

3117
130

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Comprehensive Annual Financial Report

For the Year Ended
June 30, 2014

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 25 2015**

Submitted by:

Department of Administration

Danell R. Gerchow
Chief Financial Officer

Kathryn M. Moore
Controller

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Table of Contents

Introductory Section

Letter of Transmittal	1 – 9
Government Finance Officers Association Certificate of Achievement	10
Principal Elected and Appointed Officials	11
Organizational Chart	12-17

Financial Section

Independent Auditor's Report	18-20
-------------------------------------	--------------

Required Supplemental Information (Part I)

Management's Discussion and Analysis	22-33
---------------------------------------------	--------------

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Position	35
Statement of Activities	36
Fund Financial Statements	
Governmental Funds	
Major Fund Descriptions	38
Balance Sheet	39
Reconciliation of the Balance Sheet – Governmental Funds to Government-wide Statement of Net Position	40
Statement of Revenues, Expenditures, and Changes in Fund Balances	41-42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Government-wide Statement of Activities	43-44
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	45
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Jail Special Revenue Fund	46
Proprietary Fund	
Fund Description	48
Statement of Net Position - Internal Service Fund	49
Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Fund	50
Statement of Cash Flows - Internal Service Fund	51
Fiduciary Fund	
Fund Description	53
Statement of Net Position	54

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Notes to the Financial Statements

56-85

Required Supplemental Information (Part II)

Schedule of Funding Progress- Other Post-Employment Benefits	88
Notes to Required Supplemental Information	89

Other Supplementary Information

**Combining and Individual Fund Financial Statements -
Nonmajor Governmental Funds**

Fund Descriptions	91
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	93

**Combining and Individual Fund Financial Statements -
Fiduciary Fund - Agency Funds**

Fund Descriptions	95
Combining Statement of Net Position	96
Combining Schedule of Changes in Balances Due to Taxing Bodies and Others	97
Ad Valorem Tax Affidavit	98

Statistical Section – Unaudited

Financial Trends:

Table 1 – Net Position by Component	100
Table 2 – Changes in Net Position	101
Table 3 – Fund Balance – Governmental Funds	102
Table 4 – Changes in Fund Balances – Governmental Funds	103
Table 5 – Tax Revenues by Source – Governmental Funds	104

Revenue Capacity:

Table 6 – Assessed Value and Estimated Actual Value of Taxable Property	105
Table 7 – Principal Property Taxpayers	106
Table 8 – Direct and Overlapping Property Tax Rates	107
Table 9 – Property Tax Levies and Collections	108
Table 10 – Principal Sales Taxpayers	109
Table 11 – Direct and Overlapping Sales Tax Rates	110

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Debt Capacity:

Table 12 – Ratios of Outstanding Debt by Type	111
Table 13 – Direct and Overlapping Governmental Activities Debt	112-113

Statistical Section – Unaudited (continued)

Demographic and Economic Information:

Table 14 – Demographic Statistics	114
Table 15 – Principal Employers	115

Operating Information:

Table 16 – Full-time Equivalent Employees by Function	116
Table 17 – Operating Indicators	117
Table 18 – Capital Assets by Function	118-119

Single Audit Section

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	120-121
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	122-123
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

Schedule of Expenditures of Federal Awards	124
---------------------------------------------------	-----

Schedule of Findings and Questioned Costs	125
--------------------------------------------------	-----

Schedule of Prior Year Findings and Questioned Costs	126
-------------------------------------------------------------	-----

Jack Strain, Jr.

Sheriff

Ex-Officio Tax Collector
St. Tammany Parish

Brian Trainor
Chief Deputy



January 8, 2015

Honorable Sheriff Jack Strain, Jr.
St. Tammany Parish
Covington, Louisiana

Dear Sheriff Strain:

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Paillet, Meunier & Leblanc, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the St. Tammany Parish Sheriff's office financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the St. Tammany Parish Sheriff's Office

St. Tammany Parish, located in southeast Louisiana, is home to a magnificent collection of scenic waterways and lush forest land. The rich landscape of the 854 square miles that make up St. Tammany Parish includes an abundance of trees such as pine and oak. Our waterways include the north section of Lake Pontchartrain, the Tchefuncte River, the Pearl River and many other smaller waterways and bayous.

P.O. Box 1120
Covington, Louisiana 70434
Phone: 1-985-892-8181
Fax: 1-985-898-2582

P.O. Box 1229
Slidell, Louisiana 70459
Phone: 1-985-646-4100
Fax: 1-985-646-4172

Two major bridges connect St. Tammany Parish (St. Tammany) with areas south of Lake Pontchartrain. The I-10 "Twin Spans" is a major thoroughfare connecting eastern St. Tammany with Orleans Parish and other parishes south of the lake, including St. Bernard. The 24-mile Lake Pontchartrain Causeway connects western St. Tammany with neighboring Jefferson Parish.

In 2006, following Hurricane Katrina, the population of St. Tammany Parish grew significantly overnight, as thousands of south shore residents were left homeless and moved into our parish. As of July 1, 2013, the census bureau estimates St. Tammany's population to be 242,333, making it the fifth most heavily populated parish in the state.

Since 1812, the enduring goal of the St. Tammany Parish Sheriff's office has been to protect the lives and property of the parish's residents. The agency exists to serve the public by preserving, protecting and promoting the "quality of life" our residents hold so dear. Accomplishing this task is a goal we undertake with pride and in a spirit of service. It is no small feat given our parish's geographic diversity and population growth. In addition to the standard criminal patrol functions generally sufficient for more inland parishes, our agency must hire, train and equip many specialized units, including search and rescue, traffic, and air wing. These specialized units are costly in terms of both equipment and manpower, but they must be maintained for the critical, life-saving missions they serve. With our duties as primary tax collector for the entire parish, we take seriously the responsibility of distributing monies where the voters have decided they should be spent – whether on public schools, infrastructure or our own jail project.

The St. Tammany Parish Sheriff's office continues to use our resources more efficiently and effectively, despite continuing changes in the environment, as we understand strategic planning is the key to assuring that our agency is prepared for the challenges of tomorrow.

The financial challenge we face each fiscal year in creating our budget is to ensure a distribution of monetary resources which supports the overall goal of our agency. Given St. Tammany Parish's extremely low crime rate (while the attendant crime rates in neighboring jurisdictions continue to rise dramatically) there can be little doubt that we have consistently met our financial and law enforcement goals.

The St. Tammany Parish Sheriff's office provides a full range of services, including law enforcement and tax collection, including Sales Tax, Ad Valorem, Occupational License, etc.

Budget Preparation

The St. Tammany Parish Sheriff's office is chartered to not only provide law enforcement services; it is chartered to administer Parish Tax Ex-Officio duties. In addition, the Sheriff oversees the operations of the St. Tammany Parish Jail Facility.

Many sheriffs throughout the nation fall under the financial direction of a county-wide governing authority, such as a county board of commissioners or a lone County Chairperson. However, in Louisiana, Sheriffs are financially autonomous. The Sheriff, as a separately elected official overseeing a separate legal entity that is not dependent on the Parish Council for revenues, is considered a "stand-alone" government.

Our budget creation and approval process falls entirely within the control of the St. Tammany Parish Sheriff. The Sheriff approves and adopts the budget.

The budget process begins in January/February of each year, with a call for budget request submittals by the various department heads throughout the agency. These requests were submitted to the accounting department no later than February 21, 2014. Requests for budget allocations must be justified in narrative form, regardless of the category for which the request is made.

Once these requests have been received from all departments, meetings are held (usually three full days in length) between the Sheriff; his chief deputy and deputy chiefs; the accounting staff; and the various department managers. During these meetings, each department manager must provide an oral defense of his or her requests in front of the assembled group. If cuts are to be made to a manager's request, they may be made during the manager's presentation or they may come later during final discussions between the Sheriff and the senior staff.

After final review by the Sheriff, the final budget document, along with all statutorily mandated supporting documentation (including budget message, financial statements estimates of revenue and expenditures for all accounts, statements of any fund balances, etc.) is then prepared by the Chief Financial Officer.

After preparation of the final budget document is complete, the public is invited to submit comments on the budget at a public hearing held in the sheriff's offices. At the conclusion of this public hearing, assuming no other changes are to be made to the proposed budget, the Sheriff officially adopts the budget as authorized in Louisiana Revised Statute 39:1305D. The completed budget is then made available for public inspection and is published in the official journal of St. Tammany Parish, the *St. Tammany Farmer*, no later than fifteen days prior to the beginning of each fiscal year.

This annual budget serves as the foundation for the St. Tammany Parish Sheriff's office financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., patrol, investigations, etc.). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, require approval from the Chief Financial Officer or the Chief Deputy or the Sheriff, if required.

The Sheriff maintains a system of budgetary controls with the objective of ensuring spending is within the appropriated budget. The Sheriff also uses a decentralized purchasing system that uses an encumbrance accounting system as one method to accomplish budgetary control. Requisitions are entered into the accounting system by approved users. Requisitions that will cause an overrun of a department's allocated budget are immediately rejected by the accounting system and are not processed until additional funding is available. Reports can be generated by each department supervisor for tracking of their allocated budgets at any given time.

Local Economy

The economy of St. Tammany Parish is primarily residential, bringing an influx of retail and service establishments, corporate headquarters, and shopping centers. St. Tammany Parish is blessed with a low crime rate, superb school system, and first-rate medical facilities. All of those factors encourage continued growth and makes the community a destination for families and businesses. St. Tammany Parish is one of the fastest growing parishes in the State and one of the fastest growing areas in the nation. St. Tammany Parish is currently home to Chevron Gulfcoast Exploration Headquarters, Hornbeck Offshore, Pool Corporation, Zen-Noh Grain Corporation, Marine Technologies, Stirling Properties, F.A. Richard & Associates (FARA), Textron, and Smoothie King. The region's I-10 Technology Corridor is primarily based in St. Tammany Parish.

The St. Tammany Parish Sheriff's office has a significant economic presence, employing approximately 750 patrol officers, administrative professionals, and support staff.

Revenue Sources

Ad valorem (Property Tax)

Ad valorem (Property) and sales taxes are the Sheriff's office two main sources of revenue. For fiscal 2015, ad valorem taxes for the 2014 tax year are expected to generate \$19.5M or 42% of total revenues in the General Fund. Ad valorem taxes are recorded as current revenue to the extent collected within 60 days after year-end.

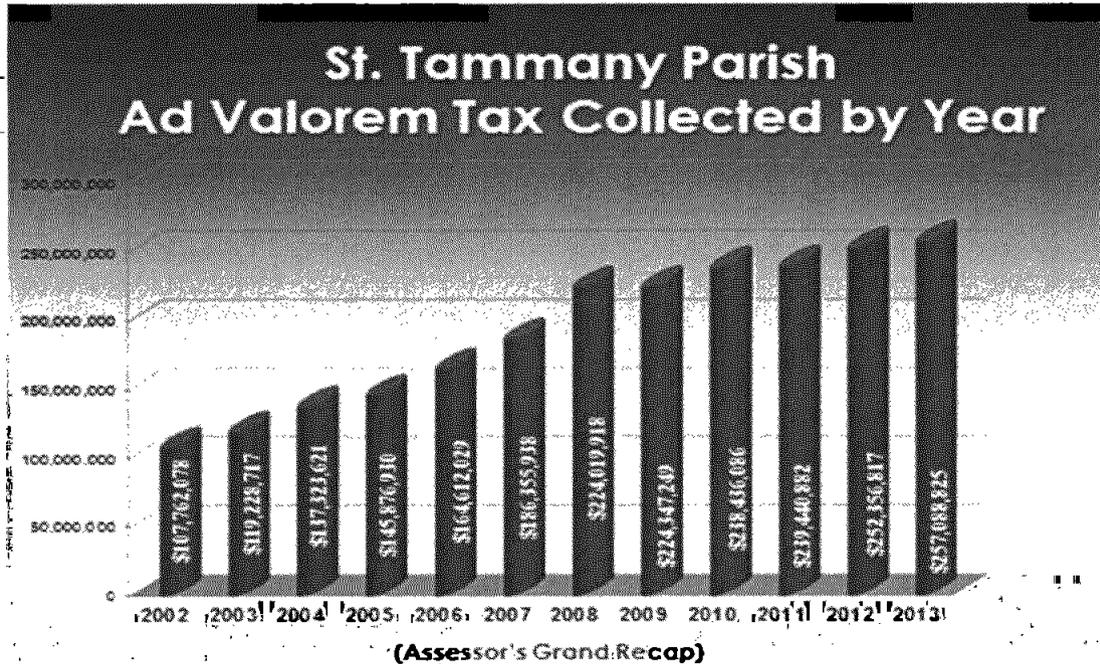
St. Tammany Parish continues to experience some level of growth in residential and commercial development. As such, ad valorem revenues are expected to show steady growth that has been seen over the past two decades.

<u>Tax Years</u>	<u>Average Annual Growth</u>
1991-2000	8.4%
2001-2010	10.9%
2011-2013	2.6%

Though the most recent decade reveals less growth in ad valorem tax revenues, it should be noted that a significant nationwide economic malaise existed at its beginning (2011 = 0%), and only one reassessment year (2012 = 5%). The reassessment cycle occurs every four years in Louisiana and historically provides the greatest growth in property values in the years in which they occur. The 2011-2020 decade will contain three reassessment years, with two more upcoming in 2016 and 2020.

There is a portion of the original ad valorem tax roll that is uncollectible each year. This occurs primarily from reductions in the roll due to property value adjustments approved via change order via the local Assessor's and Louisiana Tax Commission. There are also delinquent properties that go to tax sale which adjudicate to the St. Tammany Parish Government and await redemption at some point unknown in the future. When all taken into consideration, the original tax roll received versus actual amounts collected yields a collection rate of approximately 98.5% of the original tax roll or 99.7% of the adjusted tax roll for the 2013 tax year.

Below is a breakdown of ad valorem taxes for the last 12 calendar years based on the St. Tammany Parish Assessor's Grand Recap.



Sales and Use Taxes

Sales tax revenues tend to be budgeted conservatively since their volatile nature is intrinsically tied to economic performance. Historically, sales tax revenues typically have trended upward parish-wide, mirroring the growth that St. Tammany Parish has experienced for the past few decades. This steady growth was interrupted following an uncharacteristically large increase experienced in fiscal 2006 due to significant losses of real and personal property from Hurricane Katrina. This event subsequently produced a period of declining revenues annually through fiscal 2010. Since that time, sales tax revenues have reverted back to the steady increases seen previously.

As the centralized collector of all sales taxes in St. Tammany Parish, we are aware that some individual jurisdictions have not experienced the same growth patterns in their own sales tax revenues. These differences are grounded in various factors, some of which that are not economic in nature.

St. Tammany continues to have major construction projects throughout the Parish which generate new tax dollars. This past fiscal year, the largest development started was Fremaux Town Center. This project, which saw many delays, is still in the first phase of development. The first phase brought many new stores to St. Tammany, such as Dick's Sporting Goods, Versona, Cheddar's, and Felipe's Taqueria. Also in the first phase were new locations of Kohl's, Petsmart, LongHorn Steakhouse, Ulta Beauty, Michaels, T J Maxx, Rack Room Shoes, Carters, Panera Bread, and Starbucks. The planning of the second phase of Fremaux Town Center is underway and is scheduled to include Dillard's, American Eagle, Chico's, Red Robin, Sleep Number, Sola Salon, Archipelago, and much more.

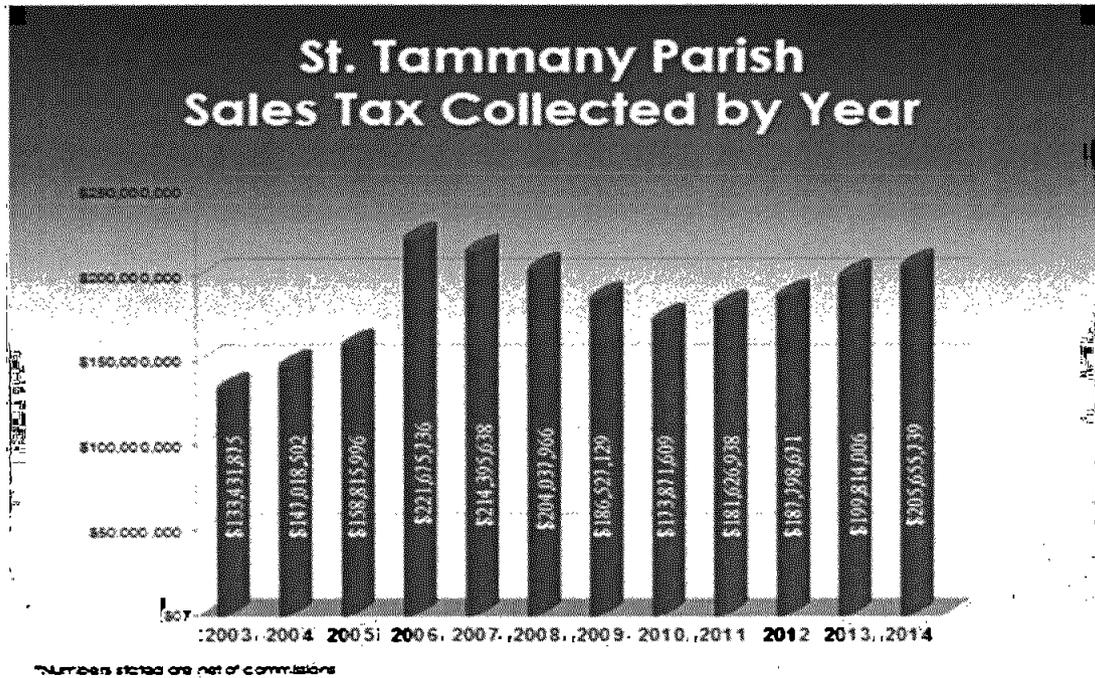
In addition, big box stores such as Wal-Mart continue to add locations in St. Tammany

with a Wal-Mart Neighborhood Grocery opening in Covington in 2013 and two (2) scheduled to open in Slidell this year. Walgreens and CVS each added a location in 2014.

The hospitality industry continues to grow with two (2) more hotels opening in St. Tammany, the Wingate by Wyndham in November 2013 and Holiday Inn Express in February 2014. In August 2014 another Holiday Inn Express in Covington is scheduled to open and a hotel recently broke ground on Holiday Blvd in Slidell.

Other industries such as manufacturing continue to grow. The Abita Brewing Company expanded its facility adding a new 11,200 square foot brew house and adding a solar system to power its brew house in 2013. MECO, a company that designs, manufactures, and sells water purification equipment built a new 80,000 square foot manufacturing facility which was completed in January 2014.

Below is a breakdown of sales and use taxes collected for the last 12 fiscal years.



Overview of Crime Statistics

For obvious reasons, crime greatly impacts the operations of the Sheriff's office.

There are numerous ways to measure crime and the effectiveness of the local law enforcement in a particular area; however the most universally used measuring tool is the Federal Bureau of Investigation (FBI) Uniform Crime Reporting (UCR), which measures the number of crimes committed in particular categories.

Despite an increasing population and an influx of new residents following Hurricane Katrina in 2005, St. Tammany Parish has enjoyed a relatively low crime rate, especially in comparison to other surrounding communities.

	<u>1980 - 1989</u>	<u>2000 - 2009</u>
Population	110,869	233,740
Murder	97	74
Rape	218	274
Robbery	421	348
Burglary	11,819	7,339

The number of crimes being committed in most of the measured categories has actually seen a decrease over the past couple of years despite the increase in population.

The population of St. Tammany Parish has more than doubled since the 1980s; yet when comparing the crimes reported in that decade to those reported from 2000-2009, there is a marked decrease in most of the major crimes.

When compared to the average of the five years prior, the number of major crimes reported in unincorporated St. Tammany Parish for year-to-date 2014 illustrates that the number of crimes reported in most categories continues to decrease.

This is likely due to the work being done by the St. Tammany Parish Sheriff's office, an increase in technology available, and the cooperation and support of the residents who live here.

The St. Tammany Parish Sheriff's office also has a very high solve rate, averaging more than 50 percent of all crimes being cleared on average every year.

