

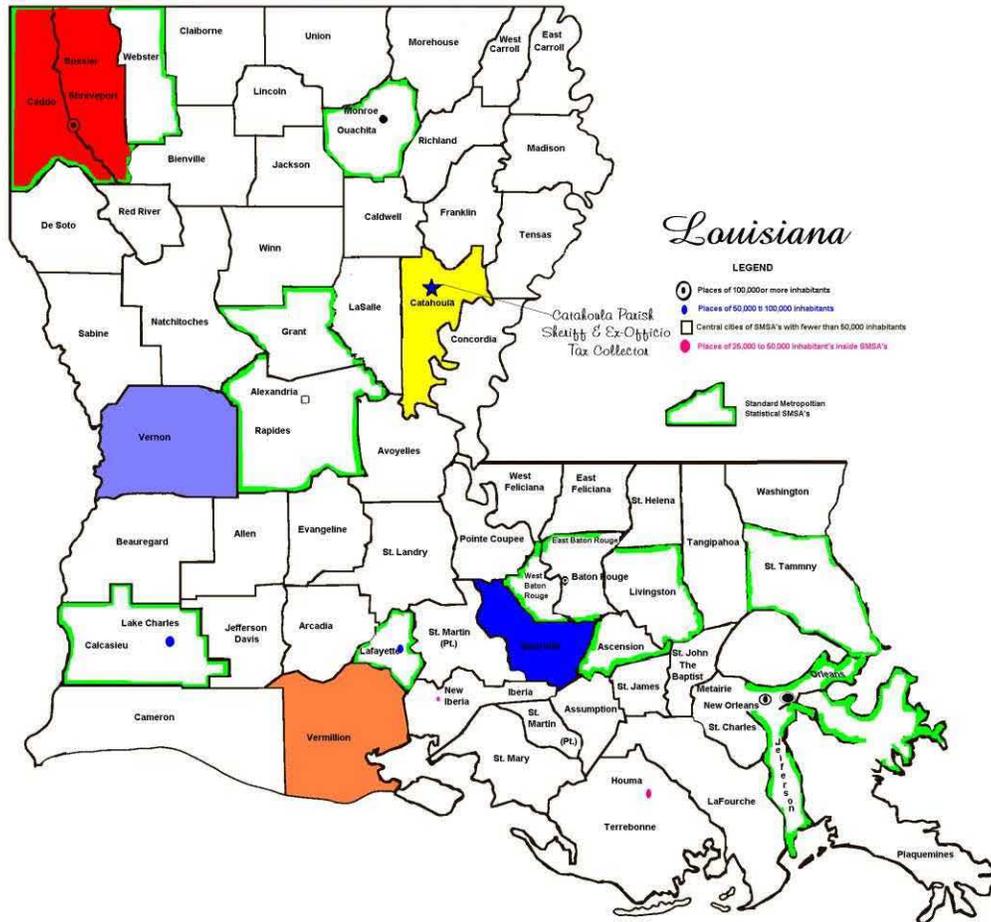
**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**Annual Financial Statements**

**JUNE 30, 2018**

# CATAHOULA PARISH SHERIFF

## Harrisonburg, Louisiana



\* As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations, serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera, and provides assistance to other law enforcement agencies within the parish.

**CATAHOULA PARISH SHERIFF**  
**Table of Contents**  
**June 30, 2018**

	SCHEDULE NO.	PAGE NO.
Independent Auditor's Report.....		1-3
Management's Discussion and Analysis.....		4-7
<b>Basic Financial Statements</b>		
Statement of Net Position.....	A	9
Statement of Activities.....	B	10
Balance Sheet, Governmental Funds.....	C	11
Reconciliation of the Government Funds Balance Sheet to the Government- Wide Financial Statement of Net Position.....	D	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	E	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	14
Statement of Fiduciary Net Position.....	G	15
Notes to the Basic Financial Statements.....		16-39
<b>Required Supplemental Information</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual.....	1	41
Note to Budgetary Comparison Schedule.....	2	42
Schedule of the Employer's Proportionate Share of the Net Pension Liability.....	3	43
Schedule of Employer Contributions.....	4	44
Schedule of Changes in Net OPEP Liability & Related Ratios.....	5	45
<b>Other Information</b>		
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....		47
Affidavit.....		48
<b>Other Reports</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.....		50-51
Schedule of Findings and Questioned Costs.....		52-53
Management Letter Comments.....		54
Management's Summary of Prior Year Findings.....		55-56
Louisiana Statewide Agreed Upon Procedures.....		57-66

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.  
davidvercher@centurytel.net

## **THE VERCHER GROUP**

*A Professional Corporation of  
Certified Public Accountants*

P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Toney J. Edwards, Sheriff  
Catahoula Parish Sheriff  
Harrisonburg, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and aggregate remaining fund information of the Catahoula Parish Sheriff, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Sheriff's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and aggregate remaining fund information of the Catahoula Parish Sheriff, as of June 30, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As disclosed in the notes and statements, the total net pension liability and the other post-employment benefits (OPEB) liability was \$2,431,254 and \$5,709,128 respectively as of June 30, 2018. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability and OPEB liability at June 30, 2018, could be under or overstated.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budget comparison, and other supplemental information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are 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 Catahoula Parish Sheriff's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was 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 Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018, on our consideration of the Catahoula Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Catahoula Parish Sheriff's internal control over financial reporting and compliance.

