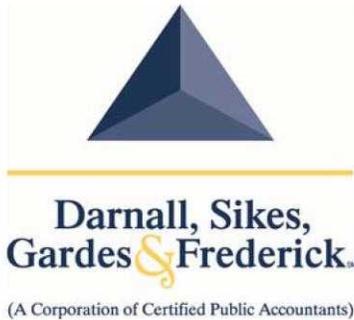
2017-001 Inadequate segregation of accounting functions

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

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

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Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA/PFS
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Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick, CPA, MBA
Brandon L. Porter, CPA
Brandon R. Dunphy, CPA
Robert C. Darnall, CPA, CVA, M.S.



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Management of the Assumption Parish Sheriff,

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Written policies and procedures do not address budgeting.

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

Written policies and procedures do not address purchasing.

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

Written policies and procedures do not address disbursements.

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- d) **Receipts**, including receiving, recording, and preparing deposits
Written policies and procedures do not address receipts.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address payroll functions but do not specifically address (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
Written policies and procedures do not address contracting.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
Written policies and procedures do not address credit cards.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Written policies and procedures were obtained and address all the functions noted above with the exception of: (2) dollar thresholds by category of expense.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
Written policies and procedures were obtained and address all of the functions noted above with the exception of: (4) requirements 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) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Written policies and procedures do not address debt service.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
There was no evidence noting that the managing board met at least monthly or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
The Assumption Parish Sheriff is not required to maintain minutes each month, and there was no evidence that the managing board met at least monthly to discuss budget-to-actual comparisons.

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

The Assumption Parish Sheriff is not required to maintain minutes each month, and there was no evidence that the managing board met at least monthly to discuss budget-to-actual comparisons.

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

The Assumption Parish Sheriff is not required to maintain minutes each month, and there was no evidence that the managing board met at least monthly.

Bank Reconciliations

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

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

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

- a) Bank reconciliations have been prepared;

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

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

Obtained bank statements and reconciliations for all months in the fiscal period noting evidence of management review of the bank statements but not the reconciliations.

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

Obtained bank statements and reconciliations for all months in the fiscal period noting management does not research reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

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

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

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

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

Written documentation was obtained and noted that one employee responsible for collecting cash was not bonded. It was also noted that individuals involved in cash collections were also responsible for reconciling cash accounts.

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

Written documentation was obtained and address the functions noted above noting that cash collections are reconciled to the general ledger by someone who is responsible for cash collections at the main office.

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

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

Obtained collection documentation by location for the highest dollar week noting 32 receipts were not deposited within one day of collection. The Main Office had one receipt deposited two days after collection and one receipt deposited five days after collection. The Pierre Part Substation had one receipt deposited two days after collection, one receipt deposited five days after collection, three receipts deposited six days after collection, three receipts deposited seven days after collection, six receipts deposited eight days after collection, and seven receipts deposited nine days after collection. The credit card payments via the entity's website had four receipts deposited two days after collection, two receipts deposited four days after collection, and three receipts deposited five days after collection. The entity has no control over the nine credit card deposits' time span.

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

Obtained collection documentation by location noting cash collections are completely supported by documentation.

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

Written policies and procedures were obtained noting that no written policies regarding completeness of collections are in place.

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

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

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

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

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

Examined supporting documentation for each of the 25 disbursements selected and found that 14 purchases were initiated without using a purchase order system.

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

Examined supporting documentation for each of the 25 disbursements selected and found that 14 purchases were initiated without using a purchase order system and four transactions did not contain purchase order approval.

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

Examined supporting documentation for each of the 25 disbursements and found that 14 purchases were initiated without using a purchase order system, four transactions did not contain purchase order approval, six transactions did not contain a receiving report, and three transactions did not contain an approved invoice.

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

Persons responsible for processing payments are not prohibited from adding vendors to the entity's purchasing/disbursement system.

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

Persons with signatory authority are able to initiate purchases and one individual with signatory authority is also able to record purchases.

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

The unused checks are maintained in locked locations throughout the office; however, office employees have access to these locations.

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

A signature stamp is not used in any instance.

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

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

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

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

Listing was obtained and randomly selected 10 cards.

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

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

There was one credit card that did not have evidence of approval by someone other than the authorized card holder.

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

No finance charges noted on selected statements.

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

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Travel and Expense Reimbursement

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

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

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

Policies were obtained. No amounts listed exceed GSA rates.

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

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

Expenses were paid in accordance with written policy.

- b) Report whether each expense is supported by:

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

Itemized receipts were not applicable in any instance tested because all items tested were per diem amounts.

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

No exceptions noted.

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

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

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

There was no evidence that the expense and related documentation was reviewed and approved in writing by someone other than the person receiving reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

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

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

No exceptions noted.

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

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

No noncompliance noted.

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

There were two instances noted where the entity did not solicit quotes as a best practice.

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

No amendments to contracts noted.

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

No noncompliance noted.

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

Proper approval noted.

Payroll and Personnel

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

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

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

No contract or pay rate structure noted.

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

No exceptions noted.