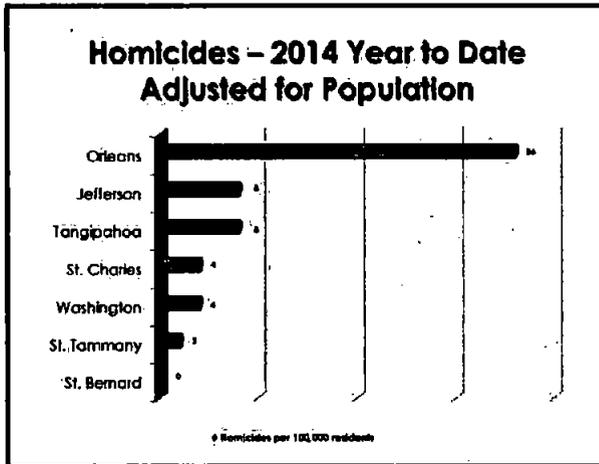
As you can see in the chart to the right, as of October 31, 2014, there had only been three murders committed in unincorporated St. Tammany Parish. This is down from an average of 4.4 murders per year for the five years prior.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>
Murder	4	6	5	7	0	3
Rape	26	15	17	14	4	11
Robbery	27	21	20	15	26	21
Burglary	643	517	592	652	515	318
Auto Theft	164	138	144	158	151	88

*As of October 31, 2014

What is not shown in this chart is the slight upswing of crime in the years prior to this five year period.

This has been attributed to the influx of temporary residents and migrant workers that moved to the area during the rebuilding process following Hurricane Katrina.



There were 36 murders reported for the calendar years 2005-2008 and 134 rapes reported for those same four years.

St. Tammany Parish is relatively comparative in population to Orleans Parish, which has reported 136 homicides for every 100,000 people for the first 10 months of 2014 with two months left to go in the year.

The population of St. Tammany Parish is nearly twice the size of that of Tangipahoa Parish, yet the

homicide rate there appears to be more than twice that of St. Tammany.

St. Tammany's largest category of measured crimes committed is thefts, with 1,413 thefts and 151 vehicle thefts reported in calendar year 2013. Those numbers are down from 1755 thefts and 158 vehicle thefts in 2012. For the first 10 months of 2014, there have been 946 thefts and 88 vehicle thefts.

Long-term Financial Planning & Major Initiative

A Long-range Financial Plan provides a "road map" for where the Sheriff wants to proceed financially and how he plans to get there, by combining financial forecasting with financial strategizing. The plan is intended to serve as a tool to identify problems and opportunities, and to provide the Sheriff, staff, and citizens with the insights required to address issues impacting the Sheriff's financial condition. The Sheriff's plan has a multi-year planning horizon: with three to five years for projecting current operations and capital expenditures and longer time frames for more extensive projects depending on funding. Future additional projects will require additional revenue, either from current or new revenue sources, i.e., grants, bonded debt, etc.

The Sheriff strives to maintain an unrestricted fund balance to provide for unanticipated expenditures of a non-recurring nature and/or to meet unexpected increases in costs. All fund designations and reserves will be reviewed annually for long-term adequacy and use requirements. Any projected insufficiencies will be addressed immediately. It is a goal to maintain a fund balance of at least 20% in the General Fund. Over the next year we will continue to concentrate on the successful completion of the new Crime Lab and the successful installation of the new radio system within budget.

Relevant Financial Policies

The Sheriff has established and adopted comprehensive financial policies to balance the needs of the agency with the resources available for use. The policies set forth consistent guidelines for fiscal planning and performance, and support the Sheriff's commitment to sound financial management and fiscal stability.

These policies can be found within the notes to the financial statements on pages 55 to 85.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Tammany Parish Sheriff's Office (STPSO) for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the first year the STPSO submitted a comprehensive annual financial report (CAFR) for the award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

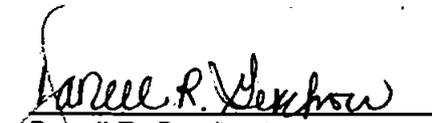
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievements Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

The STPSO also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2013. This was the first year the STPSO submitted a budget document for the award. To receive the Distinguished Budget Presentation Award, the government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The Distinguished Budget Presentation Award is award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we have submitted it to GFOA to determine its eligibility for another award.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Accounting Department. I wish to thank all St. Tammany Parish Sheriff's Office departments for their assistance in providing the data necessary to prepare this report. I would also like to extend my gratitude for your unflinching support for maintaining the highest standards of professionalism in the management of the St. Tammany Parish Sheriff's Office.

Respectfully Submitted,


Danell R. Gerchow
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**St. Tammany Parish Sheriff
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

PRINCIPAL ELECTED AND APPOINTED OFFICIALS

Sheriff Rodney "Jack" Strain, Jr.

Chief Deputy Brian Trainor

Deputy Chief Danell Gerchow

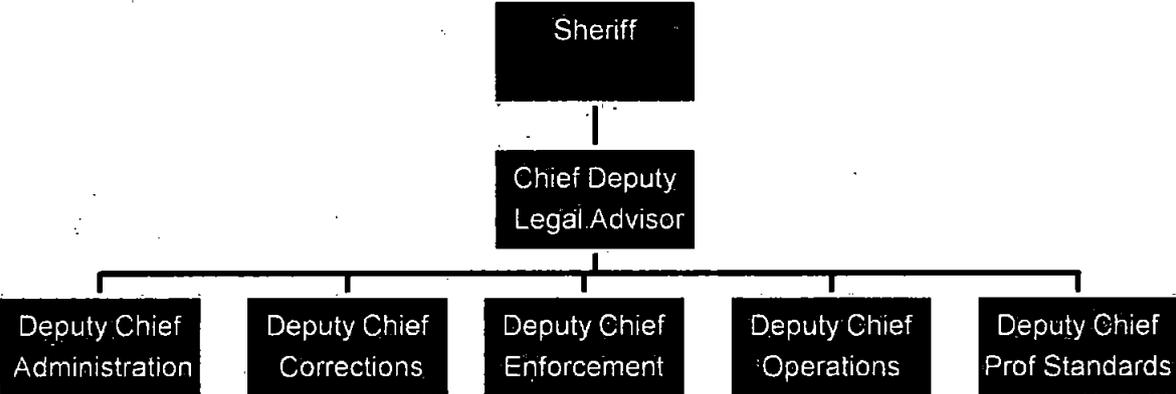
Deputy Chief Fred Oswald

Deputy Chief David Hall

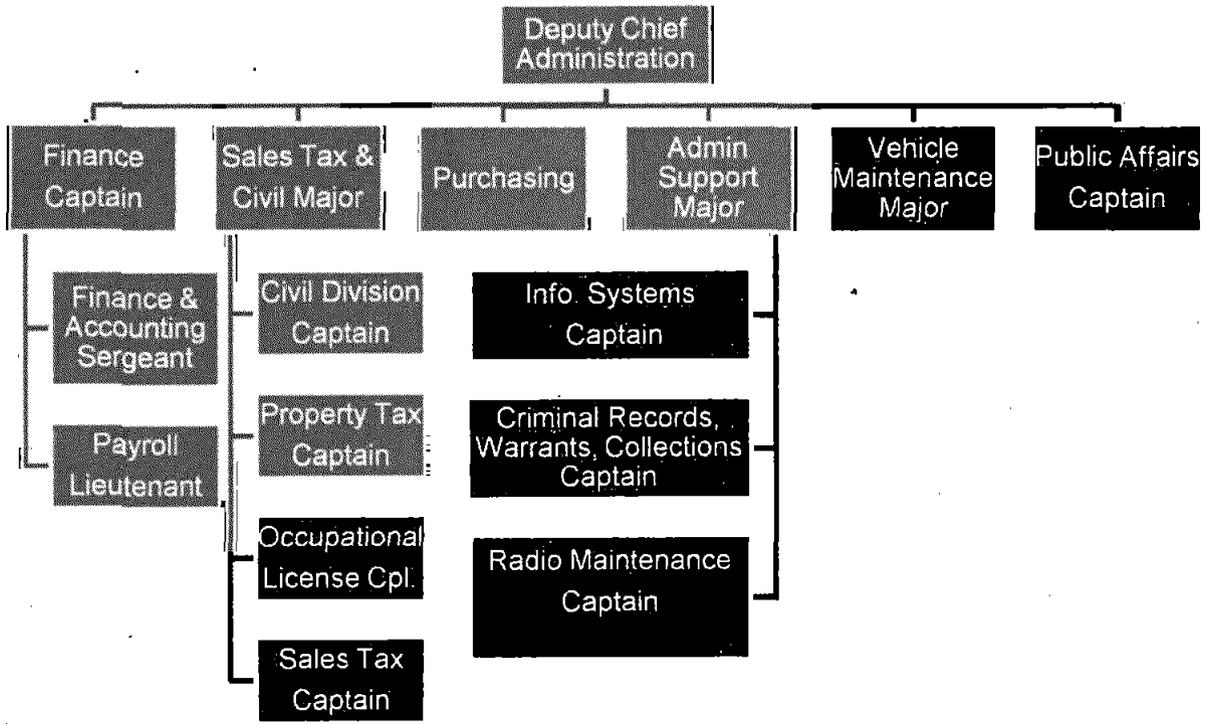
Deputy Chief Joe Jarrell

Deputy Chief Jimmy Richard

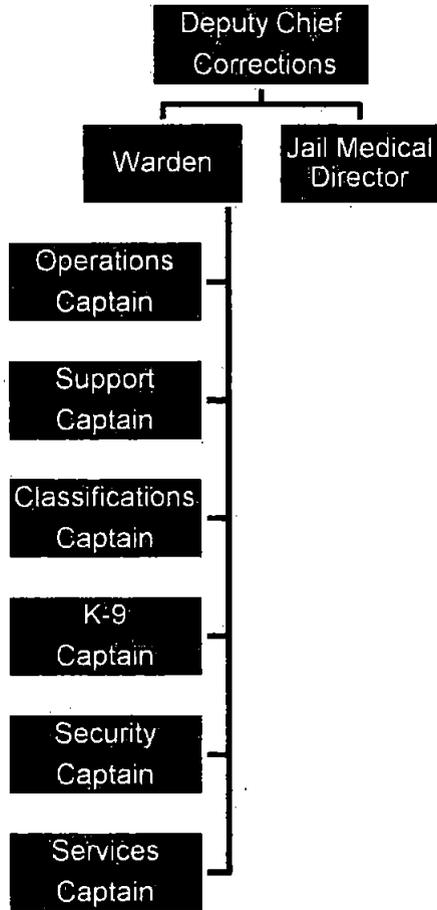
**ST. TAMMANY PARISH SHERIFF
ORGANIZATIONAL CHART
Sheriff and Executive Staff**



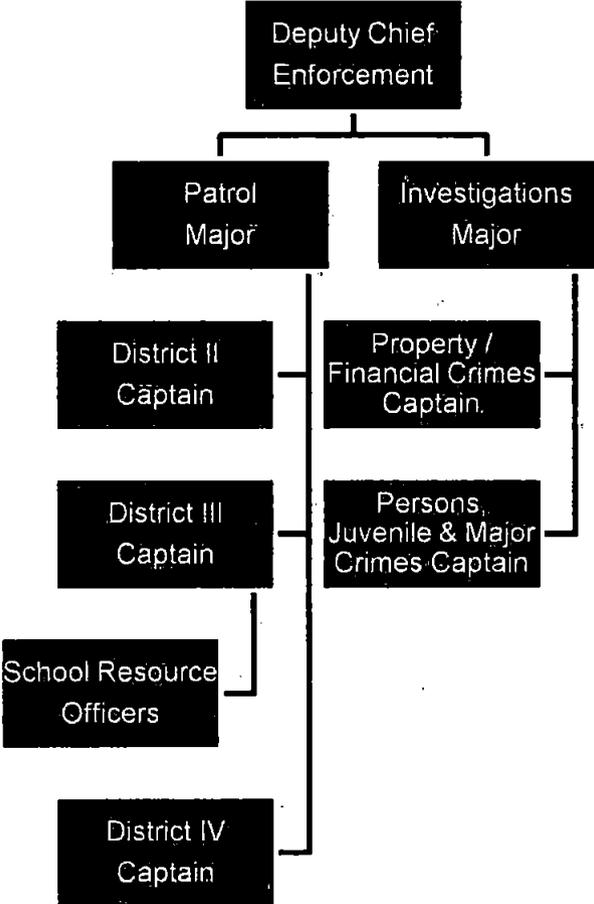
**ST. TAMMANY PARISH SHERIFF
ORGANIZATIONAL CHART
Administration**



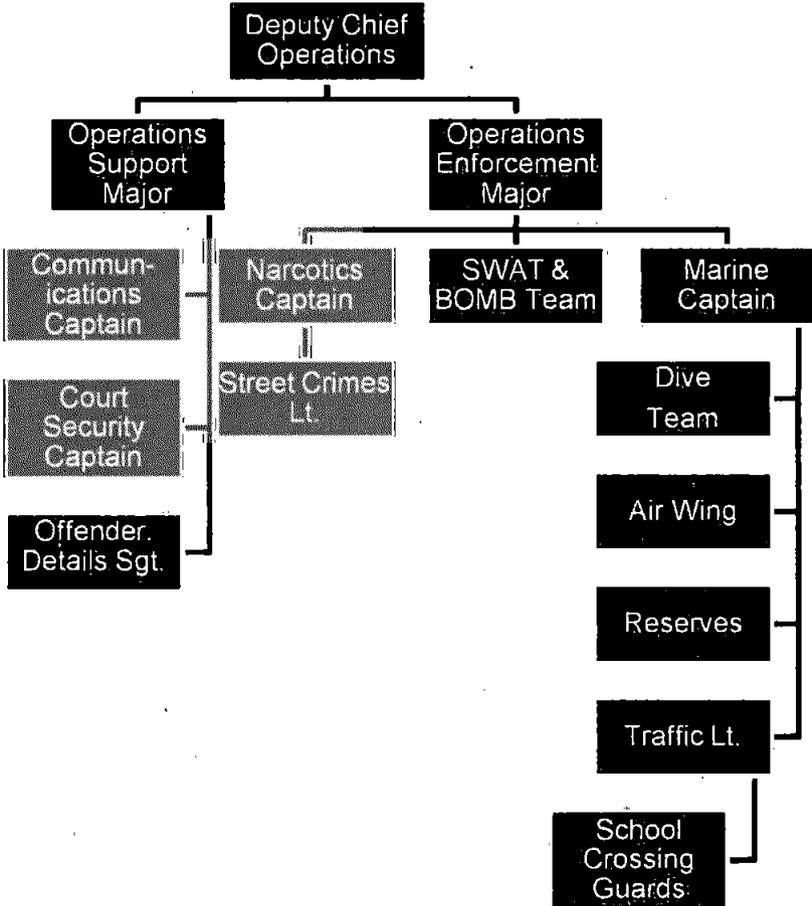
**ST. TAMMANY PARISH SHERIFF
ORGANIZATIONAL CHART
Corrections**



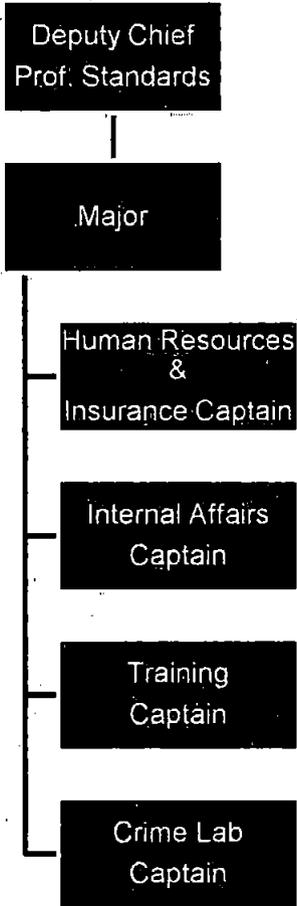
**ST. TAMMANY PARISH SHERIFF
ORGANIZATIONAL CHART
Enforcement**



**ST. TAMMANY PARISH SHERIFF
ORGANIZATIONAL CHART
Operations**



**ST. TAMMANY PARISH SHERIFF
ORGANIZATIONAL CHART
Professional Standards**



PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

INDEPENDENT AUDITOR'S REPORT

The Honorable Rodney "Jack" Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2014, 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

Member of:  **PrimeGlobal** | An Association of Independent Accounting Firms • PCAOB - Public Company Accounting Oversight Board
AICPA: Center for Public Company Audit Firms (SEC) • Governmental Audit Quality Center • Private Companies Practice Section (PCPS)
3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002 • Telephone (504) 837-0770 • Fax (504) 837-7102
201 St. Charles Ave., Suite 2500 • New Orleans, LA 70170 • Telephone (504) 599-5905 • Fax (504) 837-7102

www.pmlcpa.com

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sheriff, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Jail Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 22 to 33 and page 88, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Tammany Parish Sheriff's basic financial statements. The introductory section, combining and individual non-major fund financial statements, the schedules in the other supplementary information section as listed in the table of contents, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying Ad Valorem Tax Affidavit is not a required part of the basic financial statements of the Sheriff but is additional information required by the Louisiana Legislative Auditor.

The combining and individual non-major fund financial statements, the schedules in the other supplementary information section as listed in the table of contents, the schedule of expenditures of federal awards, and the Affidavit 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 combining and individual non-major fund financial statements, the schedules in the other supplementary information section as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2015, on our consideration of the St. Tammany 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 St. Tammany Parish Sheriff's internal control over financial reporting and compliance.

Paillet, Meunier and LeBlanc, LLP

Metairie, LA
January 8, 2015

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

As management of the St. Tammany Parish Sheriff's office, we offer readers of the Sheriff's financial statements this narrative overview and analysis of the financial activities of the St. Tammany Parish Sheriff's office for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-9 of this report.

Financial Highlights

- The assets of the St. Tammany Parish Sheriff's office exceeded its liabilities at the close of the 2014 fiscal year by \$30,887,771 (net position). Of this amount, \$5,690,524 represents unrestricted net position, which can be used to meet the government's ongoing obligations to citizens and creditors.
- The St. Tammany Parish Sheriff's office total net position increased \$9,715,486 primarily due to the forgiveness of the Special Community Disaster Loan and related interest offset by an increase in net other postemployment benefits (OPEB) obligation during the current period.
- At the close of the current fiscal year, the St. Tammany Parish Sheriff's office governmental funds reported combined fund balances of \$37,867,355, an increase of \$10,904,080 in comparison with the prior year. Approximately 26% of this amount (\$9,847,360) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$9,847,360, or approximately 21% of total general fund expenditures.
- The St. Tammany Parish Sheriff's office total outstanding long-term debt showed a net increase of \$8,481,372 during the current fiscal year because of an increase in net other postemployment benefits (OPEB) obligation of \$2,461,748, the issuance of long term debt net of payments of \$15,461,072 netted with the forgiveness of the Special Community Disaster Loan of \$9,441,448.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the St. Tammany Parish Sheriff's office basic financial statements. The St. Tammany Parish Sheriff's office basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the St. Tammany Parish Sheriff's office finances, in a manner similar to a private-sector business.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

The **statement of net position** presents financial information on all of the Sheriff's office assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the St. Tammany Parish Sheriff's office is improving or deteriorating.

The **statement of activities** presents information showing how the St. Tammany Parish Sheriff's office net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the St. Tammany Parish Sheriff's office that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions. The governmental activities of the St. Tammany Parish Sheriff's office include public safety and interest on long-term debt.

The government-wide financial statements can be found on pages 35-36 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The St. Tammany Parish Sheriff's office, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the St. Tammany Parish Sheriff's office can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

The St. Tammany Parish Sheriff's office maintains six individual governmental funds: General Fund, Jail Special Revenue Fund, Capital Projects Fund, Commissary Special Revenue Fund, Crime Lab Special Revenue Fund, and Bond Sinking Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Jail Special Revenue Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The St. Tammany Parish Sheriff's office adopts an annual appropriated budget for its General Fund and Jail Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Jail Special Revenue Fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 38-44 of this report.

Proprietary Funds. The St. Tammany Parish Sheriff's office maintains one proprietary fund, the Internal Service Fund. The Internal Service Fund is used to account for the payment of liability claims and related expenses. Resources to fund the self-insurance plan are recorded as revenues. The cost of claims is recorded as an expense in the Internal Service Fund when the claims arise.