*The Vercher Group*

Jena, Louisiana  
November 26, 2018

# CATAHOULA PARISH SHERIFF

## Toney J. Edwards-Sheriff

PO Box 655  
Harrisonburg, Louisiana 71340  
Tel: (318) 744-5411  
Fax: (318) 744-5568

---

---

### MANAGEMENT'S DISCUSSION AND ANALYSIS

---

---

As management of the Sheriff's Department, we offer readers of the Catahoula Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff's Department for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Sheriff's Department's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

##### *Governmental Funds*

- The liabilities of the Sheriff's Department exceeded its assets at the close of the most recent fiscal year by \$(6,422,343) (*net position*). This is a \$2,254,554 decrease from last year.
- The Sheriff's Department had total revenue of \$6,500,209, in which \$3,702,780 came from reimbursement revenue sources. This is a \$745,170 increase from last year's revenues, mainly due to an increase of \$723,987 in reimbursement revenues.
- The Sheriff's Department had total expenditures of \$6,506,712. This is a \$581,727 increase from last year, mainly due to an increase in administrative and prison/prisoner expense in the amount \$693,964.

---

---

## MD&A

---

---

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Sheriff's Department's basic financial statements. The Sheriff's Department's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Sheriff is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Sheriff adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

### 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 Sheriff's Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### USING THIS ANNUAL REPORT

The Sheriff's Department's annual report consists of financial statements that show information about the Sheriff's Department's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### Reporting the Sheriff's Department's Most Significant Funds

The Sheriff's Department's financial statements provide detailed information about the most significant funds. The Sheriff's Department may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

---



---

**MD&A**

---



---

**Comparative Statement of Net Position as of June 30, 2018 - Governmental Funds**

<b>Assets</b>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Cash & Investments	\$ 857,900	\$ 821,245	-4.3
Receivables	99,952	404,004	304.2
Capital Assets, Net of Accumulated Depreciation	326,385	248,278	-23.9
<b>Total Assets</b>	<u>1,284,237</u>	<u>1,473,527</u>	14.7
<b>Deferred Outflow of Resources</b>	1,703,742	1,062,684	-37.6
<b>Liabilities &amp; Net Position</b>			
Accounts, Salaries, & Other Payables	46,809	320,709	585.2
OPEB Liability	3,318,703	5,709,128	72.0
Net Pension Liability	3,382,965	2,431,254	-28.1
<b>Total Liabilities</b>	<u>6,748,477</u>	<u>8,461,091</u>	25.4
<b>Deferred Inflow of Resources</b>	407,291	497,463	22.1
<b>Net Position</b>			
Net Investment in Capital Assets	326,385	248,278	-23.9
Unrestricted	(4,494,174)	(6,670,621)	48.4
<b>Total Net Position</b>	<u>\$ (4,167,789)</u>	<u>\$ (6,422,343)</u>	54.1

**Comparative Changes in Fund Balances for the Year Ended June 30, 2018 - Governmental Funds**

<b>Revenues</b>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Fees, Fines, & Charges	\$ 332,679	\$ 315,577	-5.1
Taxes	2,035,998	1,982,496	-2.6
Intergovernmental	363,070	394,790	8.7
Reimbursement	2,978,793	3,702,780	24.3
Grants	20,382	38,566	89.2
Miscellaneous	24,117	66,000	173.7
<b>Total Revenues</b>	<u>5,755,039</u>	<u>6,500,209</u>	13.0
<b>Expenditures</b>			
Administration & Prisoner Expense	5,724,513	6,418,477	12.1
Repairs & Maintenance	86,048	52,844	-38.6
Capital Outlay	99,852	7,467	-92.5
Other Expenditures	14,572	27,924	91.6
<b>Total Expenditures</b>	<u>5,924,985</u>	<u>6,506,712</u>	9.8
<b>Increase (Decrease) in Fund Balances</b>	(169,946)	(6,503)	-96.2
<b>Beginning Fund Balances</b>	1,080,989	911,043	-15.7
<b>Ending Fund Balances</b>	<u>\$ 911,043</u>	<u>\$ 904,540</u>	-0.7

---

---

## MD&A

---

---

### CAPITAL ASSETS

#### *Capital Assets – Governmental Fund*

At June 30, 2018, the Sheriff's Department had \$248,278 invested in capital assets, including vehicles, furniture, and equipment.

	<u>2017</u>	<u>2018</u>
Equipment	\$ 1,656,365	\$ 1,663,832
Accumulated Depreciation	(1,329,980)	(1,415,554)
<b>Total Net Position</b>	<u>\$ 326,385</u>	<u>\$ 248,278</u>

### CONTACTING THE SHERIFF'S DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's Department's finances and to show that the Sheriff's Department's accountability for the money it receives. If you have questions about this report or need additional information, contact Robert Swayze, Chief Civil Deputy at the Sheriff's Department, phone number (318) 744-5411.