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

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

No exceptions noted.

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

There is written documentation of supervisor approval of time; however, it was noted that the supervisors approve their own time.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Ethics (excluding nonprofits)

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

No exceptions noted.

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

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

Debt Service (excluding nonprofits)

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

State Bond Commission approval was obtained.

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

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

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

Not applicable.

Other

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

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

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

No exceptions noted.

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

No exceptions noted.

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

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

Darnall, Sikes, Gardes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

November 27, 2017



Assumption Parish Sheriff's Office

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

Written Policies and Procedures

1. a) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Budgeting, including preparing, adopting, monitoring, and amending the budget will be reviewed for inclusion in the revised policies and procedures.
1. b) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes will be reviewed for inclusion in the revised policies and procedures.
1. c) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Disbursements, including processing, reviewing, and approving will be reviewed for inclusion in the revised policies and procedures.
1. d) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Receipts, including receiving, recording, and preparing deposits will be reviewed for inclusion in the revised policies and procedures.
1. e) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Payroll/Personnel, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked will be reviewed for inclusion in the revised policies and procedures.
1. f) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Contracting, including (1) types of services requiring written contracts; (2) standard terms and conditions; (3) legal review; (4) approval process; and (5) monitoring process will be reviewed for inclusion in the revised policies and procedures.

1. g) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Credit cards, including (1) how cards are to be controlled; (2) allowable business uses; (3) documentation requirements; (4) required approvers; and (5) monitoring card usage will be reviewed for inclusion in the revised policies and procedures.
1. h) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Travel and expense reimbursement, including (2) dollar thresholds by category of expense will be reviewed for inclusion in the revised policies and procedures.
1. i) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Ethics, including (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy will be reviewed for inclusion in the revised policies and procedures.
1. j) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Debt service, including (1) debt issuance approval; (2) EMMA reporting requirements; (3) debt reserve requirements; and (4) debt service requirements will be reviewed for inclusion in the revised policies and procedures.

Finance Committee

2. a) Management plans to document their monthly meetings regarding budgeting in the 2017-2018 fiscal year.
2. b) Management plans to document a budget to actual comparison at each monthly meeting in the 2017-2018 fiscal year.

Bank Reconciliations

4. b) Management plans to document its review of the monthly reconciliations in the 2017-2018 fiscal year.
4. c) Management plans to document its review of research of reconciling items that have been outstanding for more than six months as of the end of the 2017-2018 fiscal year.

Collections

6. a) Management plans to evaluate all individuals collecting cash to determine if all bonds are up to date.
6. b) Management is aware of the inadequate segregation of accounting functions and has determined that based upon the size of the operation and the cost-benefit consideration of additional personnel, it is not feasible to achieve complete segregation of duties.

6. c) The Assumption Parish Sheriff processes deposits every day for clarity of receipt and location. At specific locations, if deposit totals are of a low dollar amount, they are often held for several days to be deposited at one time, due to the need to drive to the deposit bank. In addition, the Assumption Parish Sheriff has no control over the deposit time span for credit card deposits.
7. Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Collection policies and procedures including processes specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections will be reviewed and enforced for compliance.

Disbursements – General

9. Management plans a review to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. The following disbursement policies and procedures will be reviewed and enforced for compliance:
 - a) the use of a requisition/purchase order system or an electronic equivalent system to separate purchase initiation from approval functions
 - b) obtaining appropriate approval of purchase orders, or an electronic equivalent, by a person who did not initiate the purchase, and
 - c) processing payments with an approved requisition and/or purchase order, or electronic equivalent, a receiving report showing receipt of goods purchased, or electronic equivalent, and an approved invoice.
10. Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Disbursement policies and procedures including prohibiting the person responsible for processing payments from adding vendors to the entity's purchasing/disbursement system will be reviewed and enforced for compliance.
11. Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Disbursement policies and procedures including prohibiting the persons with signatory authority or who make the final authorization for disbursements from initiating or recording purchases will be reviewed and enforced for compliance.
12. Management plans a thorough review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Disbursement policies and procedures including restriction of access to the supply of unused checks to persons that do not have signatory authority will be reviewed and enforced for compliance.

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

15. a) Management plans a thorough review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Credit card policies and procedures including approval and review of monthly statements by someone other than the authorized card holder will be reviewed and enforced for compliance.

Travel and Expense Reimbursement

19. d) Management plans a thorough review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Travel and expense reimbursement policies and procedures including review and approval, in writing, of reimbursements by someone other than the receiving employee will be reviewed and enforced for compliance.

Contracts

21. b) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Contract policies and procedures including soliciting quotes as a best practice will be reviewed and enforced for compliance.

Payroll and Personnel

22. a) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Payroll and personnel policies and procedures including adoption of a pay rate structure will be reviewed and enforced for compliance.
23. b) Management plans a review and update to the Assumption Parish Sheriff's financial policies and procedures in the 2017-2018 fiscal year. Payroll and personnel policies and procedures including supervisor approval of attendance and leave for all employees will be reviewed and enforced for compliance.