The basic proprietary fund financial statements can be found on pages 48-51 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The St. Tammany Parish Sheriff's office maintains five different fiduciary funds. Each fund is outlined below.

1. Sheriff's Fund Agency Fund – accounts for funds in connection with civil suits, Sheriff's sales and garnishments. It also accounts for the collections of bonds, probation fines and disbursement of these collections, in accordance with applicable law.
2. Tax Collector Agency Fund – Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as collector of state, parish, and local taxes and fees. The Tax Collector Agency Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies. Examples are ad valorem taxes, redemption fees, sales & use taxes, occupational license renewals, and State Revenue Sharing.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

3. Jail Agency Fund – accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and payable upon completion of their jail sentence. The Jail Agency Fund also accounts for the collection and disbursement of certain fees charged to inmates upon incarceration.
4. Transitional Work Program Agency Fund – accounted for individual prisoner account balances that were in the Transitional Work Program. Funds were deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts were returned upon completion of their jail sentence. Effective July 1, 2013, the Transitional Work Program was privatized. All funds owed to participants in the program were transferred in August 2013 and the bank account was subsequently closed.
5. Fines and Cost Agency Fund – accounts for the collection and disbursement of fines and costs that are reviewed by the courts, in accordance with applicable law.

The fiduciary fund financial statements can be found on pages 95-97 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 56-85 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the St. Tammany Parish Sheriff's office progress in funding its obligation to provide OPEB benefits to its employees. Required supplementary information can be found on page 87 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and agency funds are presented immediately following the required supplementary information OPEB, starting on page 91.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the St. Tammany Parish Sheriff's office, assets exceeded liabilities by \$30,887,771, at the close of the most recent fiscal year.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

St. Tammany Parish Sheriff's Office Net Position

	Governmental activities	
	2014	2013
Current Assets	\$45,440,333	\$33,265,411
Capital Assets, Net of Accumulated Depreciation	\$28,452,566	\$23,008,946
Total Assets	\$73,892,899	\$56,274,357
Current Liabilities	\$ 7,398,375	\$ 7,943,620
Long-Term Liabilities	\$35,606,753	\$27,158,452
Total Liabilities	\$43,005,128	\$35,102,072
Net Position		
Net Investment in Capital Assets	\$23,216,715	\$22,606,051
Restricted for:		
Crime Lab Expenditures	\$ 1,968,575	\$ 1,694,141
Debt Service	\$ 11,957	\$ 11,949
Unrestricted	\$ 5,690,524	\$ (3,139,856)
Total Net Position	\$30,887,771	\$21,172,285

By far, the largest portion of the St. Tammany Parish Sheriff's office net position reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles, etc.), less any related outstanding debt that was used to acquire those assets. The St. Tammany Parish Sheriff's office uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the St. Tammany Parish Sheriff's office investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the St. Tammany Parish Sheriff's office net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining \$5,690,524 is unrestricted.

The St. Tammany Parish Sheriff's office overall net position increased \$9,715,486 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$9,715,486 from the prior fiscal year for an ending balance of \$30,887,771. The increase in the overall net position of governmental activities is primarily the result the forgiveness of the Special Community Disaster Loan netted with the cost of the OPEB plan that will provide health care benefits to current and future retirees during the life of the retiree. See pages 73-77 of the notes to the financial statements for more details about this OPEB plan.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

St. Tammany Parish Sheriff's Office Changes in Net Position

	Governmental Activities	
	2014	2013
Program Revenues		
Charges and Services	\$ 20,205,527	\$ 25,570,788
Operating Grants and Contributions	3,851,162	3,937,159
General Revenues		
Taxes		
Ad Valorem Taxes	19,768,442	18,852,429
Sales and Use Taxes	10,530,878	10,239,921
Intergovernmental Revenues		
Transfer from St. Tammany Parish Council	10,530,878	10,239,921
Interest and Investment Earnings	69,933	63,973
Other Revenues	4,093,657	514,132
Special Item - Special Community Disaster Loan Forgiveness	11,315,552	-
Total Revenues	80,366,029	69,418,323
Expenses		
Public Safety	70,407,737	71,352,944
Interest on Long-Term Debt	242,806	501,062
Total Expenses	70,650,543	71,854,006
Change in Net Position	9,715,486	(2,435,683)
Net Position, Beginning of Year	21,172,285	23,607,968
Net Position, End of Year	\$ 30,887,771	\$ 21,172,285

Financial Analysis of Governmental Funds

As noted earlier, the St. Tammany Parish Sheriff's office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the St. Tammany Parish Sheriff's office governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the St. Tammany Parish Sheriff's office financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the Sheriff himself.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

At June 30, 2014, The St. Tammany Parish Sheriff's office governmental funds reported combined fund balances of \$37,867,355, an increase of \$10,904,080 in comparison with the prior year. Approximately 26% of this amount (\$9,847,360) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$119,574), 2) restricted for particular purposes (\$19,629,929), 3) committed for particular purposes (\$5,843,440), or 4) assigned for particular purposes (\$2,427,052).

The general fund is the chief operating fund of the St. Tammany Parish Sheriff's office. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,847,360, while total fund balance decreased to \$9,966,934. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 20.7 percent of total general fund expenditures, while total fund balance represents approximately 20.9 percent of that same amount.

During the current fiscal year, the fund balance of the St. Tammany Parish Sheriff's Office general fund decreased by \$35,844.

During the current fiscal year, the fund balance of the St. Tammany Parish Sheriff's Office jail special revenue fund increased by \$34,607. The Sheriff is required by law to fund any deficits recognized at year-end. For the current year, a transfer from the Sheriff's General Fund of \$525,000 was made to cover the deficit in the jail special revenue fund.

The capital projects fund, a major fund, had a \$10,559,822 increase in fund balance during the current fiscal year which put the overall fund balance at \$22,967,919. The increase in fund balance was a result of the issuance of Series 2014 certificates of indebtedness. (Note 9, page 71-72)

Proprietary Funds. The Sheriff maintains one proprietary fund; the Internal Service Fund. The Internal Service Fund is used to account for the payment of liability claims and related expenses. Resources to fund the self-insurance plan are recorded as revenues. The cost of claims is recorded as an expense in the Internal Service Fund when the claims arise.

Unrestricted net position of the Internal Service Fund at the end of the year was \$1,755,752. The decrease in net position of the Internal Service Fund was \$1,313.

General Fund Budgetary Highlights

The current year's revenues warranted amendments to increase the original estimated excess of revenues over expenditures to approximately \$1M. Various factors played a role in the impact to the original budget, including a recent economic upturn for the St. Tammany Parish area.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

The most significant differences between estimated revenues and actual revenues were as follows:

<i>Revenue Source</i>	<i>Original Budget</i>	<i>Final Amended Budget</i>	<i>Actual Revenues</i>	<i>Difference Final Budget to Actual</i>
Ad Valorem Tax	\$18,900,000	19,765,220	\$19,768,442	\$3,222
Sales and Use Tax	10,000,000	10,437,463	10,530,878	93,415
Civil and Criminal Fees	4,310,000	4,329,333	4,557,494	228,161

The increase in the above revenue sources were realized by the slight recession-recovery being experienced during the current year. Ad valorem taxes were significantly more than estimated because the Tax Roll for 2012 collected in fiscal year 2013 was reflective of re-assessed property taxes. Those changes have affected the estimate of the property taxes for the current year.

The recent recession-recovery also impacted the Sales taxes collected with an increase of \$437,463 in estimated revenues. The increase in commercial infrastructures, such as shopping center venues, has continued to impact the Sales and Use tax revenue over the past couple of years. Commissions the Sheriff receives coincide with the Sales tax revenues; thus the increase is a direct impact of those revenues being on the upswing. Fees are also reflective of an increase in other revenues.

Criminal and Civil fees are dictated by the court systems and decisions made by the assigned judges. The original budget is projected based upon past year trends; thus the actuals will tend to fluctuate.

<i>Expenditures</i>	<i>Original Budget</i>	<i>Final Amended Budget</i>	<i>Actual Expenses</i>	<i>Difference Final Budget to Actual</i>
Personnel Services	\$24,443,714	\$22,299,894	\$23,263,969	(\$964,075)
Material and Supplies	769,031	898,615	1,332,233	(433,618)
Capital Outlays	125,000	4,171,923	3,354,608	817,315

2014 personnel services compared reasonably to the 2013 actual expenses of \$23,518,559. The variance is due to estimates made during the budgeting process that were not realized in the current year.

The variance in material and supplies is due to unanticipated law enforcement supplies necessary at year end.

The variance is due to capital outlays of vehicles and equipment that were budgeted in 2014 but delayed until 2015.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

Jail Special Revenue Fund Budgetary Highlights

The Sheriff is required by law to fund any deficits recognized at year-end. For the current year, the Jail Special Revenue Fund realized a deficit, requiring a transfer from the General Fund of \$525,000 to balance the budget, although the Jail Special Revenue Fund's Intergovernmental Revenue from the St. Tammany Parish Council (Jail sales tax) recognized an increase of its' original budget in the amount of approximately \$530,000.

Capital Assets and Debt Administration

Capital assets. The St. Tammany Parish Sheriff's office investment in capital assets for its governmental as of June 30, 2014, amounts to \$28,452,566 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, leasehold improvements, buildings, other equipment, communication equipment, and vehicles. The total increase in capital assets for the current fiscal year was approximately \$5.4M or 24%.

St. Tammany Parish Sheriff's Office Capital Assets (net of accumulated depreciation)

	Governmental Activities	
	2014	2013
Construction in Progress	\$ 6,020,851	\$ 902,895
Land	2,878,144	2,878,144
Leasehold Improvements	168,078	180,514
Buildings	9,110,192	9,527,421
Other Equipment	3,012,465	3,060,367
Communication Equipment	948,386	1,322,035
Vehicles	6,314,450	5,137,570
Totals	\$28,452,566	\$23,008,946

Major capital asset events during the current fiscal year included the following:

- Ongoing construction in progress of a new crime lab facility with construction costs of \$3,024,165 during the current year.
- Ongoing acquisition of a radio system with costs incurred of \$2,093,791 during the current year.
- Miscellaneous equipment was purchased during the current year at a cost of \$738,329.
- The purchase of various law enforcement vehicles and equipment at a total cost of \$2,982,721.

Additional information on the St. Tammany Parish Sheriff's office capital assets can be found in Note 7 on page 70 of this report.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

Long-term Debt

The Sheriff is not restricted to a debt limit. While the Sheriff tries to avoid issuing long-term debt, long-term financing was needed to ensure the continuation of operations after the devastation caused by Hurricane Katrina and completion and total funding of various capital projects.

In 2006, the Sheriff borrowed \$9,934,128 (principal) from the Federal Emergency Management Agency (FEMA) through a Special Community Disaster Loan (SCDL) program. The loan was applied for due to the destruction caused by Hurricane Katrina as local governments were struggling to find operating revenues. The SCDL was crucial to maintaining effective government operations. Initially, a cancellation of \$492,680 was received resulting in a balance of \$9,441,448 as of June 30, 2013. In November 2013, the Sheriff received notification that its' loan file had been reviewed by FEMA pursuant to Public Law 113-6, Section 564 and that an additional cancellation of \$9,441,448, plus accrued interest had been approved. As a result there is no remaining balance on this debt.

On August 1, 2011, the Sheriff issued Limited Tax Revenue Bonds, Series 2011, in the amount of \$8,000,000, secured by excess revenue of the Sheriff. The bonds were issued for the purpose of building a new crime lab facility in Slidell, Louisiana, to include making capital improvements, including the acquisition of furnishings and equipment and paying the costs of issuance thereof. Standard & Poor's Public Financing Ratings, a Division of The McGraw-Hill Companies, Inc. has assigned the Series 2011 Bonds a municipal debt rating of "AA" (stable). S&P defines a "AA" rating as having a very strong capacity to meet financial commitments. Additionally, the Bond Sinking Fund accounts for all scheduled bond payments issued related to the Limited Tax Revenue Bonds, Series 2011. These funds are transferred from the General Fund to the Bond Sinking Fund prior to issuing payment.

On March 20, 2014, the Sheriff issued Limited Tax Revenue Bonds, Series 2014, in the amount of \$15,400,000, secured by excess revenue of the Sheriff. A bond premium was included at disbursement in the value of \$346,072. The bonds were issued for the purpose of acquiring a radio system and paying the costs incurred in connection with the issuance thereof. Standard & Poor's Public Financing Ratings, a Division of The McGraw-Hill Companies, Inc. has assigned the Series 2014 Bonds a municipal debt rating of "AA" (stable). S&P defines a "AA" rating as having a very strong capacity to meet financial commitments. Additionally, the Bond Sinking Fund accounts for all scheduled bond payments issued related to the Limited Tax Revenue Bonds, Series 2014. When due, these funds will be transferred from the General Fund to the Bond Sinking Fund prior to issuing payment.

At the end of the current fiscal year, the St. Tammany Parish Sheriff's office had total bonded debt outstanding of \$22,615,000.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

St. Tammany Parish Sheriff's Office Outstanding Debt

	Governmental Activities	
	2014	2013
General Obligation Bonds	\$ 22,615,000	\$ 7,500,000
Bond Premium	346,072	
Special Community Disaster Loan	-	9,441,448
Net OPEB Obligation	12,963,752	10,502,004
Totals	\$ 35,924,824	\$ 27,443,452

In the current year, the St. Tammany Parish Sheriff's office total debt increased by \$8,481,372 or 31%. This was the result of a net increase in the OPEB Obligation of \$2,461,748, the issuance of the Limited Tax Revenue Bonds, Series 2014 in the amount of \$15,400,000 netted against the \$285,000 scheduled debt payment during the current year and the forgiveness of the Special Community Disaster Loan of \$9,441,448.

Additional information on the St. Tammany Parish's Sheriff's Office long-term debt can be found in Note 9 on pages 71-72 of this report.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA**

Management's Discussion and Analysis

Economic Factors and Next Year's Budget

The following economic factors impact the St. Tammany Parish Sheriff's office and were considered in developing the 2014-2015 fiscal year budget.

- The unemployment rate for St. Tammany Parish at fiscal year 2014 year-end (June 2014) was at 5.1 percent which remained consistent from the beginning year rate of 5.2 percent.
- Sales tax may experience an increase in future revenues as a result of the completion of the Fremaux Town Center that opened in March 2014. This commercial complex will continue to provide future revenue as the Sheriff will receive a portion of the sales tax revenue collected.
- The Sheriff is mandated to provide health insurance to full-time employees and qualified retirees. Health insurance premiums will reflect an increase of 3.5 percent in fiscal 2015. Pension rates will increase to 14.25 percent in fiscal year 2015 from 13.89 percent in fiscal year 2014.
- The St. Tammany Parish Sheriff's office continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$1 million. The Sheriff is then responsible for funding any losses before this policy goes into effect.
- We anticipate a continual increase in the population of St. Tammany Parish residents. With any increase, aggregate revenues and expenditures will be reflective.
- Departmental budgeted expenditure reductions will be implemented in recognition of any decline in revenues.

Requests for Information

This financial report is designed to provide a general overview of the St. Tammany Parish Sheriff's Office finances for all those with an interest in the Sheriff's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, 300 Brownswitch, Slidell, LA, 70459.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Net Position
June 30, 2014

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 39,025,776
Investments	638,393
Receivables	5,656,590
Prepaid Expenses	119,574
Capital Assets, Not Being Depreciated	8,898,995
Capital Assets, Net of Accumulated Depreciation	<u>19,553,571</u>
Total Assets	<u>73,892,899</u>
Liabilities	
Accounts Payable	4,505,366
Accrued Liabilities	1,311,860
Compensated Absences	1,263,078
Long-Term Liabilities	
Certificates of Indebtedness Payable	
Current Portion	295,000
Noncurrent Portion	22,320,000
Bond Premium	
Current Portion	23,071
Noncurrent Portion	323,001
Net Other Post-Employment Benefit Obligation	<u>12,963,752</u>
Total Liabilities	<u>43,005,128</u>
Net Position	
Net Investment in Capital Assets	23,216,715
Restricted for:	
Crime Lab Expenditures	1,968,575
Debt Service	11,957
Unrestricted	<u>5,690,524</u>
Total Net Position	<u>\$ 30,887,771</u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2014**

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Public Safety	\$ 70,407,737	\$ 20,205,527	\$ 3,851,162	\$ (46,351,048)
Interest on Long-Term Debt	242,806	-	-	(242,806)
Total Governmental Activities	\$ 70,650,543	\$ 20,205,527	\$ 3,851,162	(46,593,854)
General Revenues				
Taxes				
Ad Valorem Taxes				19,768,442
Sales and Use Taxes				10,530,878
Intergovernmental Revenues				
Transfer from St. Tammany Parish Council				10,530,878
Interest and Investment Earnings				69,933
Other Revenues				4,093,657
Special Item - Special Community Disaster Loan Forgiveness				11,315,552
Total General Revenues				56,309,340
Change in Net Position				9,715,486
Net Position, Beginning of Year				21,172,285
Net Position, End of Year				\$ 30,887,771

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Major Fund Descriptions
Governmental Funds
June 30, 2014**

General Fund

The General Fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund serves as the Sheriff's primary operating fund. The two major forms of revenue for the fund include Ad Valorem Taxes and Sales and Use Taxes, while the two major forms of expenditures include Personnel Services and Payroll Benefits. From time to time, the General Fund may also record transfers out to the Jail Special Revenue Fund, Capital Projects Fund and the Bond Sinking Fund.

Jail Special Revenue Fund

The Jail Special Revenue Fund accounts for the main operations of the St. Tammany Parish Jail. Revenues include a transfer from the St. Tammany Parish Council related to the proceeds of a dedicated ¼ cent sales and use tax approved on April 1, 1998, for the expansion of the existing jail and to fund ongoing operations of the jail. Revenues also include reimbursements from the department of corrections for the keeping of prisoners, and other grants and revenues. The fund also transfers monies to the St. Tammany Parish Council (the Parish Council) for repayment of a bond issue related to construction, maintenance, and ongoing operations of the jail.