## **Basic Financial Statements**

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Statement of Net Position  
June 30, 2018**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 559,184
Investments	262,061
Receivables	404,004
Capital Assets (Net of Accumulated Depreciation)	248,278
<b>TOTAL ASSETS</b>	<b>1,473,527</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,062,684</b>
<b>LIABILITIES</b>	
Accounts, Salaries, & Other Payables	320,709
OPEB Liability	5,709,128
Net Pension Liability	2,431,254
<b>TOTAL LIABILITIES</b>	<b>8,461,091</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>497,463</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	248,278
Unrestricted	(6,670,621)
<b>TOTAL NET POSITION</b>	<b>\$ (6,422,343)</b>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Statement of Activities  
For the Year Ended June 30, 2018**

	PROGRAM REVENUES				NET (EXPENSE) REVENUES & CHANGES IN NET ASSETS
	EXPENSES	FEES, FINES, & CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
<b>GOVERNMENTAL ACTIVITIES</b>					
Public Safety	\$ (6,831,255)	\$ 315,577	\$ -0-	\$ 38,566	\$ (6,477,112)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ (6,831,255)</b>	<b>\$ 315,577</b>	<b>\$ -0-</b>	<b>\$ 38,566</b>	<b>\$ (6,477,112)</b>
			<b>GENERAL REVENUES</b>		
					1,982,496
					394,790
					3,702,780
					222,871
					66,000
					<b>6,368,937</b>
					<b>(108,175)</b>
					<b>(2,146,379)</b>
					<b>(4,167,789)</b>
					<b>\$ (6,422,343)</b>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Balance Sheet, Governmental Funds  
June 30, 2018**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash	\$ 559,184
Investments	262,061
Receivables	404,004
<b>TOTAL ASSETS</b>	<u>1,225,249</u>
 <b>LIABILITIES</b>	
Accounts, Salaries, and Other Payables	320,709
<b>TOTAL LIABILITIES</b>	<u>320,709</u>
 <b>FUND BALANCE</b>	
Unassigned	904,540
 <b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>\$ 1,225,249</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Reconciliation of the Government Funds Balance Sheet  
to the Government-Wide Financial Statement of Net Position  
June 30, 2018**

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

Fund Balance, Total Governmental Funds (Statement C)		\$ 904,540
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.		
Capital Assets	1,663,832	
Less Depreciation	<u>(1,415,554)</u>	248,278
Deferred inflows and outflows of resources are not recognized in the fund balance of Governmental Funds Statement.		
Pension and OPEB Related Inflows	(497,463)	
Pension and OPEB Related Outflows	<u>1,062,684</u>	565,221
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.		
OPEB Liability	(5,709,128)	
Net Pension Liability	<u>(2,431,254)</u>	<u>(8,140,382)</u>
Net Position of Governmental Activities (Statement A)		<u>\$ (6,422,343)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Statement of Revenues, Expenditures &  
Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>REVENUES</b>	
Fees & Charges	\$ 244,113
Taxes	1,982,496
Fines	71,464
Intergovernmental	394,790
Reimbursement	3,702,780
Grants	38,566
Miscellaneous	66,000
<b>TOTAL REVENUES</b>	6,500,209
 <b>EXPENDITURES</b>	
Administration	2,692,129
Prison/Prisoner Expense	3,726,348
Repairs & Maintenance	52,844
Capital Outlay	7,467
Other Expenditures	27,924
<b>TOTAL EXPENDITURES</b>	6,506,712
 <b>NET CHANGE IN FUND BALANCE</b>	(6,503)
 <b>FUND BALANCES-BEGINNING</b>	911,043
<b>FUND BALANCES-ENDING</b>	\$ 904,540

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Reconciliation of the Statement of Revenues, Expenditures,  
& Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2018**

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (6,503)

Governmental funds report pension outlays as expenditures. However, in the Statement of Activities, the cost is based on various assumptions made by the pension fund's actuary. Governmental funds do not recognize employee contributions to the pension fund as revenue.

Difference in pension expenditures and pension expense	(2,390)	
Pension related revenue	<u>222,871</u>	
		220,481

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	7,467	
Deleted Assets	-0-	
Depreciation Expense	<u>(85,574)</u>	
		(78,107)

The issuance of long-term debt (bonds, leases, etc.) 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. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in OPEB Liability	(244,046)	
Principal Paid	-0-	
Loan Proceeds	<u>-0-</u>	
		<u>(244,046)</u>

Changes in Net Position of Governmental Activities, Statement B \$ (108,175)

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Statement of Fiduciary Net Position  
June 30, 2018**