Capital Projects Fund

The Sheriff maintains the Capital Projects Fund to account for the construction of new facilities and radio system infrastructure upgrades in St. Tammany Parish.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Balance Sheet
Governmental Funds
June 30, 2014**

	General Fund	Jail Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 10,379,013	\$ 577,727	\$ 23,636,552	\$ 2,588,388	\$ 37,181,680
Investments	638,393	-	-	-	638,393
Receivables	3,022,882	2,633,708	-	-	5,656,590
Prepaid Expenses	119,574	-	-	-	119,574
Total Assets	\$ 14,159,862	\$ 3,211,435	\$ 23,636,552	\$ 2,588,388	\$ 43,596,237
Liabilities					
Accounts Payable	\$ 3,081,917	\$ 585,081	\$ 668,633	\$ 81,391	\$ 4,417,022
Accrued Liabilities	1,111,011	199,302	-	1,547	1,311,860
Total Liabilities	4,192,928	784,383	668,633	82,938	5,728,882
Fund Balances					
Nonspendable	119,574	-	-	-	119,574
Restricted, reported in:					
Capital Projects Fund	-	-	17,649,397	-	17,649,397
Special Revenue Funds	-	-	-	1,968,575	1,968,575
Bond Sinking Fund	-	-	-	11,957	11,957
Committed, reported in:					
Capital Projects Fund	-	-	5,318,522	-	5,318,522
Special Revenue Funds	-	-	-	524,918	524,918
Assigned, reported in:					
Special Revenue Funds	-	2,427,052	-	-	2,427,052
Unassigned	9,847,360	-	-	-	9,847,360
Total Fund Balances	9,966,934	2,427,052	22,967,919	2,505,450	37,867,355
Total Liabilities and Fund Balances	\$ 14,159,862	\$ 3,211,435	\$ 23,636,552	\$ 2,588,388	\$ 43,596,237

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Reconciliation of the Balance Sheet -
Governmental Funds to Government-Wide Statement of Net Position
June 30, 2014**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balances	\$ 37,867,355
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,452,566
Internal service funds are used by management to charge liability claims and related expenses to individual funds and are included in governmental activities in the Statement of Net Position.	1,755,752
Compensated Absences	(1,263,078)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Certificates of Indebtedness	(22,961,072)
Net Other Post-Employment Benefit Obligation	<u>(12,963,752)</u>
Net Position of Governmental Activities	<u>\$ 30,887,771</u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014**

	General Fund	Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Ad Valorem Taxes	\$ 19,768,442	\$ -	\$ -	\$ -	\$ 19,768,442
Sales and Use Taxes	10,530,878	-	-	-	10,530,878
Intergovernmental Revenues					
Transfer from St. Tammany Parish Council	-	10,530,878	-	-	10,530,878
Federal Grants	364,846	-	-	-	364,846
Intergovernmental Agreement - 911 District	350,000	-	-	-	350,000
State Revenue Sharing	460,266	-	-	-	460,266
State Supplemental Pay	1,982,642	552,062	-	7,383	2,542,087
Other Intergovernmental Revenues	133,963	-	-	-	133,963
Fees, Charges and Commissions for Services					
Commissions					
Sales and Use Taxes	2,384,497	-	-	-	2,384,497
Other	684,743	786,983	-	-	1,471,726
Civil Fees	3,681,850	-	-	-	3,681,850
Criminal Fees	875,644	-	-	273,523	1,149,167
Sales to Inmates	-	-	-	866,019	866,019
Keeping of Prisoners	-	7,353,734	-	-	7,353,734
Tax Research and Other Services	657,150	-	-	-	657,150
Salary Reimbursements	2,556,188	85,196	-	-	2,641,384
Interest Earnings	47,025	-	20,560	919	68,504
Other Revenues	4,135,483	122,427	-	-	4,257,910
Total Revenues	48,613,617	19,431,280	20,560	1,147,844	69,213,301
Expenditures					
Public Safety					
Personnel Services	23,263,969	9,866,653	-	51,150	33,181,772
Payroll Benefits	8,885,765	3,145,274	-	15,647	12,046,686
Operating Expenditures	4,905,658	3,634,196	-	776	8,540,630
Professional Fees	4,000,687	334,857	88,854	-	4,424,398
Materials and Supplies	1,332,233	436,606	-	720,795	2,489,634
Travel and Education	290,794	44,809	-	-	335,603
Insurance	1,562,941	254,454	-	-	1,817,395
Intergovernmental					
Transfer to St. Tammany Parish Council	-	1,852,363	-	-	1,852,363
Debt Service					
Principal	-	-	-	285,000	285,000
Interest	-	-	-	242,806	242,806
Capital Outlays	3,354,608	352,461	5,117,956	13,981	8,839,006
Total Expenditures	47,596,655	19,921,673	5,206,810	1,330,155	74,055,293
Excess (Deficiency) of Revenues Over Expenditures	1,016,962	(490,393)	(5,186,250)	(182,311)	(4,841,992)

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2014**

	General Fund	Jail Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Transfers In	-	525,000	-	527,806	1,052,806
Transfers Out	(1,052,806)				(1,052,806)
Bond Proceeds			15,400,000		15,400,000
Bond Premium	-		348,072	-	348,072
Total Other Financing Sources (Uses)	(1,052,806)	525,000	15,748,072	527,806	15,746,072
Net Change in Fund Balances	(35,844)	34,607	10,559,822	345,495	10,904,080
Fund Balances, Beginning of Year	10,002,778	2,392,445	12,408,097	2,159,955	26,963,275
Fund Balances, End of Year	\$ 9,966,934	\$ 2,427,052	\$ 22,967,919	\$ 2,505,450	\$ 37,867,355

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds to
the Government-Wide Statement of Activities
For the Year Ended June 30, 2014**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Changes in Fund Balances - Total Governmental Funds **\$ 10,904,080**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation. 5,607,873

Losses on the disposal of capital assets 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. (164,253)

The issuance of long-term debt (e.g., certificates of indebtedness) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. (15,115,000)

Governmental funds report debt premiums, discounts, as other financing sources (uses) or expenditures. However, in the Statement of Net Position, these are deferred and reported as other assets or adjustments to long-term debt. They are amortized over the period the debt is outstanding in the Statement of Activities and are reported as interest expense. (346,072)

The change in loan payable and related accrued interest brought about by the forgiveness of the Special Community Disaster Loan is not reported as revenue in the governmental funds. 11,315,552

The change in compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (23,633)

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds to
the Government-Wide Statement of Activities
For the Year Ended June 30, 2014**

The change in the net other post-employment benefit obligation reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.

(2,461,748)

Internal service funds are used to charge the costs of liability insurance to individual funds. This amount is the total change in net position in the internal service fund.

(1,313)

Change in Net Position

\$ 9,715,486

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2014**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Ad Valorem Taxes	\$ 18,900,000	\$ 19,765,220	\$ 19,768,442	\$ 3,222
Sales and Use Taxes	10,000,000	10,437,463	10,530,878	93,415
Intergovernmental Revenues				
Federal Grants	168,600	245,618	364,846	119,228
Intergovernmental Agreement - 911 District	-	350,000	350,000	-
State Revenue Sharing	465,000	460,266	460,266	-
State Supplemental Pay	2,195,531	2,005,153	1,982,642	(22,511)
Other Intergovernmental Revenues	-	-	133,963	133,963
Fees, Charges and Commissions for Services				
Commissions				
Sales and Use Taxes	2,300,000	2,373,024	2,384,497	11,473
Other	705,000	618,384	684,743	66,359
Civil Fees	3,501,000	3,475,774	3,681,850	206,076
Criminal Fees	809,000	853,559	875,644	22,085
Keeping of Prisoners	-	-	-	-
Tax Research and Other Services	690,500	610,571	657,150	46,579
Salary Reimbursements	2,609,889	2,567,797	2,556,188	(11,609)
Interest Earnings	23,500	35,142	47,025	11,883
Other Revenues	1,620,300	4,214,107	4,135,483	(78,624)
Total Revenues	43,988,320	48,012,078	48,813,617	601,539
Expenditures				
Public Safety				
Personnel Services	24,443,714	22,299,894	23,263,969	(964,075)
Payroll Benefits	9,067,563	8,793,812	8,885,765	(91,953)
Operating Expenditures	5,092,244	4,959,685	4,905,658	54,027
Professional Fees	2,158,617	4,097,196	4,000,687	96,509
Materials and Supplies	769,031	898,615	1,332,233	(433,618)
Travel and Education	355,164	241,615	290,794	(49,179)
Insurance	1,498,350	1,420,665	1,562,941	(142,276)
Debt Service				
Principal	285,000	-	-	-
Interest	242,806	-	-	-
Capital Outlays	125,000	4,171,923	3,354,608	817,315
Total Expenditures	44,037,489	46,883,405	47,596,855	(713,250)
Excess (Deficiency) of Revenues Over Expenditures				
	(49,169)	1,128,673	1,016,962	(111,711)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	(787,806)	(1,052,806)	(265,000)
Total Other Financing Sources (Uses)	-	(787,806)	(1,052,806)	(265,000)
Net Changes in Fund Balance	\$ (49,169)	\$ 340,867	(35,844)	\$ (376,711)
Fund Balance, Beginning of Year			10,002,778	
Fund Balance, End of Year			\$ 9,966,934	

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Jail Special Revenue Fund
For the Year Ended June 30, 2014**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues				
Transfer from St. Tammany Parish Council	\$ 10,000,000	\$ 10,437,463	\$ 10,530,878	\$ 93,415
State Supplemental Pay	545,884	528,584	552,062	23,478
Fees, Charges and Commissions for Services				
Other Commissions	660,000	721,752	786,983	65,231
Keeping of Prisoners	8,001,254	7,197,641	7,353,734	156,093
Salary Reimbursements	83,000	84,112	85,196	1,084
Other Revenues	115,000	219,328	122,427	(96,901)
Total Revenues	19,405,138	19,188,880	19,431,280	242,400
Expenditures				
Public Safety				
Personnel Services	9,370,195	9,454,576	9,866,653	(412,077)
Payroll Benefits	2,986,739	3,119,591	3,145,274	(25,683)
Operating Expenditures	4,078,532	3,608,370	3,634,196	(25,826)
Professional Fees	203,752	337,282	334,857	2,425
Materials and Supplies	444,790	436,332	436,606	(274)
Travel and Education	89,148	46,254	44,809	1,445
Insurance	680,000	311,503	254,454	57,049
Intergovernmental				
Transfer to St. Tammany Parish Council	1,852,363	1,852,363	1,852,363	-
Capital Outlays	-	267,753	352,461	(84,708)
Total Expenditures	19,705,519	19,434,024	19,921,673	(487,650)
Deficiency of Revenues Over Expenditures	(300,381)	(245,144)	(490,393)	(245,249)
Other Financing Sources (Uses)				
Transfers In	-	260,000	525,000	265,000
Total Other Financing Sources (Uses)	-	260,000	525,000	265,000
Net Changes in Fund Balance	\$ (300,381)	\$ 14,856	34,607	\$ 19,751
Fund Balance, Beginning of Year			2,392,445	
Fund Balance, End of Year			\$ 2,427,052	

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS
PROPRIETARY FUND**

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Fund Description
Proprietary Fund
June 30, 2014**

Internal Service Fund (Risk Management)

The Sheriff's proprietary fund accounts for the payment of liability claims and related expenses. Resources to fund the self-insurance plan are recorded as revenues. The cost of claims is recorded as an expense in the Internal Service Fund when the claims arise. Accrued liabilities include provisions for claims reported but not yet paid as of the fiscal year end.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Net Position
Proprietary Fund - Internal Service Fund
June 30, 2014**

Current Assets	
Cash and Cash Equivalents	<u>\$ 1,844,096</u>
Total Current Assets	<u>1,844,096</u>
Current Liabilities	
Claims Payable	<u>88,344</u>
Total Current Liabilities	<u>88,344</u>
Net Position	
Unrestricted	<u>\$ 1,755,752</u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund - Internal Service Fund
For the Year Ended June 30, 2014**

Operating Revenues	
Fund Premiums	<u>\$ 843,667</u>
Total Operating Revenues	<u>843,667</u>
Operating Expenses	
Claims and Legal Fees	<u>846,409</u>
Total Operating Expenses	<u>846,409</u>
Operating Loss	(2,742)
Nonoperating Revenues	
Interest Earned	<u>1,429</u>
Change in Net Position	(1,313)
Net Position, Beginning of Year	<u>1,757,065</u>
Net Position, End of Year	<u>\$ 1,755,752</u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Cash Flows
Proprietary Fund - Internal Service Fund
For the Year Ended June 30, 2014**

Cash Flows from Operating Activities	
Fund Premiums	\$ 843,667
Claims and Legal Fees	<u>(1,015,868)</u>
Net Cash (Used for) Operating Activities	<u>(172,201)</u>
Cash Flows from Investing Activities	
Interest Earned	<u>1,429</u>
Net Cash Provided by Investing Activities	<u>1,429</u>
Net Decrease in Cash and Cash Equivalents	(170,772)
Cash and Cash Equivalents, Beginning of Year	<u>2,014,868</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,844,096</u>
Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities	
Operating Loss	\$ (2,742)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Change in Claims Payable	<u>(169,459)</u>
Net Cash (Used for) Operating Activities	<u>\$ (172,201)</u>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS
FIDUCIARY FUND**

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Fund Description
Fiduciary Fund
June 30, 2014

Fiduciary Fund

As the Ex-Officio Tax Collector of the Parish of St. Tammany, the Sheriff is responsible for collecting and disbursing ad valorem (property) taxes, parish occupational licenses, state revenue sharing funds, fines and costs, and bond forfeitures imposed by the district court. The Sheriff is also contracted to be the sole tax collector for the collection and distribution of sales and use taxes throughout the Parish. The Sheriff's Fiduciary Fund accounts for the collection and distribution of these funds.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Statement of Net Position
Fiduciary Fund
June 30, 2014**

	Agency Funds
<hr/>	
Assets	
Cash and Interest-Bearing Deposits	<u>\$ 25,303,035</u>
Total Assets	<u>\$ 25,303,035</u>
Liabilities	
Due to Taxing Bodies, Prisoners and Others	<u>\$ 25,303,035</u>
Total Liabilities	<u>\$ 25,303,035</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the St. Tammany Parish Sheriff (the Sheriff) serves a four-year term as the Chief Executive Officer of the law enforcement district and Ex-Officio Tax Collector of St. Tammany Parish (the Parish). The Sheriff administers the Parish jail operations and exercises duties required by the Parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the Parish, the Sheriff 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, investigations and other law enforcement activities. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the Parish, state or federal government.

As the Ex-Officio Tax Collector of the Parish, the Sheriff is responsible for collecting and disbursing ad valorem taxes, parish occupational licenses, state revenue sharing funds, fines and costs, and bond forfeitures imposed by the district court. The Sheriff is also contracted to be the sole tax collector for the collection and distribution of sales and use taxes throughout the Parish.

Reporting Entity

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

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, et cetera.

Based on these criteria, the Sheriff has no component units.

Basis of Presentation

The accompanying basic financial statements of the St. Tammany Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Sheriff. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Sheriff reports the following major governmental funds:

- The General Fund is the primary operating fund of the Sheriff. It accounts for all the financial resources except those that are required to be accounted for in other funds.
- The Jail Special Revenue Fund accounts for the operations of the St. Tammany Parish Jail. Revenues include the proceeds of a dedicated ¼ cent Sales and Use tax approved on January 17, 1998, for the expansion of the existing jail and to fund ongoing operations of the jail. Revenues also include reimbursements from the Louisiana Department of Corrections for the keeping of prisoners, and other grants and revenues. The fund also transfers monies to the St. Tammany Parish Council (the Parish Council) for repayment of a bond issue related to construction, maintenance, and ongoing operations of the jail.
- The Capital Projects Fund accounts for construction of new facilities and radio system infrastructure upgrades in St. Tammany Parish.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Additionally, the Sheriff reports the following fund types:

- The Internal Service Fund is a proprietary fund used to account for the payment of liability claims and related expenses. Resources to fund the self-insurance plan are recorded as revenues. The cost of claims is recorded as an expense in the Internal Service Fund when the claims arise. Accrued liabilities include provisions for claims reported but not yet paid as of the fiscal year end.
- The Fiduciary Fund is used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the Sheriff's programs. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

During the course of operations the Sheriff has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus/Basis of Accounting (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Modified accrual accounting recognizes revenues when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period or soon enough after the end of the current period 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 generally when the related fund liability is incurred, except for interest and principal payment on general long-term debt, which are 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.

Ad valorem taxes, sales and use taxes, occupational licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Sheriff.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Annual Budget

The proposed 2013-2014 budgets for the General Fund and the Jail Special Revenue Fund were made available for public inspection at the Sheriff's office on June 14, 2013. A public hearing was held at the Sheriff's office for suggestions and comments from the general public on June 26, 2013. The budget, which includes proposed expenditures and the means of financing them, was published in the official journal prior to the public hearing. The Sheriff legally adopted the proposed budget on the date of the public hearing. The budget was amended on June 12, 2014 and was subsequently published in the official journal. All appropriations lapsed at year-end.

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Jail Special Revenue Fund with three exceptions: sales and use taxes and commissions associated with the collection are recognized as revenue in the month they are collected by the Sheriff, not in the month collected by the vendor; expenditures represented by unpaid invoices after the year-end cut-off and which were not encumbered are recognized when paid; and amounts paid under capital leases are budgeted as expenditures.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

Budgetary Basis of Accounting (Continued)

Other funds do not have appropriated budgets since other means control the use of these resources.

The appropriated budget is prepared by fund, function, and department. Managers are allowed to transfer funds within their department's discretionary spending line items as long as the bottom line is not affected. Transfers of appropriations between departments require the approval of the Chief Financial Officer, Chief Deputy, or the Sheriff, as required. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Estimates

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

Cash and Investments

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Deposits must be made in a bank domiciled or having branch offices in the parish where the funds are collected.

Investments are limited by Louisiana Revised Statute. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2014, the Sheriff's investments consisted of U.S. government agency bonds, which are reported at fair value based on published market prices.

The Sheriff will have the following objectives with regard to Investments:

- Safety of invested funds;
- Maintenance of sufficient liquidity to meet cash flow needs;
- Attainment of the maximum yield possible consistent with the first two objectives.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

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 \$2,500 or more for capitalizing assets.

Capital assets are recorded as expenditures in the governmental funds, and are recorded as assets in the government-wide Statement of Net Position. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Other Equipment	3 - 5 Years
Vehicles	3 - 5 Years
Communication Equipment	10 Years
Leasehold Improvements	5 - 30 Years
Buildings	30 Years

Compensated Absences

Employees of the Sheriff earn from 10 to 20 days of vacation leave and 10 to 15 days of sick leave each year, depending on the length of their service. Vacation leave cannot be accumulated and should be used during the year it is earned. Up to 40 hours of vacation is automatically rolled over for 30 days after their anniversary date per STPSO policy. An employee may then receive an extension of time to use vacation hours by applying to their department head. Extended illness benefits (EIB) can be accumulated up to a maximum of 480 hours. EIB lapses upon termination. The following is a summary of the compensated absences liability for the fiscal year ended June 30, 2014.

Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014	Due within One Year
1,239,445	2,888,456	2,864,823	1,263,078	1,263,078

Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Sheriff has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Sheriff has no items that qualify for reporting in this category.

Net Position Classifications

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

- **Net Investment in Capital Assets** - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflow of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Net Position** - consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. Restricted for other purposes on the Statement of Net Position consist of grant related cash.
- **Unrestricted Net Position** - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position Flow Assumption

Sometimes the Sheriff will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Sheriff's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Classifications

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Sheriff is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

- **Nonspendable** - This component includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- **Restricted** - This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Sheriff to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- **Committed** - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by the Sheriff. Those committed amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action it employed previously to commit those amounts. Fund balance amounts are committed through a formal notification by the Sheriff.
- **Assigned** - This component consists of amounts constrained by the Sheriff's intent to be used for specific purposes, but are neither restricted nor committed. Fund balances may be assigned through the following: 1) The Sheriff assigns amounts for a specific purpose 2) All remaining positive spendable amounts in the governmental funds, other than the general fund, that are neither restricted nor committed.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance Classifications (Continued)

- Unassigned- This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are available for use it is the Sheriff's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Fund Balance Flow Assumption

Sometimes the Sheriff will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Sheriff's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from fund premiums and claims and legal fees. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Impact of Recently Issued Accounting Principles

The following statement of the Governmental Accounting Standards Board is effective for the Sheriff's 2014 fiscal year. The Sheriff has adopted and implemented these statements in the preparation of the financial statements for the year ended June 30, 2014.