	<u>CIVIL FUND</u>	<u>TAX COLLECTION FUND</u>	<u>BOND FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 67,231	\$ -0-	\$ 210,446	\$ 277,677
Investments	-0-	-0-	-0-	-0-
Accounts Receivable	2,360	-0-	20,994	23,354
<b>TOTAL ASSETS</b>	<u>69,591</u>	<u>-0-</u>	<u>231,440</u>	<u>301,031</u>
<b>LIABILITIES</b>				
Held for Others Pending Court Action	69,591	-0-	231,440	301,031
Held for Taxing Bodies	-0-	-0-	-0-	-0-
<b>TOTAL LIABILITIES</b>	<u>69,591</u>	<u>-0-</u>	<u>231,440</u>	<u>301,031</u>
<b>NET POSITION</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic  
Financial Statements**

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**INTRODUCTION**

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

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

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

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Catahoula Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

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

**Fund Financial Statements (FFS)**

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

The Sheriff reports the following major governmental fund:

The *General Fund* is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

Additionally, the Sheriff reports the following fund types:

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**Fiduciary Funds**

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

**C. EQUITY CLASSIFICATIONS**

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Sheriff has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

**D. BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances Reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

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

**Revenues**

Ad valorem taxes and commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on September 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when their related fund liability is incurred.

**Other Financing Sources (Uses)**

Proceeds from the sale of fixed assets are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

**Government-Wide Financial Statements (GWFS)**

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues**

Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**E. CASH & CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

**F. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Sheriff's investment policy. 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.

**G. CAPITAL ASSETS**

Capital assets are capitalized at historical cost. The Sheriff's office has a capitalization policy of \$2,500.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7-10 Years
Vehicles	7-10 Years

**H. EXTRAORDINARY & SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Sheriff, which are either unusual in nature or infrequent in occurrence.

**I. INTERFUND TRANSACTIONS**

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

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**J. ESTIMATES**

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

**(2) AD VALOREM TAXES**

The Sheriff levies taxes on real and business personal property located within its boundaries. The Sheriff utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the Sheriff's property tax roll. The Sheriff bills and collects its own property taxes.

<b>Property Tax Calendar</b>	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

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

	<b>Authorized Millage</b>	<b>Levied Millage</b>	<b>Expiration Date</b>	<b>Assessed Value</b>	<b>Total Tax</b>
Law Enforcement	27.81	27.81	N/A	\$39,278,813	\$1,089,738

**(3) CASH & INVESTMENTS – (CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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 all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

***Deposits***

It is the Sheriff's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Sheriff's deposits are categorized to give an indication of the level of risk assumed by the Sheriff at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Sheriff or by its agent in the Sheriff's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.
- **Category 3** – Uncollateralized.

	<b>Concordia</b>	<b>Catahoula LaSalle</b>	<b>Southern Heritage</b>	<b>Total</b>
<b>Bank Balances</b>	\$ 569,644	\$ 965,248	\$ 2,777	\$ 1,537,669
<b>Secured As Follows</b>				
FDIC ( <i>Category 1</i> )	250,000	500,000	2,777	752,777
Securities ( <i>Category 2</i> )	668,831	2,631,767	-0-	3,300,598
<b>Total</b>	\$ 918,831	\$ 3,131,767	\$ 2,777	\$ 4,053,375

All deposits were fully secured as of June 30, 2018.

**(4) RECEIVABLES**

The receivables of \$404,004 at June 30, 2018, are as follows:

<b>Class of Receivables</b>	
Accounts & Taxes Receivable	\$ 103,926
Intergovernmental	300,078
<b>Total</b>	\$ 404,004

Allowance for doubtful accounts is considered not material and is not presented.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(5) CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2018, is as follows:

<u>Governmental Activities</u>	<u>Balance 07/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/18</u>
General Fund Capital Assets	\$ 1,529,418	\$ 7,467	\$ -0-	\$ 1,536,885
Correctional Center Capital Assets	126,947	-0-	-0-	126,947
<b>Total Fixed Assets</b>	<u>1,656,365</u>	<u>7,467</u>	<u>-0-</u>	<u>1,663,832</u>
General Fund Accumulated Depreciation	(1,203,033)	(85,574)	-0-	(1,288,607)
Correctional Center Accumulated Depreciation	(126,947)	-0-	-0-	(126,947)
<b>Total Accumulated Depreciation</b>	<u>(1,329,980)</u>	<u>(85,574)</u>	<u>-0-</u>	<u>(1,415,554)</u>
<b>Capital Assets, Net</b>	<u>\$ 326,385</u>	<u>\$ (78,107)</u>	<u>\$ -0-</u>	<u>\$ 248,278</u>

**(6) ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$320,709 at June 30, 2018 are as follows:

Prison Expense	\$ 3,035
Salaries	27,972
Retirement/Health Ins.	8,035
Accounts	281,667
<b>Total</b>	<u>\$ 320,709</u>

**(7) SHORT-TERM DEBT**

GASB Statement No. 38 requires details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans.

- a. A schedule of changes in short-term debt, disclosing beginning and end-of-year balances, increases, and decreases is as follows:

<u>Beginning Debt</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Debt</u>
\$ -0-	\$ -0-	\$ -0-	\$ -0-

- a. The purpose for which the short-term debt being issued was for operating purposes.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(8) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (PENSIONS)**

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

Basis of Accounting

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

Fund Employees

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

Plan Fiduciary Net Position

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

Pension Netting

The deferred outflows and deferred inflows of resources attributable to differences between projected and actual earnings on pension plan investments recorded in different years are netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows are not presented on a net basis.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**A. PLAN DESCRIPTION**

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

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

Retirement Benefits

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

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

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

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

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

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

Disability Benefits:

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

Survivor Benefits:

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

Deferred Benefits:

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

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

Back Deferred Retirement Option Plan (Back-DROP):

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

Cost of Living Adjustments:

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

**B. EMPLOYER CONTRIBUTIONS**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 13.25% with an additional -0-% allocated from the Funding Deposit Account. Employer contributions for the year ended June 30, 2017 were \$91,758,224.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**C. SCHEDULE OF EMPLOYER ALLOCATIONS**

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

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2017, as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2017.

**D. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

**E. ACTUARIAL METHODS AND ASSUMPTIONS**

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

The components of the net pension liability of the Fund's employers as of June 30, 2017, are as follows:

	<u>2017</u>
Total Pension Liability	\$ 3,761,394,421
Plan Fiduciary Net Position	<u>(3,328,367,058)</u>
Total Net Position Liability	\$ <u>433,027,363</u>

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.4%
Projected Salary Increases	5.5% (2.775% Inflation, 2.725% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex District Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected Remaining Service Lives	2017 - 7 years 2016 - 7 years 2015 - 6 years 2014 - 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

<u>Asset Class</u>	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60%	7.4%	4.4%
Bonds	25	2.6	0.7
Alternative Investments	15	4.2	0.6
Totals	100%		5.7%
Inflation			2.6%
Expected Arithmetic Nominal Return			8.3%

The discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rate approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**F. SENSITIVITY TO CHANGES IN DISCOUNT RATE**

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.4% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2017.

	Changes in Discount Rate:		
	1% Decrease 6.4%	Current Discount Rate 7.4%	1% Increase 8.4%
Net Pension Liability	\$892,150,557	\$433,027,363	\$46,737,746

**G. CHANGE IN NET PENSION LIABILITY**

The changes in the net pension liability for the year ended June 30, 2017, were recognized in the current reporting period except as follows:

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

*Differences between Expected and Actual Experience*

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred inflows of resources as of June 30, 2017, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2017	
				Deferred Outflows	Deferred Inflows
2017	\$ -	\$ 29,559,195	\$ (4,222,742)	\$ -	\$ 25,336,453
2016	-	25,897,038	(4,316,173)	-	21,580,865
2015	-	16,153,571	(4,038,393)	-	12,115,178
2014	-	24,521,296	(8,173,766)	-	16,347,530
			Totals	\$ -	\$ 75,380,026

*Differences between Projected and Actual Investment Earnings*

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred inflow of resources as of June 30, 2017, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2017		Net Deferred Outflows
				Deferred Outflows	Deferred Inflows	
2017	\$ -	\$ 178,930,072	\$ (35,786,014)	\$ -	\$ 143,144,058	\$ (143,144,058)
2016	186,275,174	-	46,568,794	139,706,380	-	139,706,380
2015	65,285,623	-	21,761,874	43,523,749	-	43,523,749
2014	-	92,602,651	(46,301,326)	-	46,301,325	(46,301,325)
			Totals	\$ 183,230,129	\$ 189,445,383	\$ (6,215,254)

*Changes of Assumptions*

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the pension plan. The changes of assumptions resulted in deferred outflows of resources and as of June 30, 2017, as follows:

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

				June 30, 2017	
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2017	\$ 41,953,740	\$ -	\$ 5,993,391	\$ 35,960,349	\$ -
2016	33,727,466	-	5,621,244	28,106,222	-
2015	524,498	-	131,124	393,374	-
2014	17,600,199	-	5,866,734	11,733,466	-
			Totals	\$ 76,193,411	\$ -

*Changes in Proportion*

Changes in the employer’s proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer’s pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion are presented in the Schedule of Pension Amounts by Employer as deferred outflows or deferred inflows.

**H. CONTRIBUTIONS-PROPORTIONATE SHARE**

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

**I. ESTIMATES**

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

**J. PENSION EXPENSE**

Pension expense recorded for the fiscal year ended June 30, 2018, was \$475,166.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**K. FUNDING POLICY**

Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Catahoula Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent for the employer and 10.6 percent for the employee on covered payroll of \$3,568,120. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Catahoula Parish 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 total contributions to the System for the year ending June 30, 2018, was \$472,776 paid by the employer and \$378,197 paid by the employees, which is equal to the required contributions for the year.