1. Statement No. 67 - *Financial Reporting for Pension Plans (2014)*.

The following statements of the Governmental Accounting Standards Board will be effective for the Sheriff's 2015 fiscal year:

1. Statement No. 68 - *Accounting and Financial Reporting for Pensions (2015)*;
2. Statement No. 69 - *Government Combinations and Disposals of Government Operations (2015)*

The Sheriff is currently evaluating the effects that these statements will have in its financial statements for the years ended June 30, 2015.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 2. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between the net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,607,873 difference are as follows:

Capital Outlays	\$ 8,839,006
Depreciation Expense	<u>(3,231,133)</u>

Net adjustment to increase Net Changes in Fund Balances – Total Governmental funds to arrive at Change in Net Position of \$ 5,607,873 Governmental Activities

Another element of that reconciliation states that “Losses on the disposal of capital assets 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.” The detail of this \$164,253 is as follows:

Net book value of capital assets disposed	\$ 164,253
Losses on disposal of capital assets	<u>\$ (164,253)</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., certificates of indebtedness) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of the \$15,115,000 difference are as follows:

Proceeds From Long-Term Debt Issued	\$ (15,400,000)
Principal Repayments on Certificates of Indebtedness Payable	<u>285,000</u>

Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to arrive at Change in Net Position of \$ (15,115,000) Governmental Activities

Another element of that reconciliation states that “Governmental funds report debt premiums, discounts, as other financing sources (uses) or expenditures. However, in the Statement of Net Position, these are deferred and reported as other assets or adjustments to long-term debt. They are amortized over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.” This

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 2. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

amount is the net adjustment to the decrease in Net Changes in Funds Balances - Total Governmental Funds to arrive at Change in Net Position of Governmental Activities:

Premium on Long-Term Debt Issued	<u>\$ (346,072)</u>
----------------------------------	---------------------

Another element of that reconciliation states that "The change in loan payable and related accrued interest brought about by the forgiveness of the Special Community Disaster Loan is not reported as revenue in the governmental funds." The details of this \$11,315,552 difference are as follows:

Forgiveness of Special Community Disaster Loan Payable	\$ 9,441,448
Forgiveness of Accrued Interest Related to Special Community Disaster Loan Payable	<u>1,874,104</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Change in Net Position of Governmental Activities	<u>\$ 11,315,552</u>

Another element of that reconciliation states that "The change in compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds." The detail of this \$23,633 difference is as follows:

Compensated Absences - Prior Year	\$ 1,239,445
Compensated Absences - Current Year	<u>(1,263,078)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Change in Net Position of Governmental Activities	<u>\$ (23,633)</u>

Another element of that reconciliation states that "The change in the net other post-employment benefit obligation reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds." The detail of this \$2,461,748 difference is as follows:

Net Other Post-Employment Benefit Obligation - Prior Year	\$ 10,502,004
Net Other Post-Employment Benefit Obligation - Current Year	<u>(12,963,752)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Change in Net Position of Governmental Activities	<u>\$ (2,461,748)</u>

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 3. Levied Taxes

Ad Valorem taxes for the Sheriff are levied each November 1st on the assessed value listed, as of the prior January 1st for generally all real property, business merchandise and business movable property located in the Parish. Taxes are due and payable by December 31st. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. An evaluation of all property is required to be completed no less than every four years. The last evaluation was completed for the 2012 tax roll.

The following is a summary of authorized and levied ad valorem taxes for the year:

	Millage	Expiration Date
1998 Law Enforcement District	4.86	2018
Constitutional Law Enforcement District	6.80	N/A

These millages were adopted for the purpose of general law enforcement support.

Note 4. Cash and Cash Equivalents

At June 30, 2014, the Sheriff had \$64,328,811 (book balance) in interest-bearing demand deposits as follows:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Interest Bearing Deposits	\$ 39,025,776	\$ 25,303,035	\$64,328,811

These deposits are stated at cost, which approximates market.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned. As of June 30, 2014, the total bank balance of \$65,820,109 was secured from risk by \$407,816 of FDIC coverage and \$65,412,293 by a pledge of securities owned by the fiscal agent bank. These securities are being held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to the Sheriff and the fiscal agent bank.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 4. Cash and Cash Equivalents (Continued)

all times equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Note 5. Investments

At June 30, 2014, the Sheriff had investments of \$638,393 in various securities.

Interest Rate Risk

Investment	Maturity	Fair Value
FNMA NTS Step-Up Bond	October 30, 2018	\$ 140,025
FHLB Bond	March 28, 2018	150,959
FHLB Step-Up Call Bond	October 27, 2027	186,019
FHLMC Med Term NTS	February 15, 2030	158,035
Other	None	<u>3,355</u>
Total		\$ 638,393

The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment	Composite Rating	Percentage
FNMA NTS Step-Up Bond	AA+	21.94%
FHLB Bond	AA+	23.65%
FHLB Step-Up Call Bond	AA+	29.14%
FHLMC Med Term NTS	AA+	24.76%
Other	Varies	0.52%

The Sheriff does not have a formal investment policy regarding interest rate risk and investment credit risk.

The Sheriff has no formal limit on the amount the Sheriff may invest in any one issuer.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 6. Receivables

The receivables at June 30, 2014, were as follows:

	General Fund	Jail Special Revenue Fund	Commissary Special Revenue Fund	Governmental Activities Total
Sales and Use Taxes	\$ 1,837,856	\$ -	\$ -	\$ 1,837,856
Ad Valorem Taxes	100,950	-	-	100,950
Due from St. Tammany Parish Council	-	1,837,856	-	1,837,856
Salary Reimbursements	419,331	22,112	-	441,443
Federal Grants	98,157	-	-	98,157
Fees, Charges and Commissions for Services	541,001	772,780	-	1,313,781
Other	25,587	960	-	26,547
	<u>\$ 3,022,882</u>	<u>\$ 2,633,708</u>	<u>\$ -</u>	<u>\$ 5,656,590</u>

All receivables are considered to be fully collected within one year of the end of the fiscal year. No allowance for doubtful accounts is deemed necessary.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 7. Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 902,895	\$5,117,956	\$ -	\$ 6,020,851
Land	2,878,144	-	-	2,878,144
Total Capital Assets, Not Being Depreciated	3,781,039	5,117,956	-	8,898,995
Capital Assets, Being Depreciated				
Leasehold Improvements	187,941	-	-	187,941
Buildings	12,516,861	-	-	12,516,861
Other Equipment	9,089,154	738,329	(509,723)	9,317,760
Communication Equipment	10,425,558	-	-	10,425,558
Vehicles	13,729,521	2,982,721	(1,887,839)	14,824,403
Total Capital Assets, Being Depreciated	45,949,035	3,721,050	(2,397,562)	47,272,523
Less Accumulated Depreciation for:				
Leasehold Improvements	(7,427)	(12,436)	-	(19,863)
Buildings	(2,989,440)	(417,229)	-	(3,406,669)
Other Equipment	(6,067,866)	(700,751)	463,322	(6,305,295)
Communication Equipment	(9,103,523)	(373,649)	-	(9,477,172)
Vehicles	(8,552,872)	(1,727,068)	1,769,987	(8,509,953)
Total Accumulated Depreciation	(26,721,128)	(3,231,133)	2,233,309	(27,718,952)
Total Capital Assets Being Depreciated, Net	19,227,907	489,917	(164,253)	19,553,571
Governmental Activities - Capital Assets, Net	\$ 23,008,946	\$ 5,607,873	\$ (164,253)	\$ 28,452,566

Depreciation expense of \$3,231,133 was charged to governmental activities- public safety for the year ended June 30, 2014.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 8. Leases

Operating Leases

The Sheriff is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the Sheriff's Statement of Net Position. Lease payments of \$321,852 were made during the year ended June 30, 2014 for rental of buildings and other infrastructure used in the operation of the Sheriff's office. These amounts are reported as Public Safety expenses in the Statement of Activities and Operating Expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

In 2014, the Sheriff renewed its lease for the Covington Law Enforcement Complex and vehicle maintenance barn until 2032 for an initial lease payment of \$13,000 per month.

The following is a schedule of future minimum lease payments at June 30th:

2015	\$	308,028
2016		292,219
2017		193,176
2018		200,544
2019		201,051
Thereafter		<u>2,368,170</u>
Total Future Minimum Lease Payments	\$	<u>3,563,188</u>

Note 9. Long-Term Debt

The following is a summary of long-term debt of the Sheriff for the year ended June 30, 2014:

Type of Debt	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Certificate of Indebtedness					
Series 2011	7,500,000	-	(285,000)	7,215,000	295,000
Special Community Disaster Loan	9,441,448	-	(9,441,448)	-	-
Certificate of Indebtedness					
Series 2014	-	15,400,000	-	15,400,000	-
Bond Premium	-	346,072	-	346,072	23,071
Total Governmental Activities Long-term Liabilities	<u>16,941,448</u>	<u>15,746,072</u>	<u>(9,726,448)</u>	<u>22,961,072</u>	<u>318,071</u>

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 9. Long-Term Debt (Continued)

At June 30, 2014, the Sheriff was obligated under the following agreements:

On August 1, 2011, the Sheriff issued Limited Tax Revenue Bonds, Series 2011 in the amount of \$8,000,000, maturing on March 1, 2031. The bonds were issued for the purpose of building a new crime lab facility in Slidell, Louisiana, making capital improvements, including the acquisition of furnishings and equipment, and paying the costs of issuance thereof. Principal is payable in annual installments with semi-annual interest payments with variable rates. As of June 30, 2014, the bonds held a variable rate of 2.00%. The long-term debt is secured by excess revenue of the Sheriff.

In 2006, the Sheriff obtained a Special Community Disaster Loan Payable to the Federal Emergency Management Agency, maturing on September 30, 2035 with interest payable at 2.68%. In November 2013 the Sheriff's application for full cancelation of the loaned funds, as well as any interest accrued was approved. The amount of loan and interest forgiven, \$11,315,552, is included as a Special Item on the Statement of Activities.

On March 20, 2014, the Sheriff issued Limited Tax Revenue Bond, Series 2014 in the amount of \$15,400,000, maturing on March 1, 2029. A bond premium was included at disbursement in the value of \$346,072. The bonds were issued for the purpose of acquiring a radio system and paying the costs incurred in connection with the issuance thereof. Principal is payable in annual installments with semi-annual interest payments with variable rates. As of June 30, 2014, the bonds held a variable rate of 2.0%. The long-term debt is secured by excess revenue of the Sheriff.

Total future principal and interest payments under the certificates of indebtedness were as follows:

Year Ending June 30,	Principal	Interest	Total
2015	295,000	676,901	971,901
2016	1,195,000	695,506	1,890,506
2017	1,230,000	671,606	1,901,606
2018	1,275,000	430,812	1,705,812
2019	1,325,000	614,956	1,939,956
Thereafter	17,295,000	3,803,526	21,098,526
Total	\$22,615,000	\$ 6,893,307	\$29,508,307

Standard & Poor's Public Financing Ratings, a Division of The McGraw-Hill Companies, Inc. ("S&P") has assigned the Series 2011 and the Series 2014 Bonds a municipal Debt rating of "AA" (stable). S&P defines a "AA" rating as having a very strong capacity to meet financial commitments.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 10. Post-Employment Benefits

Plan Description

St. Tammany Parish Sheriff's Office's medical dental and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical/dental coverage for the retiree only (not dependents) eligible for retirement prior to September 1, 2012. The retiree pays for life insurance coverage after retirement, but it is a blended rate. 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.

During fiscal year 2013, the Sheriff modified the health care benefits for retirees who become eligible and covered under the plan on or after September 1, 2012. Eligible retirees electing to continue coverage will be required to pay a certain percentage of their premiums similar to the contribution structure of the Sheriff's pension plan. At 30 years of creditable service, the Sheriff will pay 100% of the premium. Employees who are hired after September 1, 2012 must have 15 years of creditable service with the Sheriff to be eligible for benefits.

Life insurance coverage is available to retirees after retirement by election. The retiree "pays" for 100% of the cost of the retiree life insurance, but it is a blended rate. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below 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. Thus, the implicit employer subsidy is the unblended rate thus determined less the blended rate paid by the retiree. 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. Insurance coverage amounts are reduced at to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

It has been assumed that 15% of retirees decline life insurance at time of 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 2008, St. Tammany Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (St. Tammany Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

Effective July 1, 2008, St. Tammany Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions (GASB 45). In 2014 and 2013, St. Tammany Parish Sheriff's portion of health care and life insurance funding costs for retired employees totaled \$949,118 and \$878,813, respectively. This amount was applied toward

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements

Note 10. Post-Employment Benefits (Continued)

Funding Policy (Continued)

the Net OPEB Benefit Obligation as shown in table included in Annual Required Contribution.

Annual Required Contribution

St. Tammany Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. 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 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>	<u>2013</u>
Normal cost	\$ 1,585,123	\$ 1,524,157
30-year UAL amortization amount	2,012,995	1,935,571
Annual required contribution (ARC)	<u>\$ 3,598,118</u>	<u>\$ 3,459,728</u>

Net Post-employment Benefit Obligation (Asset)

The table below shows St. Tammany Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$ 10,502,004	\$ 8,064,887
Annual required contribution	3,598,118	3,459,728
Interest on Net OPEB Obligation	420,080	322,595
ARC Adjustment	(607,332)	(466,393)
OPEB Cost	<u>3,410,866</u>	<u>3,315,930</u>
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(949,118)	(878,813)
Change in Net OPEB Obligation	<u>2,461,748</u>	<u>2,437,117</u>
Ending Net OPEB Obligation	<u>\$ 12,963,752</u>	<u>\$ 10,502,004</u>

The following table shows St. Tammany Parish Sheriff's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2014	\$ 3,410,866	27.83%	\$ 12,963,752
June 30, 2013	\$ 3,315,930	26.50%	\$ 10,502,004

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 10. Post-Employment Benefits (Continued)

Funded Status and Funding Progress

In 2014 and 2013, St. Tammany Parish Sheriff made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014 was \$36,201,512 which is defined as that portion, as determined by a particular actuarial cost method (St. Tammany Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 36,201,512	\$ 34,809,146
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 36,201,512</u>	<u>\$ 34,809,146</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 31,686,247	\$ 31,467,203
UAAL as a percentage of covered payroll	114.25%	110.62%

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 St. Tammany Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between St. Tammany 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 St. Tammany 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

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 10. Post-Employment Benefits (Continued)

Actuarial Cost Method (Continued)

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 Statement 45.

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 10%.

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 30 years of retirement. To accommodate this historical tendency, we have assumed that actual retirement (and commencement of OPEB benefits) occurs at the earlier of 30 years of service and age 60 and 15 years of service. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate)

GASB Statement 45 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 blended rate, as required by GASB 45 for valuation purposes.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 10. Post-Employment 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.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	2014	2013	2012
OPEB Cost	\$ 3,410,866	\$ 3,315,930	\$ 3,043,268
Contribution	-	-	-
Retiree premium	949,118	878,813	802,182
Total contribution and premium	949,118	878,813	802,182
Change in net OPEB obligation	\$ 2,461,748	\$ 2,437,117	\$ 2,241,086
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	27.83%	26.50%	26.36%

Note 11. Pension Plan

Substantially all employees of the St. Tammany Parish Sheriff are members of the state individual retirement plan known as the Louisiana Sheriffs' Pension and Relief Fund, a multiple-employer defined benefit, cost sharing, public employee retirement plan, administered and controlled by a separate board of trustees.

Plan Description

All sheriffs and deputies who are found to be physically fit, who earn at least \$1,000 and who at the time of original employment was age 18 or older are required to participate in the pension plan. Any member, whose first employment making him eligible for membership in the pension plan began prior to January 2012, is eligible for normal (regular) retirement if the member has 12 years or more of creditable service and has reached the age of 55. Members whose first employment making him eligible for membership in the pension plan began on or after January 1, 2012 is eligible for normal

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 11. Pension Plan (Continued)

Plan Description (Continued)

retirement when the member reaches the age of 62 and has 12 years or more creditable service. All eligible members will receive a benefit, payable monthly for life, equal to a percentage of their final average salary for each year of credited service. The percentage factor to be used for each year of service is 3.33%. In any case, the retirement benefit cannot exceed 100% of final average salary. Final average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and who do not withdraw their employee contributions may retire at or after age 55 or 62 depending on when they first became eligible and receive benefits accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 if hired prior to January 1, 2012 or age 60 if after January 1, 2012 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The pension plan also provides death and disability benefits. Benefits are established by state statute.

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

Funding Policy

The pension plan members are required by state statute to contribute 10% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25% of annual covered payroll. The contribution requirements of the pension plan members and the Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Sheriff's contributions to the pension plan for the years ended June 30, 2014, 2013 and 2012, were \$4,467,611, \$4,257,301, and \$3,943,831, respectively, equal to the required contributions for each year.

Note 12. Deferred Compensation Plan

Employees of the Sheriff may elect to participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Deferred Compensation Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, P.O. Box 94397, Baton Rouge, Louisiana 70804-9397.

Currently, the Sheriff does not contribute to the deferred compensation plan.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 13. Litigation and Contingency

From time to time the Sheriff is involved in litigation arising from normal day to day operations. In the opinion of the Sheriff's legal counsel, financial exposure to and the resolution of these lawsuits does not create a liability to the Sheriff in excess of insurance coverage, nor does any lawsuit present a materially adverse impact on the operations of the office.

During the fiscal year ended June 30, 2012, the Office of Inspector General audited grant award funds received from the Federal Emergency Management Agency (FEMA), whereas FEMA disallowed certain expenses submitted for reimbursement. The Sheriff disputed the results of that audit and further review was done. An agreement has been reached to allow the Sheriff to net all balances of reimbursement funds due to the Sheriff and refunds due to Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) however grants due to the Sheriff are still under review. The effects on the financial statements are unknown at this time and, therefore, no liability was booked.

Note 14. Changes in Agency Fund Balances

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

	Sheriff's Fund	Tax Collector Fund	Jail Agency Fund	Work Release Fund	Fines and Cost Fund	Total
Balance at June 30, 2013	\$ 2,457,653	\$ 21,000,233	\$ 375,241	\$ 173,059	\$ 485,198	\$ 24,491,384
Additions	17,439,992	481,854,961	770,890	50,158	5,080,587	505,196,588
Deductions	(18,022,165)	(480,396,222)	(686,114)	(219,855)	(5,060,581)	(504,384,937)
Balance at June 30, 2014	\$ 1,875,480	\$ 22,458,972	\$ 460,017	\$ 3,362	\$ 505,204	\$ 25,303,035

Note 15. Self-Insurance

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff has contracted with various insurers to cover his risk of loss on assets, which he owns, with the exception of motor vehicles for which he retains the risk of loss. The Sheriff has retained a portion of his risks as to general and police professional liability for which he has established an internal service fund to account for and finance his portion of these risks.

Liability Risk Management

The Sheriff has established a self-insurance fund for his deductible for general liability, police professional liability, practice liability and automobile liability. The Sheriff participates in insurance contracts for the coverage of general liability, police professional liability, practice liability, and automobile liability and buildings and contents. Limit of coverage is \$3,000,000. The Sheriff self-insures the deductible of \$500,000 per

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 15. Self-Insurance (Continued)

Liability Risk Management (Continued)

incident for general liability, police professional liability, practice liability, and automobile liability. The Sheriff covers each occurrence up to a maximum of \$1,000,000 aggregate per claim year for all liability insurances. The cost of claims is recorded as an expense in the Internal Service Fund when the claims arise. Resources to fund the plan are recorded as revenues. Settlements have not exceeded coverage's for each of the past three fiscal years. Insurance coverage's have not significantly changed from prior year. Claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not paid as of June 30, 2014. These liabilities are recorded at their present value of \$88,344.

Changes in the balances of claim liabilities during fiscal years 2014, 2013 and 2012, are as follows:

	2014	2013	2012
Beginning of Year Liability	\$ 257,803	\$ 668,657	\$ 133,904
Claims and Legal Fees	846,409	1,852,764	1,490,189
Payments	(1,015,868)	(2,263,618)	(955,436)
Balance at Fiscal Year End	\$ 88,344	\$ 257,803	\$ 668,657

Note 16. Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others at June 30, 2014, include taxes paid under protest, plus interest earned to date on the investment of these funds, totals \$785,889.

Note 17. Intergovernmental Agreement

On April 6, 2004, the Parish Council and the Sheriff entered into an intergovernmental agreement whereby the Sheriff has assumed responsibility for operation, maintenance, administrative, medical, and feeding and keeping of prisoners expenditures of the jail. This agreement has been extended through December 31, 2015.

Note 18. Expenditures of the Sheriff Paid by the Parish Council

The Sheriff occupies two facilities owned by the Parish, the jail and the crime lab building. The cost of maintaining and operating the jail, as required by Louisiana Revised Statute 33:4715, is paid by sales and use tax, which is collected by the Sheriff. Expenditures related to the crime lab building are paid from the Sheriff's General Fund.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 19. Excess of Expenditures Over Appropriations

For the year ended June 30, 2014, expenditures exceeded appropriations in the General Fund by \$713,250; however, excess of actual revenues over budgeted revenues plus last year's fund balance was available to fund those expenditures.

For the year ended June 30, 2014, expenditures exceeded appropriations in the Jail Special Revenue Fund by \$487,650; however, the excess of actual revenues over budgeted revenues plus the prior year's fund balance was available to fund those expenditures.

Note 20. Interfund Transactions

Transfers between funds for the year ended June 30, 2014, are as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,052,806
Jail Special Revenue Fund	525,000	-
Bond Sinking Fund	527,806	-
Total	\$ 1,052,806	\$ 1,052,806

Interfund transfers are used to fund the operating expenses of various funds.

Note 21. Jail Special Revenue Fund Financial Reporting

During the fiscal year ending June 30, 2012, the Sheriff's office began issuing Jail Financial Reports to the St. Tammany Parish Government on a quarterly basis, per the recommendation of the Louisiana Legislative Auditors draft report dated December 20, 2010. During the fiscal year ending June 30, 2014, the Sheriff's office issued quarterly Jail Financial Reports and an annual report.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 22. Ex-Officio Tax Collector

At June 30, 2014, the Tax Collector Fund had cash and interest-bearing deposits on hand totaling \$22,458,972. The Tax Collector Fund had collected ad-valorem taxes and had ad-valorem taxes uncollected for the year ended June 30, 2014, by taxing body as follows:

Taxing Bodies	Advalorem Tax Collected	Advalorem Tax Uncollected
Alimony 1	\$ 3,734,678	\$ 155,457
Alimony 2	683,359	39,144
Animal Shelter	1,445,414	67,008
Assessor	4,608,296	211,161
City of Covington	2,535,832	77,663
City of Mandeville	2,637,716	44,199
City of Slidell	6,186,893	482,062
Coroner's Millage	5,043,233	253,955
Council on Aging/STARC	2,873,799	133,761
Drain District #2 Phs. 2	42,606	34
Drain District #5 Gravity	265,670	7,914
Drain District #5 Phs. 1	53,770	12,579
Drainage District #4	213,510	971
Drainage Maintenance	3,112,009	142,427
Fire District #1	14,467,877	1,016,798
Fire District #1 Parcel Fee	1,274,581	12,270
Fire District #11	875,809	68,956
Fire District #12	5,637,158	162,581
Fire District #13	1,999,385	142,404
Fire District #2	3,120,534	119,726
Fire District #3	1,852,717	90,814
Fire District #4	12,158,264	256,281
Fire District #5	771,464	34,516
Fire District #6	411,080	24,897
Fire District #7	627,902	66,901
Fire District #8	1,053,532	82,267
Fire District #9	664,244	66,204
Florida Parish Juvenile Ctr.	4,676,504	214,830
Law Enforcement	20,699,437	896,064

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 22. Ex-officio Tax Collector (Continued)

Taxing Bodies	Advalorem Tax Collected	Advalorem Tax Uncollected
Library	9,097,702	413,429
Lighting Dist. #16	40,812	2,177
Lighting District # 6	85,723	1,455
Lighting District #1	220,081	10,331
Lighting District #11	7,070	150
Lighting District #14	14,900	100
Lighting District #15	7,260	213
Lighting District #4	280,451	20,332
Lighting District #5	16,858	353
Lighting District #7	260,878	10,703
LTC Assmnt Fee Other	4,169	-
LTC Assmnt/Public Ser.	12,531	1
Mosquito District #2	7,481,108	352,664
Northshore Harbor Center	2,538,772	180,218
Parish Code Enforcement	34,994	102,500
Public Health	3,111,866	142,593
Recreation Dist. 1 Special	130,906	4,905
Recreation Dist. 6	327,143	19,338
Recreation District #1	4,204,077	88,697
Recreation District #11	333,130	21,476
Recreation District #12	318,270	14,898
Recreation District #14	2,067,186	101,084
Recreation District #2	80,535	7,949
Recreation District #4	427,431	20,953
Recreation District #7	123,379	10,776
Road Lighting District #10	1,500	53
Road Lighting District #9	67,704	361
School Add. Support II	5,362,292	71,190
School Bldg. Repair	5,815,870	265,546
School Contruction Tax	6,428,274	293,419
School District #12	30,506,443	1,539,135
School Maint. Operations	8,179,621	370,351
School Operation & Maint.	59,978,301	2,739,733
Sewerage District # 6	-	750

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 22. Ex-officio Tax Collector (Continued)

Taxing Bodies	Advalorem Tax Collected	Advalorem Tax Uncollected
Slidell Hospital District	4,144,206	286,994
Starc	7	-
Sub-Drainage Dist. 3 of Gravity	60,000	-
Sub-Drainage District #1	82,260	760
Sub-Drainage District #2	121,000	267
TBRLAND Fire Protection	17,153	-
Town of Abita Springs	322,631	13,675
Town of Pearl River	185,939	78,639
Water District #2	120,718	4,465
Total	\$ 256,348,424	\$ 12,076,477

The majority of uncollected taxes consist of adjudications of immovable property and movable (business) taxes.

The total Occupational License collections on behalf of other taxing authorities for the year ended June 30, 2014 are as follows:

Taxing Authority	Total Collections	Collection Cost	Final Distribution
St. Tammany Parish Government	\$ 3,699,983	\$ 554,997	\$ 3,144,986

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Financial Statements**

Note 22. Ex-officio Tax Collector (Continued)

The total Sales Tax collections on behalf of other taxing authorities for the year ended June 30, 2014 is as follows:

Taxing Authority	Total Collections	Collection Cost	Final Distribution
St. Tammany Parish School Board 1966	\$ 42,538,909	\$ 489,194	\$ 42,049,715
St. Tammany Parish School Board 1977	42,539,205	489,198	42,050,007
Law Enforcement District	10,634,812	122,299	10,512,513
District No. 3	40,576,711	466,630	40,110,081
Motel Tourist Commission	1,403,953	16,147	1,387,806
Recreation District	11,555	221	11,334
St. Tammany Events Center Hotel Occupancy	298,994	3,438	295,556
City of Slidell	18,570,971	213,564	18,357,407
City of Mandeville	14,411,873	165,740	14,246,133
City of Covington	10,693,051	122,969	10,570,082
Town of Pearl River	1,357,585	15,613	1,341,972
Town of Madisonville	839,206	9,652	829,554
Town of Abita Springs	787,701	9,058	778,643
Nord Du Lac	512,933	5,900	507,033
Rooms to Go	49,881	573	49,308
Summit Fremaux	115,182	1,324	113,858
Village of Folsom	627,917	7,222	620,695
City of Sun	47,695	548	47,147
Jail Expansion	10,634,813	122,299	10,512,514
New Courthouse	10,634,812	122,299	10,512,513
Camellia Square	43,591	502	43,089
Camellia Square Hotel	10,517	121	10,396
Total	\$207,341,867	\$2,384,511	\$204,957,356

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS**

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Schedule of Funding Progress
Other Post-Employment Benefits**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2014	\$ -	\$ 36,201,512	\$ 36,201,512	0%	\$ 31,686,247	114.25%
6/30/2013	-	34,809,146	34,809,146	0%	31,467,203	110.62%
6/30/2012	-	29,730,239	29,730,239	0%	31,789,192	93.52%
6/30/2011	-	28,586,768	28,586,768	0%	30,077,413	95.04%
6/30/2010	-	23,040,364	23,040,364	0%	29,040,198	79.34%
6/30/2009	-	21,302,112	21,302,112	0%	29,491,038	72.23%

See independent auditor's report.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Notes to Required Supplemental Information**

Effective July 1, 2008, the Sheriff implemented GASB 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions. Refer to the notes of the financial statements for additional information.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Fund Descriptions
Nonmajor Governmental Funds
June 30, 2014**

Commissary Special Revenue Fund

The Commissary Special Revenue Fund accounts for the proceeds of sales of various goods to inmates of the Parish jail. Expenditures of the fund are for purchases of equipment, supplies and maintenance of the jail.

Crime Lab Special Revenue Fund

The Crime Lab Special Revenue Fund accounts for the proceeds of criminal fees dedicated to the crime lab. Expenditures of the fund are for the operation of the crime lab.

Bond Sinking Fund

The Bond Sinking Fund accounts for all schedule bond payments issued related to the Series 2011 Certificate of Indebtedness and the future payments of Series 2014 Certificate of Indebtedness. These funds are transferred from the General Fund, prior to issuing payment.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

	Commissary Special Revenue Fund	Crime Lab Special Revenue Fund	Bond Sinking Fund	Total Nonmajor Governmental Funds
Assets				
Cash	\$ 607,856	\$ 1,968,575	\$ 11,957	\$ 2,588,388
Total Assets	\$ 607,856	\$ 1,968,575	\$ 11,957	\$ 2,588,388
Liabilities				
Accounts Payable	\$ 81,391	\$ -	\$ -	\$ 81,391
Accrued Liabilities	1,547	-	-	1,547
Total Liabilities	82,938	-	-	82,938
Fund Balances				
Restricted, reported in:				
Special Revenue Fund	-	1,968,575	-	1,968,575
Bond Sinking Fund	-	-	11,957	11,957
Committed, reported in:				
Special Revenue Fund	524,918	-	-	524,918
Total Fund Balances	524,918	1,968,575	11,957	2,505,450
Total Liabilities and Fund Balances	\$ 607,856	\$ 1,968,575	\$ 11,957	\$ 2,588,388

See independent auditor's report.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Combining Statement of Revenues, Expenditures
and Change in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014**

	Commissary Special Revenue Fund	Crime Lab Special Revenue Fund	Bond Sinking Fund	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental Revenues				
State Supplemental Pay	7,383	-	-	7,383
Fees, Charges and Commissions for Services				
Criminal Fees	-	273,523	-	273,523
Sales to Inmates	866,019	-	-	866,019
Interest Earnings	-	911	8	919
Total Revenues	873,402	274,434	8	1,147,844
Expenditures				
Public Safety				
Personnel Services	51,150	-	-	51,150
Payroll Benefits	15,647	-	-	15,647
Operating Expenses	776	-	-	776
Materials and Supplies	720,795	-	-	720,795
Debt Service				
Principal	-	-	285,000	285,000
Interest	-	-	242,806	242,806
Capital Outlays	13,981	-	-	13,981
Total Expenditures	802,349	-	527,806	1,330,155
Excess (Deficiency) of Revenues Over Expenditures	71,053	274,434	(527,798)	(182,311)
Other Financing Sources (Uses)				
Operating Transfers In	-	-	527,806	527,806
Total Other Financing Sources (Uses)	-	-	527,806	527,806
Net Changes in Fund Balances	71,053	274,434	8	345,495
Fund Balances, Beginning of Year	453,865	1,694,141	11,949	2,159,955
Fund Balances, End of Year	\$ 524,918	\$ 1,968,575	\$ 11,957	\$ 2,505,450

See independent auditor's report.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
FIDUCIARY FUND - AGENCY FUNDS**

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Fund Descriptions
Fiduciary Fund - Agency Funds
June 30, 2014**

Sheriff's Agency Fund

The Sheriff's Agency Fund accounts for funds held in connection with civil suits, Sheriff's sales and garnishments. It also accounts for the collections of bonds, probation fines and disbursement of these collections, in accordance with applicable law.

Tax Collector Agency 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 Agency Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

Jail Agency Fund

The Jail Agency Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentence. The Jail Agency Fund also accounts for collection and disbursement of certain fees charged to inmates upon incarceration.

Transitional Work Program Agency Fund

The Transitional Work Program Agency Fund accounted for individual prisoner account balances that were in the Transitional Work Program. Funds were deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts were returned upon completion of their jail sentence. All funds owed to participants in the program were transferred in August 2013 and the bank account was subsequently closed.

Fines and Cost Agency Fund

The Fines and Cost Agency Fund accounts for the collection and settlement of fines and costs received by the courts, in accordance with applicable law.

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Combining Statement of Net Position
Fiduciary Fund - Agency Funds
June 30, 2014

	Agency Funds					Total
	Sheriff's Fund	Tax Collector Fund	Jail Agency Fund	Transitional Work Program Fund	Fines and Cost Fund	
Assets						
Cash and Interest-Bearing						
Deposits - Ad Valorem	\$ -	\$ 7,536,856	\$ -	\$ -	\$ -	\$ 7,536,856
Deposits - Other Taxes	1,875,480	14,922,116	460,017	3,362	505,204	17,766,179
Total Assets	\$ 1,875,480	\$ 22,458,972	\$ 460,017	\$ 3,362	\$ 505,204	\$ 25,303,035
Liabilities						
Due to Taxing Bodies and Others	\$ 1,875,480	\$ 22,458,972	\$ 460,017	\$ 3,362	\$ 505,204	\$ 25,303,035
Total Liabilities	\$ 1,875,480	\$ 22,458,972	\$ 460,017	\$ 3,362	\$ 505,204	\$ 25,303,035

See independent auditor's report.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
Fiduciary Fund - Agency Funds
For the Year Ended June 30, 2014**

	Agency Funds					Total
	Sheriff's Fund	Tax Collector Fund	Jail Agency Fund	Transitional Work Program Fund	Fines and Cost Fund	
Balances, Beginning of Year	\$ 2,457,653	\$ 21,000,233	\$ 375,241	\$ 173,059	\$ 485,198	\$ 24,491,384
Additions						
Deposits						
Sheriff's Sales	16,816,651	-	-	-	-	16,816,651
Bonds	623,341	-	-	-	-	623,341
Fines and Costs	-	-	-	-	5,080,587	5,080,587
Other Deposits	-	-	770,206	50,158	-	820,364
Taxes, Fees, etc., Paid to Tax Collector	-	481,844,429	-	-	-	481,844,429
Interest	-	10,532	684	-	-	11,216
Total Additions	17,439,992	481,854,961	770,890	50,158	5,080,587	505,196,588
Subtotal	19,897,645	502,855,194	1,146,131	223,217	5,565,785	529,687,972
Reductions						
Taxes, Fees, etc., Distributed to Taxing Bodies and Others	-	480,396,222	-	-	-	480,396,222
Deposits Settled to:						
Sheriff's General Fund	3,159,198	-	281,904	91,434	578,402	4,110,938
Clerk of Court	1,192,923	-	-	-	474,575	1,667,498
Litigants and Appraisers	1,628,109	-	-	-	-	1,628,109
Others	817,222	-	57,917	-	556,088	1,431,227
Advertisements	158,989	-	-	-	-	158,989
District Attorney	3,901	-	121,607	-	682,589	808,097
Parish Council	-	-	-	-	1,720,556	1,720,556
Judicial Expense Fund	-	-	127,374	-	235,474	362,848
Indigent Defender Board	-	-	97,162	-	750,605	847,767
Refunds to Individuals	11,061,823	-	150	128,421	62,292	11,252,686
Total Reductions	18,022,165	480,396,222	686,114	219,855	5,060,581	504,384,937
Balances, End of Year	\$ 1,875,480	\$ 22,458,972	\$ 460,017	\$ 3,362	\$ 505,204	\$ 25,303,035

See independent auditor's report.

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Ad Valorem Tax Affidavit
For the Year Ended June 30, 2014

STATE OF LOUISIANA, PARISH OF ST. TAMMANY
AFFIDAVIT

R. Jack Strain, Jr., Sheriff of St. Tammany Parish

BEFORE ME, the undersigned authority, personally came and appeared, R. Jack Strain, Jr., the sheriff of St. Tammany Parish, State of Louisiana, who after being duly sworn, deposed and said:

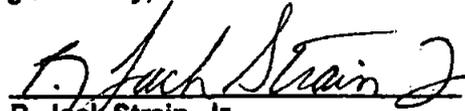
The following information is true and correct:

\$22,458,972 is the amount of cash on hand in the tax collector account on June 30, 2014.

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2013, 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.


R. Jack Strain, Jr.
Sheriff of St. Tammany Parish

SWORN to and subscribed before me, Notary, this 8th day of January 2015, in my office in Covington, Louisiana.

 (Signature)

Nancy Cooksley (Print), # 87428
Notary Public

Expires at Death (Commission)

STATISTICAL INFORMATION

ST. TAMMANY PARISH SHERIFF
 ST. TAMMANY PARISH; LOUISIANA
 Net Position By Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 1

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in Capital Assets	\$ 23,216,715	\$ 22,806,051	\$ 22,443,444	\$ 22,689,018	\$ 22,385,511	\$ 19,505,833	\$ 13,192,193	\$ 8,068,084	\$ 4,770,793	\$ 2,393,037
Restricted for:										
Crime Lab Expenditures	1,968,575	1,894,141	1,451,597	1,201,268	-	-	-	-	-	-
Debt Service	11,957	11,949	11,943	-	-	-	-	-	-	-
Unrestricted	5,690,524	(3,139,856)	(299,016)	559,113	2,027,473	1,601,908	4,577,564	10,795,776	12,870,903	10,339,912
Total Governmental Activities Net Position	\$ 30,887,771	\$ 21,172,285	\$ 23,607,968	\$ 24,449,399	\$ 24,412,984	\$ 21,107,741	\$ 17,769,757	\$ 18,863,860	\$ 17,641,696	\$ 12,732,949
Total Primary Government Net Position	\$ 30,887,771	\$ 21,172,285	\$ 23,607,968	\$ 24,449,399	\$ 24,412,984	\$ 21,107,741	\$ 17,769,757	\$ 18,863,860	\$ 17,641,696	\$ 12,732,949

NOTE:

This statement has been restated to conform with GASB Statements through number 65. In addition, the 2008 classification of net position has been restated to properly report amounts in Unrestricted that were previously reported as Restricted.

ST. TAMMANY PARISH SHERIFF
 ST. TAMMANY PARISH, LOUISIANA
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 2

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities										
Public Safety	\$ 70,407,737	\$ 71,352,844	\$ 67,696,375	\$ 65,167,731	\$ 69,749,995	\$ 58,321,613	\$ 55,484,891	\$ 49,444,205	\$ 48,799,862	\$ 41,925,563
Interest on Long-Term Debt	242,808	501,082	413,070	225,709	330,571	424,034	350,894	428,289	231,210	132,349
Total Governmental Activities Expenses	70,650,543	71,854,006	68,309,445	65,393,440	70,080,566	58,745,647	55,815,785	49,872,474	47,031,072	42,057,912
Total Primary Government Expenses	\$ 70,650,543	\$ 71,854,006	\$ 68,309,445	\$ 65,393,440	\$ 70,080,566	\$ 58,745,647	\$ 55,815,785	\$ 49,872,474	\$ 47,031,072	\$ 42,057,912
Program Revenues										
Governmental Activities										
Public Safety										
Charges for Services	\$ 20,204,627	\$ 25,570,788	\$ 23,931,774	\$ 22,660,659	\$ 19,016,808	\$ 20,642,906	\$ 12,648,663	\$ 11,473,908	\$ 10,859,084	\$ 11,474,586
Operating Grants and Contributions	3,651,162	3,937,159	4,430,879	5,668,252	6,222,713	4,113,039	5,864,325	3,761,399	5,412,491	2,997,003
Capital Grants and Contributions						141,585	212,952	124,681	124,881	291,931
Total Governmental Activities Program Revenues	24,056,689	29,507,947	28,362,653	28,228,911	27,239,522	24,897,510	18,725,940	15,359,988	16,396,256	14,763,520
Total Primary Government Program Revenues	\$ 24,056,689	\$ 29,507,947	\$ 28,362,653	\$ 28,228,911	\$ 27,239,522	\$ 24,897,510	\$ 18,725,940	\$ 15,359,988	\$ 16,396,256	\$ 14,763,520
Net (Expense) Revenue										
Governmental Activities										
	(46,593,854)	(42,346,059)	(39,946,792)	(37,164,529)	(32,841,044)	(33,848,337)	(37,089,845)	(34,512,486)	(30,634,816)	(27,294,392)
Total Primary Government Net (Expense) Revenue	\$ (46,593,854)	\$ (42,346,059)	\$ (39,946,792)	\$ (37,164,529)	\$ (32,841,044)	\$ (33,848,337)	\$ (37,089,845)	\$ (34,512,486)	\$ (30,634,816)	\$ (27,294,392)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Ad Valorem Taxes	\$ 19,768,442	\$ 18,852,429	\$ 18,127,726	\$ 17,802,904	\$ 17,640,389	\$ 18,952,173	\$ 12,919,780	\$ 10,066,951	\$ 8,919,556	\$ 8,035,347
Sales and Use Taxes	10,530,678	10,239,921	9,627,039	9,290,271	8,915,631	19,128,476	20,966,399	22,069,773	22,870,158	16,355,805
Intergovernmental Revenues										
Transfer from St. Tammany Parish Council	10,530,678	10,239,921	9,628,014	9,290,006	8,915,631	-	-	-	-	-
Interest and Investment Earnings	69,933	63,973	65,883	41,793	75,428	181,295	704,827	1,438,289	1,018,598	278,372
Miscellaneous										
Other Revenues	4,063,687	615,720	828,707	631,426	699,228	1,773,573	1,222,284	2,065,358	2,580,296	2,153,611
Special Community Disaster Loan Forgiveness	11,315,692	-	-	-	-	-	-	-	-	-
Gain (loss) on Disposal of Assets	-	(101,588)	-	(360,186)	-	162,804	182,452	96,279	154,958	-
Total Governmental Activities General Revenues	56,306,340	30,910,378	38,268,369	36,708,284	36,148,287	37,186,321	35,995,742	35,734,650	35,543,563	27,823,135
Total Primary Government General Revenues	\$ 56,306,340	\$ 30,910,378	\$ 38,268,369	\$ 36,708,284	\$ 36,148,287	\$ 37,186,321	\$ 35,995,742	\$ 35,734,650	\$ 35,543,563	\$ 27,823,135
Extraordinary Items										
Special Community Disaster Loan Forgiveness										
	\$ -	\$ -	\$ -	\$ 492,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Extraordinary Items	\$ -	\$ -	\$ -	\$ 492,680	\$ -					
Changes in Net Position										
Governmental Activities										
	9,715,488	(2,435,683)	(1,648,423)	38,415	3,305,243	3,337,984	(1,064,103)	1,222,164	4,908,747	528,743
Total Primary Government	\$ 9,715,488	\$ (2,435,683)	\$ (1,648,423)	\$ 38,415	\$ 3,305,243	\$ 3,337,984	\$ (1,064,103)	\$ 1,222,164	\$ 4,908,747	\$ 528,743

NOTE:

This statement has been restated to conform with GASB Statements through number 65. In addition, amounts for 2008 through 2004 that were previously classified as General Revenues have been restated to conform with the current financial statement presentation as Operating Grants and Contributions.