**L. RETIREMENT FUND AUDIT REPORT**

The Sheriff's Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

**(9) POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**General Information about the OPEB Plan**

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

*Benefits Provided* – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 12 years of service; or, 30 years of service at any age. Employees first eligible for the retirement system on and after January 1, 2012 are eligible for retirement (D.R.O.P. entry) as follows: age 62 and 12 years of service; or, age 60 and 20 years of service; or age 55 and 30 years of service. At least 15 years of service with Catahoula Parish Sheriff's Office is required for retiree medical benefits.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

Life insurance coverage is continued to retirees by election. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the amounts in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

*Employees covered by benefit terms* – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	-0-
Active employees	119
 Total	 142

**Total OPEB Liability**

The Sheriff’s total OPEB liability of \$5,709,128 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.62%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

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

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**Changes in the Total OPEB Liability**

Balance at June 30, 2017	\$	5,465,082
Changes for the year:		
Service cost		266,452
Interest		207,482
Differences between expected and actual experience		(57,082)
Benefit payments and net transfers		(172,806)
Net changes		244,046
 Balance at June 30, 2018	 \$	 5,709,128

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	<b>1.0% Decrease (2.62%)</b>	<b>Current Discount Rate (3.62%)</b>	<b>1.0% Increase (4.62%)</b>
Total OPEB liability	\$ 6,933,127	\$ 5,709,128	\$ 4,765,197

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

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 4,712,161	\$ 5,709,128	\$ 7,026,602

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$471,738. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (54,886)
Total	\$ -	\$ (54,886)

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

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

Years ending June 30:	
2019	(2,195)
2020	(2,195)
2021	(2,195)
2022	(2,195)
2023	(2,195)
Thereafter	(43,909)

**(10) SALES TAX**

Voters passed a 1% sales and use tax to levy in perpetuity with the proceeds to be used to pay costs and expenses of operating and supporting the Catahoula Parish Sheriff's Office.

**(11) CHANGES IN AGENCY FUND BALANCES**

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

	<b>Balance 7-1-17</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 6-30-18</b>
Civil Fund	\$ 60,431	\$ 153,353	\$ (144,193)	\$ 69,591
Tax Collector Fund	-0-	3,825,829	(3,825,829)	-0-
Bond Fund	204,113	339,777	(312,450)	231,440
<b>Total</b>	\$ 264,544	\$ 4,318,959	\$ (4,282,472)	\$ 301,031

**(12) TAX COLLECTOR ENDING CASH BALANCE**

At June 30, 2018, the tax collector has cash and equivalents (book balances) totaling \$-0- as follows:

Ad valorem taxes	\$ -0-
Protest taxes	-0-
<b>Total</b>	\$ -0-

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(13) AD VALOREM TAXES COLLECTED**

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2018, by taxing the body as follows:

	<b>Collections This Period</b>
Sheriff	\$ 1,086,396
School Board	903,318
Police Jury	842,756
Assessor	305,096
Tensas Basin District	101,836
Larto Recreational District	27,160
Enterprise Recreational District	39,459
Fire District #1	16,438
Fire District #2	26,165
Fire District #4	86,232
Fire District #5	24,538
Forestry Commission	12,716
Maitland Recreational District	8,989
Hospital District # 2	6,189
Louisiana Tax Commission	2,152
<b>Total</b>	<b>\$ 3,489,440</b>

**(14) TAX UNCOLLECTED AND UNSETTLED**

At June 30, 2018, the tax collector had the following uncollected and/or unsettled taxes:

The balance is broken down as follows:

Protested	\$ -0-
No Owner Found	-0-
Pending Before Tax Commission	-0-
<b>Total</b>	<b>\$ -0-</b>

**(15) DEFICIT IN NET POSITION**

At June 30, 2018, the OPEB liability, net pension liability, other liabilities, and deferred inflows exceeded total assets and deferred outflows by \$(6,422,343).

**(16) PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made as a result of GASB 75 implementation of the OPEB Liability.

**Required Supplemental Information**

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Governmental Funds  
Schedule of Revenues, Expenditures, & Changes in Fund Balance  
Budget & Actual  
For the Year Ended June 30, 2018**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Fees & Charges	\$ 95,000	\$ 107,306	\$ 244,113	\$ 136,807
Taxes	2,025,000	2,000,000	1,982,496	(17,504)
Fines	90,000	72,000	71,464	(536)
Intergovernmental	3,765,000	3,823,698	394,790	(3,428,908)
Reimbursement	-0-	-0-	3,702,780	3,702,780
Loan Proceeds	-0-	-0-	-0-	-0-
Grants	-0-	-0-	38,566	38,566
Miscellaneous	272,000	220,924	66,000	(154,924)
<b>TOTAL REVENUES</b>	<u>6,247,000</u>	<u>6,223,928</u>	<u>6,500,209</u>	<u>276,281</u>
<b>EXPENDITURES</b>				
Administration	2,746,000	2,812,000	2,692,129	119,871
Prison/Prisoner Expense	3,011,000	3,009,000	3,726,348	(717,348)
Repairs & Maintenance	400,000	400,162	52,844	347,318
Debt Service	-0-	-0-	-0-	-0-
Capital Outlay	50,000	-0-	7,467	(7,467)
Other Expenditures	40,000	21,300	27,924	(6,624)
<b>TOTAL EXPENDITURES</b>	<u>6,247,000</u>	<u>6,242,462</u>	<u>6,506,712</u>	<u>(264,250)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -0-</u>	<u>\$ (18,534)</u>	(6,503)	<u>\$ 12,031</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			911,043	
<b>FUND BALANCE AT END OF YEAR</b>			<u>\$ 904,540</u>	

See independent auditor's report.  
The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**Note to Budgetary Comparison Schedule  
For the Year Ended June 30, 2018**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Catahoula Parish Sheriff's Office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Schedule of the Employer's  
Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the NPL (percentage)	.56%	.53%	.53%	.54487%
Employer's proportionate share of the NPL (amount)	\$2,431,250	\$3,382,965	\$2,367,891	\$2,156,171
Employer's covered-employee payroll	\$3,568,120	\$3,637,123	\$3,512,477	\$3,300,441
Employer's proportionate share of the NPL as a percentage of its covered-employee payroll	68.14%	93.01%	67.41%	65.33%
Plan fiduciary net position as a percentage of the total pension liability	88.49%	82.21%	86.61%	87.34%

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Schedule of Employer Contributions  
For the Year Ended June 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$850,953	\$708,062	\$873,580	\$808,720
Contributions in relation to the statutorily required contributions	\$850,953	\$708,062	\$873,580	\$808,720
Contribution deficiency (excess)	-0-	-0-	-0-	-0-
Employer's covered-employee payroll	\$3,568,120	\$2,890,049	\$3,512,477	\$3,300,441
Contributions as a percentage of covered-employee payroll	23.85%	24.5%	24.87%	24.5%

\*Note: covered payroll used is during the measurement period.

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Catahoula Parish Sheriff's Office  
Schedule of Changes in Net OPEB Liability and Related Ratios  
For the Year Ended June 30, 2018**

**Total OPEB Liability**

Service cost	\$ 266,452
Interest	207,482
Changes of benefit terms	-0-
Differences between expected and actual experience	(57,082)
Changes of assumptions	-0-
Benefit payments	<u>(172,806)</u>
<b>Net change in total OPEB liability</b>	<u>244,046</u>
<b>Total OPEB liability – beginning</b>	5,465,082
<b>Total OPEB liability – ending</b>	<u>\$ 5,709,128</u>
Covered-employee payroll	\$ 3,173,921
Net OPEB liability as a percentage of covered-employee payroll	179.88%

**Notes to Schedule:**

Benefit changes: There were no changes of benefit terms for the year ended June 30, 2018.

Changes of Assumptions: There were no changes of assumptions for the year ended June 30, 2018.

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

See independent auditors report.

## **Other Information**

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA  
Schedule of Compensation Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2018**

Sheriff- Honorable Toney J. Edwards

Purpose	Amount
Salary	\$ 160,338
Benefits-Insurance	7,674
Benefits-Retirement	19,641
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

\*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

STATE OF LOUISIANA, PARISH OF CATAHOULA

AFFIDAVIT

Toney J. Edwards, Sheriff of Catahoula Parish

BEFORE ME, the undersigned authority, personally came and appeared, Toney J. Edwards, the Sheriff of Catahoula Parish, State of Louisiana, who after being duly sworn, deposed and said:

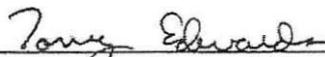
The following information is true and correct:

\$-0- is the amount of cash on hand in the tax collector account on June 30, 2018;

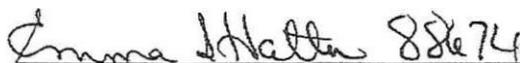
He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2017, by taxing authority, are true and correct.

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

  
\_\_\_\_\_  
Signature  
Sheriff of Catahoula Parish

SWORN to and subscribed before me, Notary, this 26<sup>th</sup> day of November, 2018, in my office in Harrisonburg, Louisiana.

  
\_\_\_\_\_  
(Signature)

## **Other Reports**

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.  
davidvercher@centurytel.net

## **THE VERCHER GROUP**

*A Professional Corporation of  
Certified Public Accountants*

P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

### **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**

Honorable Toney J. Edwards, Sheriff  
Catahoula Parish Sheriff  
Harrisonburg, 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 and aggregate remaining fund information of the Catahoula Parish Sheriff, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Catahoula Parish Sheriff's basic financial statements, and have issued our report thereon dated November 26, 2018.

#### **Internal Control Over Financial Reporting**

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

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

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

deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: **(2018-1 Old Outstanding Checks)**.

### **Compliance and Other Matters**

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

### **The Catahoula Parish Sheriff's Response to Findings**

The Catahoula Parish Sheriff's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Catahoula Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

*The Vercher Group*

Jena, Louisiana  
November 26, 2018

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
FOR THE YEAR ENDED JUNE 30, 2018**

We have audited the basic financial statements of the Catahoula Parish Sheriff as of and for the year ended June 30, 2018 and have issued our report thereon dated November 26, 2018. We conducted our audit in accordance with generally accepted auditing standards 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.

---

---

**Section I Summary of Auditor's Results**

---

---

Our audit of the financial statements as of June 30, 2018, resulted in an unmodified opinion.