ST. TAMMANY PARISH SHERIFF
 ST. TAMMANY PARISH, LOUISIANA
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Table 3

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved for:										
Inventory and Prepaid Expenses	\$ -	\$ -	\$ -	\$ -	\$ 11,184	\$ 11,184	\$ 11,184	\$ 11,184	\$ 291,269	\$ 311,782
Payment of Community Disaster Loan	-	-	-	-	-	7,028,008	7,028,008	7,028,008	7,028,008	-
Unreserved:					9,844,580	1,857,892	870,447	(18,828)	(77,267)	8,426,498
Nonspendable	119,574	97,096	181,560	89,815	-	-	-	-	-	-
Unassigned	9,847,360	9,905,682	9,861,837	9,942,365	-	-	-	-	-	-
Total General Fund	\$ 9,966,934	\$ 10,002,778	\$ 10,043,397	\$ 10,032,180	\$ 9,855,764	\$ 8,897,084	\$ 7,909,639	\$ 7,020,364	\$ 7,242,010	\$ 8,738,280
All Other Governmental Funds										
Reserved for:										
Construction	\$ -	\$ -	\$ -	\$ -	\$ 1,138,309	\$ 442,272	\$ 4,236,964	\$ 9,897,945	\$ 10,700,000	\$ -
Payment of Community Disaster Loan	-	-	-	-	-	2,906,120	2,906,120	2,906,120	2,906,120	-
Unreserved, reported in:					4,100,300	622,298	49,570	799,379	1,489,273	2,331,804
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	3,637	7,485	2,949	-	-	-	-	-	-
Restricted, reported in:										
Capital Projects Fund	17,649,397	7,527,650	7,589,003	-	-	-	-	-	-	-
Special Revenue Funds	1,968,575	1,694,141	1,451,597	1,201,268	-	-	-	-	-	-
Bond Sinking Fund	11,957	11,949	11,943	-	-	-	-	-	-	-
Committed, reported in:										
Capital Projects Fund	5,318,522	4,880,447	5,240,549	2,665,572	-	-	-	-	-	-
Special Revenue Funds	524,918	453,865	383,555	771,612	-	-	-	-	-	-
Assigned, reported in:										
Special Revenue Funds	2,427,052	2,388,808	2,459,646	2,476,203	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 27,900,421	\$ 16,960,497	\$ 17,123,778	\$ 7,117,604	\$ 5,238,609	\$ 3,970,690	\$ 7,192,654	\$ 13,603,444	\$ 15,095,393	\$ 2,331,804
Total All Funds	\$ 37,867,355	\$ 26,963,275	\$ 27,167,175	\$ 17,149,784	\$ 15,094,373	\$ 12,867,774	\$ 15,102,293	\$ 20,623,808	\$ 22,337,403	\$ 11,070,084

NOTE 1:

GASB Statement No. 54 was implemented for the fiscal year ended June 30, 2011. Amounts for earlier periods are not available for comparison purposes.

NOTE 2:

For 2011, Prepaid Expenses previously reported as Unassigned have been properly restated as Nonspendable.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

Table 4

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes (See Table 5)	\$ 30,269,320	\$ 29,092,350	\$ 27,754,785	\$ 27,099,175	\$ 26,456,000	\$ 35,078,649	\$ 33,888,179	\$ 32,136,724	\$ 31,789,713	\$ 25,391,152
Intergovernmental Revenues	14,382,040	14,177,080	14,058,893	14,884,318	17,138,344	4,254,804	3,856,961	2,479,157	5,087,848	2,913,177
Fees, Charges, and Commissions for Services	20,205,527	25,570,788	23,831,774	22,860,859	19,016,809	20,642,908	14,868,979	12,069,564	11,370,451	11,850,343
Interest and Investment Earnings	68,504	82,510	85,145	36,953	70,379	171,614	704,827	1,362,848	987,403	278,372
Other Revenues	4,257,910	615,720	828,707	832,003	699,228	1,773,573	1,222,261	2,282,125	2,128,132	2,153,611
Total Revenues	\$ 69,213,301	\$ 69,518,448	\$ 66,659,284	\$ 65,493,108	\$ 63,380,780	\$ 61,821,346	\$ 54,539,227	\$ 50,930,416	\$ 51,343,545	\$ 42,586,655
Expenditures										
Current										
Public Safety	\$ 62,838,118	\$ 63,373,457	\$ 60,153,646	\$ 58,188,999	\$ 54,215,620	\$ 55,082,520	\$ 49,851,157	\$ 43,893,388	\$ 43,882,004	\$ 37,132,276
Intergovernmental										
Transfer to St. Tammany Parish Council	1,852,363	1,690,661	1,531,650	1,522,250	1,513,100	1,511,000	1,471,933	1,468,966	1,537,360	1,547,268
Debt Service										
Principal	285,000	270,000	900,000	665,000	1,340,000	8,840,000	1,955,000	1,225,000	715,000	1,045,858
Interest	242,806	248,208	158,056	31,879	64,337	163,554	87,834	128,671	150,576	132,349
Capital Outlay	8,839,008	4,139,804	1,898,341	3,029,789	4,021,104	8,931,585	6,877,470	6,008,265	5,860,342	2,070,402
Total Expenditures	\$ 74,056,293	\$ 69,722,348	\$ 64,641,893	\$ 63,437,687	\$ 61,154,161	\$ 74,308,669	\$ 60,243,194	\$ 52,740,280	\$ 52,165,312	\$ 41,928,153
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,841,992)	\$ (203,900)	\$ 2,017,391	\$ 2,055,411	\$ 2,226,599	\$ (12,387,323)	\$ (5,703,967)	\$ (1,809,874)	\$ (821,767)	\$ 658,502
Other Financing Sources (Uses)										
Transfers In	\$ 1,052,806	\$ 835,719	\$ 3,277,470	\$ 1,980,000	\$ 1,882,080	\$ 1,800,000	\$ 904,315	\$ 100,000	\$ 10,700,000	\$ -
Transfers Out	(1,052,806)	(835,719)	(3,277,470)	(1,980,000)	(1,882,080)	(1,800,000)	(904,315)	(100,000)	(10,700,000)	-
Bond Proceeds	15,400,000	-	8,000,000	-	-	-	-	-	-	-
Bond Premium	348,072	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	152,804	182,452	98,279	154,858	-
Other Debt Proceeds	-	-	-	-	-	10,000,000	-	-	11,934,128	-
Total Other Financing Sources (Uses)	\$ 15,748,072	\$ -	\$ 8,000,000	\$ -	\$ -	\$ 10,152,804	\$ 182,452	\$ 98,279	\$ 12,089,086	\$ -
Net Change in Fund Balances	\$ 10,904,080	\$ (203,900)	\$ 10,017,391	\$ 2,055,411	\$ 2,226,599	\$ (2,234,519)	\$ (5,521,515)	\$ (1,713,585)	\$ 11,267,319	\$ 658,502
Fund Balances										
Beginning of Year	28,963,275	27,187,175	17,149,784	15,094,373	12,867,774	15,102,293	20,623,808	22,337,403	11,070,084	10,411,582
End of Year	\$ 37,867,355	\$ 28,983,275	\$ 27,187,175	\$ 17,149,784	\$ 15,094,373	\$ 12,867,774	\$ 15,102,293	\$ 20,623,808	\$ 22,337,403	\$ 11,070,084
Debt Service as a Percentage of Noncapital Expenditures	0.81%	0.79%	1.69%	1.15%	2.48%	13.47%	3.83%	2.89%	1.67%	2.96%

ST. TAMMANY PARISH SHERIFF
 ST. TAMMANY PARISH, LOUISIANA
 Tax Revenues By Source - Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Table 5

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tax Revenues By Source										
Taxes										
Ad Valorem Taxes	\$ 19,768,442	\$ 18,852,429	\$ 18,127,726	\$ 17,802,904	\$ 17,540,369	\$ 15,952,173	\$ 12,919,780	\$ 10,066,951	\$ 8,919,555	\$ 9,035,347
Sales and Use Taxes	10,530,878	10,239,921	9,627,039	9,296,271	8,915,631	19,126,476	20,966,399	22,069,773	22,870,158	16,355,805
Total Tax Revenues	\$ 30,299,320	\$ 29,092,350	\$ 27,754,765	\$ 27,099,175	\$ 26,456,000	\$ 35,078,649	\$ 33,886,179	\$ 32,136,724	\$ 31,789,713	\$ 25,391,152

Table 6

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Real Estate Assessed Value	Commercial and Other Property Assessed Value	Total Assessed Value	Less: Homestead Exemption Value	Total Taxable Assessed Value	Total Estimated Actual Value	Total Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value
2014	1,537,277,075	675,742,656	2,213,019,731	498,862,148	1,714,157,583	19,877,721,790	11.66	11.13%
2013	1,525,724,378	644,823,218	2,170,547,596	499,788,758	1,670,758,838	19,558,065,233	11.66	11.10%
2012	1,481,091,078	596,195,410	2,077,286,488	496,593,299	1,580,693,189	18,785,546,847	11.73	11.06%
2011	1,483,378,855	588,578,634	2,071,957,489	498,218,082	1,573,739,407	18,757,646,110	11.73	11.05%
2010	1,418,336,365	552,132,297	1,970,468,662	498,976,767	1,471,491,895	17,864,245,630	11.73	11.03%
2009	1,430,237,736	530,052,013	1,960,289,749	498,406,661	1,461,883,088	17,836,057,447	11.73	10.99%
2008	1,244,467,016	285,489,975	1,529,956,991	437,214,926	1,092,742,065	14,347,936,660	12.10	10.66%
2007	1,131,583,881	261,141,810	1,392,725,691	419,982,161	972,743,530	13,056,784,210	10.72	10.67%
2006	1,039,413,980	249,263,960	1,288,677,940	403,524,465	885,153,475	12,055,899,533	10.72	10.69%
2005	1,051,282,371	239,661,039	1,290,943,410	421,714,159	869,229,251	12,110,563,970	10.72	10.66%

NOTE:

Total assessed value is based on the following percentages of estimated actual value.

Residential property	10%
Commercial and other property	15%

SOURCE:

St. Tammany Parish Assessor's Office

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Principal Property Taxpayers
Current year and Nine Years Ago
(Unaudited)**

Table 7

Taxpayer	Type of Business	For the Fiscal Year Ending					
		June 30, 2014			June 30, 2005		
		Taxable Assessed Valuation	Rank	Percentage of Total Parish Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Parish Taxable Assessed Valuation
Central La. Electric, Co.	Utility	\$ 49,038,440	1	2.86%	\$ 33,091,260	1	3.81%
AT&T Southeast	Telephone	14,778,110	2	0.86%			
Florida Marine Transporters	Transportation	12,680,680	3	0.74%			
Chevron USA Inc.	Oil	10,958,294	4	0.64%			
Tri-States NGL Pipeline, Inc.	Gas	7,974,130	5	0.47%			
Wash.-St. Tammany Elec. Coop	Utility	7,948,370	6	0.46%	5,020,040	6	0.58%
Atmos Energy Louisiana	Utility	7,815,650	7	0.46%	4,684,710	8	0.54%
J P Morgan Chase Bank	Bank	7,601,683	8	0.44%			
Capital One Bank	Bank	6,980,760	9	0.41%			
AT&T Mobility, LLC	Telephone	6,188,510	10	0.36%			
Bank One Management Corp.	Bank				6,923,710	4	0.80%
Bellsouth Telecommunications	Telephone				20,428,170	2	2.35%
Hibernia National Bank	Bank				12,714,360	3	1.46%
McKesson Corp.	Healthcare				5,329,930	5	0.61%
Charter Communications	Utility				4,785,500	7	0.55%
Louisiana Hearth Hospital	Healthcare				4,387,250	9	0.50%
Parish National Bank	Bank				4,284,270	10	0.49%
		\$ 131,964,627		7.70%	\$ 101,649,200		11.69%

SOURCE:
St. Tammany Parish Assessor's Office

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$1,000 of Assessed Value, Unaudited)**

Table 8

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
St. Tammany Parish Sheriff's Direct Rates:										
Law Enforcement	11.66	11.66	11.73	11.73	11.73	11.73	12.10	10.72	10.72	10.72
Overlapping Governments' Rates:										
Parish Government	19.01	19.43	19.54	19.54	19.54	19.54	23.05	23.05	19.74	15.74
School District	68.18	68.18	68.45	68.45	68.45	69.45	77.84	77.84	77.84	74.59
Other Parish-Wide	9.86	9.96	10.20	10.45	10.45	10.45	11.76	11.21	11.21	11.21
Cities, Towns and Villages	97.90	94.64	99.10	99.90	100.98	102.05	111.03	109.24	105.98	108.53
Fire Districts	346.82	352.66	354.68	353.31	374.92	379.62	383.87	368.88	362.70	350.69
Lighting Districts	17.65	18.44	18.58	18.58	18.58	18.58	20.75	20.75	18.34	20.00
Recreational Districts	72.98	70.83	66.13	74.90	73.00	76.40	74.57	75.07	72.48	69.92
Other Districts	19.75	20.00	20.00	19.15	19.48	19.48	21.00	23.00	21.05	19.50

SOURCE:
St. Tammany Parish Assessor's Office

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Table 9

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Tax Levy	19,986,938	19,480,929	18,541,477	18,459,922	17,260,581	17,147,802	13,221,962	10,427,656	9,470,892	9,318,112
Current Tax Collections	19,676,861	18,569,039	18,024,948	17,709,879	*	15,900,039	12,831,838	10,049,920	8,813,695	8,970,294
Percent of Levy Collected	98%	95%	97%	96%	*	93%	97%	96%	93%	96%
Collections for Prior Years	91,581	283,390	102,778	93,025	*	52,134	87,942	17,031	105,860	65,053
Total Collections	19,768,442	18,852,429	18,127,726	17,802,904	17,540,369	15,952,173	12,919,780	10,066,951	8,919,555	9,035,347
Ratio of Total Collections to Tax Levy	99%	97%	98%	96%	102%	93%	98%	97%	94%	97%

NOTE:

Tax Collections for fiscal year ended June 30, 2010 totalled \$17,540,369. Excessive collections of prior year taxes occurred in 2010 after the reassessments in 2009 following Hurricane Katrina. The allocation of current and prior year tax collections is not available. (See *)

SOURCE:

Total Tax Levy, St. Tammany Parish Assessor's Office.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Principal Sales Taxpayers
For the Year Fiscal Ended June 30, 2014
(Unaudited)**

Table 10

LAW ENFORCEMENT DISTRICT

TYPE OF BUSINESS	PERCENTAGE OF TOTAL	TOTAL
Motor Vehicles	12.38%	
Grocery / Discount Retailer	2.83%	
Grocery / Discount Retailer	2.13%	
Grocery / Discount Retailer	1.81%	
Grocery / Discount Retailer	1.80%	
Grocery / Discount Retailer	1.32%	
Building Materials	1.28%	
Grocery / Discount Retailer	1.20%	
Building Materials	0.96%	
Grocery / Discount Retailer	0.70%	
Total - 10 Largest Taxpayers	26.41%	\$ 2,780,861
Total - All Other Taxpayers	73.59%	\$ 7,750,017
Total - All Taxpayers	100.00%	\$ 10,530,878

NOTE:

Principal Sales Tax Payers for fiscal year ended June 30, 2005 are not available.

SOURCE:

St. Tammany Parish Sheriff's Office

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
(Unaudited)**

Table 11

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
St. Tammany Parish Sheriff's Direct Rates:										
Law Enforcement District	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Overlapping Parish-Wide Rates:										
State of Louisiana	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
St. Tammany Parish School Board	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
St. Tammany Parish Jail	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
St. Tammany Parish Court House	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
City, Town, Village and Other Jurisdiction Rates:										
Sales Tax District No. 3 (unincorporated St. Tammany)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Slidell	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Covington	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Mandeville	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Pearl River	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.00%	2.00%
Madisonville	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Abita Springs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Folsom	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Sun	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Nord Du Lac Economic Development District	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	-	-	-
Rooms To Go Economic Development District	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	-	-	-
Summit Fremaux Economic Development District	0.50%	0.50%	1.00%	1.00%	1.00%	1.00%	1.00%	-	-	-
Camellia Square Economic Development District	1.00%	-	-	-	-	-	-	-	-	-

SOURCE:
St. Tammany Parish Sheriff's Office

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)**

Table 12

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita	Percentage of Estimated Actual Value of Property
	Limited Tax Revenue Bonds	Certificates of Indebtedness	Community Disaster Loan				
2014	\$ 22,615,000	\$ -	\$ -	\$ 22,615,000	*	93	0.11%
2013	7,500,000	-	9,441,448	16,941,448	0.14%	71	0.09%
2012	7,770,000	-	9,441,448	17,211,448	0.15%	73	0.09%
2011	-	670,000	9,441,448	10,111,448	0.09%	43	0.05%
2010	-	1,335,000	9,934,128	11,269,128	0.11%	49	0.06%
2009	-	2,675,000	9,934,128	12,609,128	0.12%	55	0.07%
2008	-	1,315,000	9,934,128	11,249,128	0.11%	50	0.08%
2007	-	3,270,000	9,934,128	13,204,128	0.15%	59	0.10%
2006	-	4,495,000	9,934,128	14,429,128	0.18%	66	0.12%
2005	-	3,210,000	-	3,210,000	0.04%	15	0.03%

NOTE:

Details regarding the St. Tammany Parish Sheriff's outstanding debt can be found in the notes to the financial statements.

SOURCES:

See Table 6 for Estimated Actual Value of Property.

See Table 14 for Demographic Statistics.

* Information not available.

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
(Unaudited)

Table 13

Governmental Unit	Debt Outstanding	Percentage Applicable	Share of Overlapping Debt
Direct Debt:			
St. Tammany Parish Sheriff	\$ 22,615,000	100%	\$ 22,615,000
Overlapping Debt To Be Repaid with Property Taxes:			
City of Covington	*	5,521,000	100%
City of Slidell	***	11,058,866	100%
City of Mandeville	**	130,000	100%
Fire Protection District No. 2	*	1,941,000	100%
Fire Protection District No. 3	*	79,000	100%
Fire Protection District No. 4	*	600,000	100%
Fire Protection District No. 7	*	57,000	100%
Fire Protection District No. 8	*	123,000	100%
Fire Protection District No. 9	*	46,000	100%
Fire Protection District No. 11	*	85,000	100%
Fire Protection District No. 12	*	1,365,000	100%
Fire Protection District No. 13	*	413,000	100%
Gravity Drainage District No. 5	****	1,330,000	100%
Northshore Harbor Center	*	5,130,000	100%
Recreation District No. 1	*	11,979,000	100%
Recreation District No. 2	*	195,000	100%
Recreation District No. 6	*	1,695,000	100%
Recreation District No. 11	*	2,100,000	100%
Recreation District No. 12	*	330,000	100%
Recreation District No. 14	*	8,880,000	100%
Sub-drainage District No. 1 of 3	*	153,000	100%
Sub-drainage District No. 2 of GDD No. 5	*	118,000	100%
Sub-drainage District No. 3 of GDD No. 5	*	141,000	100%
St. Tammany Parish Government	*	13,540,000	100%
St. Tammany Parish School Board	***	204,540,000	100%
St. Tammany Parish Hospital Service District No. 2	*	54,010,000	100%
Town of Abita Springs	*	1,016,000	100%
St. Tammany Parish Water District No. 2	*	1,700,000	100%
	\$ 328,275,866		\$ 328,275,866
Other Debt:			
City of Covington	*	2,300,000	100%
City of Slidell	***	5,463,910	100%
City of Mandeville	**	2,785,000	100%
Fire Protection District No. 4	*	712,270	100%
Fire Protection District No. 11	*	75,861	100%
Fire Protection District No. 12	*	513,375	100%
Sewerage District No. 4	*	225,000	100%
St. Tammany Parish Government	*	81,264,014	100%
St. Tammany Parish School Board	***	69,766,016	100%
St. Tammany Parish Hospital Service District No. 1	*	71,540,000	100%
St. Tammany Parish Hospital Service District No. 2	*	41,020,579	100%
Town of Abita Springs	*	854,000	100%
St. Tammany Parish Water District No. 2	*	191,000	100%
Village of Folsom	***	150,000	100%
	\$ 276,861,025		\$ 276,861,025

ST. TAMMANY PARISH SHERIFF
 ST. TAMMANY PARISH, LOUISIANA
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2014
 (Unaudited)

Table 13 (Continued)

Governmental Unit		Debt Outstanding	Percentage Applicable	Share of Overlapping Debt
Capital Leases/Notes Payable:				
City of Slidell	***	163,758	100%	163,758
Fire Protection District No. 5	*	228,477	100%	228,477
Fire Protection District No. 11	*	833,119	100%	833,119
Fire Protection District No. 13	*	308,253	100%	308,253
		<u>\$ 1,533,607</u>		<u>\$ 1,533,607</u>
Total Overlapping Debt				\$ 606,670,498
Total Direct and Overlapping Debt				\$ 629,285,498

NOTE 1:

The Debt Outstanding Balance represents the amount reported as of June 30, 2014 or on the most current financial statements as indicate

* as of 12/31/13

** as of 8/31/13

*** as of 6/30/13

**** as of 12/31/12

NOTE 2:

Overlapping governments are those that coincide at least in part, with the geographic boundaries of the parish. This disclosure recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The percentage overlap is calculated by dividing the amount of the revenue base from which the debt will be repaid contained within the overlapping area by the total revenue base of the overlapping government.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)**

Table 14

Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2014	242,333	*	*	5.1%
2013	239,453	\$ 11,722,169,000	\$ 48,954	5.2%
2012	236,915	11,313,721,000	47,754	5.7%
2011	234,571	10,779,019,000	45,952	5.7%
2010	231,224	10,311,859,000	44,597	5.3%
2009	229,252	10,483,119,000	45,727	3.6%
2008	226,294	10,172,586,000	44,953	2.9%
2007	223,133	8,725,176,000	39,103	3.6%
2006	217,358	7,832,127,000	36,033	7.5%
2005	211,405	7,221,326,000	34,159	4.0%

SOURCES:

Population, US Census Bureau- 2014

Population, Personal Income, and Per Capita Personal Income, Bureau of Economic Analysis 2005-2013

Unemployment Rate, Bureau of Labor Statistics

* Information is not available.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Principal Employers
Current year and Nine Years Ago
(Unaudited)**

Table 15

Employer	For the Fiscal Year Ending			For the Fiscal Year Ending		
	June 30, 2014			June 30, 2005		
	Employees	Rank	Percentage of Total St. Tammany Parish Employment	Employees	Rank	Percentage of Total St. Tammany Parish Employment
St. Tammany Parish School Board	5,399	1	4.94%	7,651	1	9.25%
St. Tammany Parish Hospital	1,715	2	1.57%	1,400	2	1.69%
Slidell Memorial Hospital	1,186	3	1.09%	1,022	4	1.24%
Wal-Mart	1,125	4	1.03%	1,125	3	1.36%
Ochsner Health System	1,091	5	1.00%			
Lakeview Regional Medical Center	807	6	0.74%	715	5	0.86%
St. Tammany Parish Sheriff's Office	754	7	0.69%	663	6	0.80%
St. Tammany Parish Government	720	8	0.66%	531	8	0.64%
Northlake Behavioral Health System/Southeast Louisiana Hospital	592	9	0.54%	621	7	0.75%
Chevron, USA	550	10	0.50%			
Home Depot				500	9	0.60%
Northshore Regional Medical Center				490	10	0.59%
Total - 10 Largest Employers	13,939		12.76%	14,718		17.78%
Total - All Employers	109,225			82,737		

SOURCES:

2014 10 Largest Employers: St. Tammany Economic Development Foundation; St. Tammany Sheriff's Office

2005 10 Largest Employers: St. Tammany Sheriff's Office; St. Tammany Parish Government

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Full-Time Equivalent Employees By Function
Last Ten Fiscal Years
(Unaudited)

Table 16

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Administrative:										
Administration	6	6	6	7	7	6	7	10	9	7
Accounting	17	18	18	19	18	18	16	15	14	11
Human Resources	*	9	9	9	9	9	8	8	8	8
Information Systems	13	13	13	13	13	13	13	12	12	10
Criminal Records & Collections	19	18	17	17	17	18	16	15	15	14
Property Tax	8	9	9	9	9	9	9	8	8	7
Occupational License	4	4	4	4	4	4	3	5	3	3
Purchasing	2	2	2	2	2	3	2	2	2	2
Public Affairs	4	4	4	4	4	3	3	3	3	3
Civil	21	21	21	21	21	20	17	17	17	15
Internal Affairs	*	3	3	3	2	2	2	2	2	3
Sales Tax	13	13	13	13	12	12	12	11	11	11
Building Maintenance	3	3	3	0	0	0	0	0	0	0
Transitional Work Program	4	18	18	17	18	16	14	14	14	14
Radio Maintenance	5	5	5	5	3	3	3	3	3	3
Vehicle Maintenance	8	7	7	8	7	7	7	6	6	4
Enforcement:										
Court Security	47	46	45	46	45	45	43	43	43	42
Communications-911	40	40	40	40	36	36	36	36	36	35
Criminal Patrol District II	59	59	60	60	62	62	58	64	64	62
Criminal Patrol District III	50	50	50	50	49	49	54	60	55	52
Criminal Patrol District IV	31	31	30	31	27	27	27	26	24	19
Criminal Investigations	26	25	25	25	29	26	30	24	24	22
Domestic Violence Unit	0	0	0	0	0	0	0	5	5	5
Crime Laboratory	*	21	21	21	21	21	21	19	19	14
Criminal Investigations	26	27	26	27	21	24	26	21	21	20
Operations:										
Training Center	*	12	12	12	13	12	12	12	8	7
Search & Rescue	15	16	16	16	15	14	14	16	16	14
Traffic	13	13	13	13	13	13	13	0	0	0
School Crossing Guards	23	23	23	23	21	18	18	19	19	19
Street Crimes	7	7	7	7	7	7	7	6	6	0
Narcotics	20	20	20	20	19	19	19	19	19	13
Professional Standards:										
Human Resources	10	*	*	*	*	*	*	*	*	*
Internal Affairs	2	*	*	*	*	*	*	*	*	*
Training Center	11	*	*	*	*	*	*	*	*	*
Crime Laboratory	21	*	*	*	*	*	*	*	*	*
Total General Fund	528	543	540	540	524	516	510	501	486	439
Jail Fund										
Corrections:										
Jail Facility	186	177	177	177	169	190	196	197	196	197
Jail Medical	28	28	27	27	27	27	27	26	26	26
K-9 Unit	10	9	9	9	9	8	8	8	4	0
Total Jail Fund	224	214	213	213	205	225	231	231	226	223
Commissary Fund										
Commissary	2	2	2	2	2	2	2	1	1	1
Total Commissary Fund	2	1	1	1						
Total	754	759	755	755	731	743	743	733	713	663

SOURCE:

St. Tammany Parish Sheriff's Office

Note: Effective July 1, 2013, the Sheriff's office created the Professional Standards division, which includes the Human Resources, Internal Affairs, Training Center, and Crime Laboratory departments. Previously, these departments were reported in the Administration, Enforcement, and Operations divisions. (See *)

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Operating Indicators
Last Ten Fiscal Years
(Unaudited)

Table 17

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Population - Total	242,333	239,453	236,785	234,591	231,224	229,252	226,294	223,133	217,358	211,405
Calls for Service	292,747	279,330	274,036	271,683	288,700	323,943	299,245	-	-	-
Response to Calls for Service	170,105	148,522	148,360	158,301	165,241	161,993	169,935	154,210	153,664	149,900
Assigned Cases	21,221	22,567	23,267	24,396	25,294	24,772	26,978	26,788	23,338	21,689
Traffic Tickets Issued	5,074	6,007	7,858	11,209	12,951	14,661	9,219	10,051	8,993	8,875
Average Response Time (In minutes)	3:05	3:36	3:37	*	*	3:40	3:44	6:04	5:13	*
Crime Statistics:										
Murders	3	4	5	7	5	4	8	8	15	3
Rapes	5	6	21	19	28	37	40	36	30	26
Assaults	800	892	1,105	1,164	1,356	1,606	1,528	1,353	1,295	1,484
Total Persons Crimes	808	902	1,131	1,190	1,389	1,647	1,576	1,397	1,340	1,513
Robberies	23	15	24	24	17	27	34	25	30	56
Burglary	405	601	654	555	583	719	868	691	851	672
Theft	1,254	1,663	1,772	1,665	1,630	1,813	1,948	1,715	1,845	2,021
Vehicle Theft	117	158	155	148	145	189	267	303	274	219
Arson	7	14	10	12	10	23	19	24	23	16
Total Property Crimes	1,806	2,451	2,615	2,404	2,385	2,771	3,136	2,758	3,023	2,984
Total	2,614	3,353	3,746	3,594	3,774	4,418	4,712	4,155	4,363	4,497
Estimated Value of Property Stolen	\$ 2,217,988	\$ 3,281,155	\$ 3,080,039	\$ 3,788,694	\$ 3,163,869	\$ 3,040,179	\$ 3,790,747	\$ 4,674,019	\$ 6,139,157	\$ 3,487,569
Estimated Value of Property Recovered	\$ 485,829	\$ 459,175	\$ 215,988	\$ 483,323	\$ 257,556	\$ 299,242	\$ 329,143	\$ 485,656	\$ 843,293	\$ 1,056,613
Crime Rate per 1,000 Residents	10.79	14.00	15.82	15.32	16.32	19.27	20.82	18.62	20.07	21.27

NOTE:

Calls for Service for fiscal years ended June 30, 2005 through 2007 are not available. (See *)
Average Response Times for certain fiscal years are not available.

SOURCES:

St. Tammany Parish Sheriff's Office
See Table 14 for Demographic Statistics.

ST. TAMMANY PARISH SHERIFF
 ST. TAMMANY PARISH, LOUISIANA
 Capital Assets By Function
 Fiscal Year Ended June 30, 2014, 2013, and 2012
 (Unaudited)

Table 18

	Land	Leasehold Improvements	Buildings	Communication Equipment	Other Equipment	Vehicles	Construction In Progress	2014	2013	2012
Public Safety:										
Administrative:										
Administration	1	-	1	-	8	7	1	18	17	17
Accounting	2	-	1	-	8	1	-	12	11	11
Human Resources	-	-	-	-	-	-	-	-	3	3
Information Systems	-	-	-	1	132	6	-	139	129	113
Criminal Records & Collections	-	-	-	-	1	1	-	2	3	3
Property Tax	-	-	-	-	-	1	-	1	1	1
Occupational License	-	-	-	-	1	-	-	1	1	1
Purchasing	-	-	-	-	-	1	-	1	1	1
Public Affairs	-	-	-	-	5	3	-	8	8	7
Civil	-	-	-	-	1	13	-	14	14	14
Internal Affairs	-	-	-	-	-	-	-	-	4	4
Sales Tax	-	-	-	-	1	5	-	6	6	6
Building Maintenance	-	1	1	1	19	5	-	27	18	11
Transitional Work Program	-	-	1	-	12	2	-	15	19	14
Radio Maintenance	-	-	-	165	15	1	-	181	189	199
Vehicle Maintenance	-	-	1	-	30	117	-	148	95	86
	3	1	5	167	233	163	1	573	519	491
Enforcement:										
Court Security	-	-	-	-	-	6	-	6	6	6
Communications-911	-	-	-	2	1	1	4	8	4	4
Criminal Patrol District II	-	-	-	-	29	71	-	100	104	82
Criminal Patrol District III	-	-	1	-	8	62	-	69	72	52
Criminal Patrol District IV	-	-	-	-	3	42	-	45	45	28
Criminal Investigations	-	-	1	-	5	57	1	64	32	32
Crime Laboratory	-	-	-	-	-	-	-	-	103	100
Criminal Investigations	-	-	-	-	-	44	-	44	26	26
	-	-	2	2	44	283	5	336	392	330

ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Capital Assets By Function
Fiscal Year Ended June 30, 2014, 2013, and 2012.
(Unaudited)

Table 18 (Continued)

Operations:										
Training Center	*	*	*	*	*	*	*	*	387	378
Search & Rescue	-	-	-	1	48	103	-	152	152	133
Traffic	-	-	-	1	18	28	-	45	54	40
SWAT Team	-	-	-	-	8	-	-	8	8	6
School Crossing Guards	-	-	-	-	-	1	-	1	1	1
Street Crimes	-	-	-	-	8	8	-	14	11	10
Narcotics	-	-	-	6	46	31	-	83	76	69
	-	-	-	8	126	169	-	303	689	637
Professional Standards:										
Human Resources	-	-	-	-	2	1	-	3	*	*
Internal Affairs	-	-	-	-	-	3	-	3	*	*
Training Center	-	-	-	-	375	9	-	384	*	*
Crime Laboratory	-	-	-	1	81	12	10	104	*	*
	-	-	-	1	458	25	10	494	*	*
Corrections	1	4	-	1	126	70	-	202	181	157
Total - 2014	4	5	7	179	987	710	18	1,908	1,781	1,615
Total - 2013	4	5	7	179	973	609	4	1,781		
Total - 2012	4	3	6	188	884	527	3	1,615		

NOTE 1:

Capital Assets by Function were compiled beginning in fiscal year ended June 30, 2012.

NOTE 2:

The administrative division includes the radio maintenance and vehicle maintenance departments. Radio maintenance includes communication equipment that supports the enforcement and operations divisions. Vehicle maintenance includes assets that are shared by various divisions and those vehicles that are being held for auction.

NOTE 3:

Effective July 1, 2013, the Sheriff's office created the Professional Standards division, which includes the Human Resources, Internal Affairs, Training Center, and Crime Laboratory departments. Previously, these departments were reported in the Administration, Enforcement, and Operations divisions. (See *)

SOURCE:

St. Tammany Parish Sheriff's Office

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

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

The Honorable Rodney "Jack" Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, 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 St. Tammany Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated January 8, 2015.

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.

Member of:  **PrimeGlobal** | An Association of Independent Accounting Firms • PCAOB - Public Company Accounting Oversight Board
AICPA: Center for Public Company Audit Firms (SEC) • Governmental Audit Quality Center • Private Companies Practice Section (PCPS)
3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002 • Telephone (504) 837-0770 • Fax (504) 837-7102
201 St. Charles Ave., Suite 2500 • New Orleans, LA 70170 • Telephone (504) 599-5905 • Fax (504) 837-7102

www.pmlcpa.com

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

Compliance and Other Matters

As 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*.

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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana

January 8, 2015

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

The Honorable Rodney "Jack" Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the St. Tammany Parish Sheriff's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the St. Tammany Parish Sheriff's major federal programs for the year ended June 30, 2014. The St. Tammany Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the St. Tammany Parish Sheriff's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Tammany Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Member of:  **PrimeGlobal** | An Association of Independent Accounting Firms • PCAOB - Public Company Accounting Oversight Board
AICPA: Center for Public Company Audit Firms (SEC) • Governmental Audit Quality Center • Private Companies Practice Section (PCPS)
3421 N. Causeway Blvd., Suite 701 • Metairie, LA 70002 • Telephone (504) 837-0770 • Fax (504) 837-7102
201 St. Charles Ave., Suite 2500 • New Orleans, LA 70170 • Telephone (504) 599-5905 • Fax (504) 837-7102

www.pmlcpa.com

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of St. Tammany Parish Sheriff's compliance.

Opinion on Each Major Federal Program

In our opinion, the St. Tammany Parish Sheriff complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the St. Tammany Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the St. Tammany Parish Sheriff's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Parish Sheriff's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana

January 8, 2015

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant or Other Number	2014 Expenditures
United States Department of Justice			
Passed through the Louisiana Commission on Law Enforcement			
ARRA Violence Against Women Formula Grant Program	16.588	M12-7-009	\$ 7,482
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0484	5,806
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0222	12,250
Equitable Sharing Program (Asset Forfeiture Program)	16.922	Unknown	297,809
Multi-Jurisdictional Task Force	16.738	2013-DJ-01-1408	2,646
Multi-Jurisdictional Task Force	16.738	B12-7-014	<u>29,290</u>
Total United States Department of Justice			<u>355,283</u>
United States Department of Transportation			
Passed through the State of Louisiana			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2012-30-54 FFY13	36,957
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2014-30-56	<u>125,258</u>
Total United States Department of Transportation			<u>162,215</u>
Total Federal Expenditures			<u><u>517,498</u></u>

Notes to the Schedule of Expenditures of Federal Awards

- A. The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.
- B. The following is a reconciliation of total federal grant expenditures to the federal grant revenues reported on page 41 of the financial statements:

Total Federal Expenditures	\$ 517,498
Asset Forfeiture Expenditures for which no Revenue was Received in the Current Year	(155,245)
Revenues Related to Expenditures in Prior Years	<u>2,593</u>
Total	<u><u>\$ 364,846</u></u>

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Summary of Auditor's Results

Financial Statements

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1. Type of auditor's report | Unmodified |
| 2. Compliance and internal control over financial reporting: | |
| a. Material weaknesses identified. | None |
| b. Significant deficiencies disclosed during the audit of the financial statements, not considered to be material weaknesses. | None |
| c. Instances of noncompliance material to the financial Statements of St. Tammany Parish Sheriff, which would be required to be reported in accordance with Government Auditing Standards. | None |

Federal Awards

- | | |
|---------------------------------------------------------------------------------------------|------------|
| 3. Internal control over major federal award programs: | |
| a. Material weaknesses identified. | None |
| b. Significant deficiencies identified not considered to be material weaknesses. | None |
| 4. Type of auditor's report issued on compliance for major programs. | Unmodified |
| 5. Audit findings disclosed that are required in accordance with OMB A-133, Section 510(a). | None |
| 6. Identification of major programs: | |
| Number: 16.922 – Equitable Sharing Program (Asset Forfeiture Program) | |
| 7. Dollar threshold used to distinguish between Type A and B programs. | \$300,000 |
| 8. Auditee qualified as a low-risk auditee under OMB A-133, Section 530 | Yes |

Financial Statement Findings

None

Federal Awards Findings and Questioned Costs

None

No management letter was issued.

**ST. TAMMANY PARISH SHERIFF
ST. TAMMANY PARISH, LOUISIANA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2014**

Financial Statement Findings

None

Federal Awards Findings and Questioned Costs

None