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes  No      Significant Deficiencies  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

**b. Federal Awards (Not-Applicable)**

Internal Control

Material Weaknesses  Yes  No      Other Conditions  Yes  No

Type of Opinion On Compliance      Unmodified       Qualified   
For Major Programs                      Disclaimer       Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes  No

**c. Identification Of Major Programs:**

---

<b>CFDA Number (s)</b>	<b>Name Of Federal Program (or Cluster)</b>
------------------------	---

---

Dollar threshold used to distinguish between Type A and Type B Programs: \$ \_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance?  Yes  No

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST-CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2018**

---

---

**Section II – Financial Statement Findings**

---

---

**2018-1 Old Outstanding Checks**

**Condition:** The fiduciary accounts of the department have \$14,965 in outstanding checks that are more than twelve months old.

**Criteria:** Old outstanding checks that have been lost or reissued and not cleared from the bank reconciliation causes reported cash in those funds to be understated.

**Cause of Condition:** Not clearing old outstanding checks annually.

**Potential Effect of Condition:** Understatement of cash in fiduciary funds.

**Recommendation:** We recommend that old outstanding checks be reissued or sent to the State Unclaimed Property on an annual basis.

**Client Response and Corrective Action:** The department will ensure that old outstanding checks are reissued or sent to the State Unclaimed Property on an annual basis.

---

---

**Section III Federal Awards Findings and Questioned Costs**

---

---

Not applicable.

John R. Vercher C.P.A.  
*jrv@centurytel.net*

Jonathan M. Vercher M.S., C.P.A.  
*jonathanvercher@centurytel.net*

David R. Vercher M.B.A., C.P.A., C.F.E.  
*davidvercher@centurytel.net*

## **THE VERCHER GROUP**

*A Professional Corporation of  
Certified Public Accountants*

**P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374**

### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

---

---

## **MANAGEMENT LETTER COMMENTS**

---

---

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Sheriff's Office's plan for corrective action.

### **CURRENT YEAR MANAGEMENT LETTER COMMENTS**

No items to report.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

---

---

**MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS**

---

---

Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Sheriff, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2017.

**PRIOR YEAR FINDINGS:**

**2017-1 Old Outstanding Checks (Unresolved)**

**Condition:** The entity has \$11,862 in outstanding checks that are more than six months old in its agency funds.

**Criteria:** Not clearing old outstanding checks on a regular basis can result in the issuance of financial statements that understates cash.

**Cause of Condition:** Not correcting the bank reconciliation.

**Potential Effect of Condition:** Understatement of cash in the financial statements.

**Recommendation:** The old outstanding checks should be added back to the books and reconciled bank balance, reissued to the payee or sent the State Unclaimed Property.

**Client Response and Corrective Action:** The Sheriff will have their civil department make the necessary adjustments.

**2017-2 Budget Variance (Resolved)**

**Condition:** The Catahoula Parish Sheriff had an unfavorable revenue variance of \$356,809 or 5.8% in its general fund budget for the year ended June 30, 2017.

**Criteria:** The Budget Act requires that budgets be amended when the variance exceeds 5%.

**Cause of Condition:** The Sheriff's Office did not budget enough DOC payments to the Sheriff's office that are paid to the prison.

**Potential Effect of Condition:** The general fund having an unfavorable revenue variance and violating the Budget Act.

**CATAHOULA PARISH SHERIFF  
HARRISONBURG, LOUISIANA**

---

---

**MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS**

---

---

**PRIOR YEAR FINDINGS (CONTINUED):**

**Recommendation:** The Sheriff's Office should amend its budget when there is an unfavorable variance of more than 5%.

**Client Response and Corrective Action:** The management of the Sheriff's Office will amend the budget when there is an unfavorable Variance of more than 5%.

**2017-3 Receipt Books (Resolved)**

**Condition:** During the test of a random sample of receipts, we found that the office utilizes many different receipt books with different numerical sequences or ranges.

**Criteria:** Good internal controls require that receipt books be numbered in sequential order.

**Cause of Condition:** The office using multiple receipt books.

**Potential Effect of Condition:** Weak internal controls over cash collections.

**Recommendation:** The office should use receipt books that are sequentially numbered.

**Client Response and Corrective Action:** The office has discontinued taking cash and will begin using two sequentially numbered receipt books, one for upstairs and the other for downstairs.

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.  
davidvercher@centurytel.net

## **THE VERCHER GROUP**

*A Professional Corporation of  
Certified Public Accountants*

**P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374**

### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

## **AGREED-UPON PROCEDURES REPORT**

**Catahoula Parish Sheriff**

**Independent Accountant's Report**

**On Applying Agreed-Upon Procedures**

**For the Period of July 1, 2017- June 30, 2018**

Catahoula Parish Sheriff

Harrisonburg, Louisiana

We have performed the procedures enumerated below, which were agreed to by Catahoula Parish Sheriff (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) area identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

## *Written Policies and Procedures*

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
  - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
  - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

## *Board or Finance Committee*

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if

budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

**Not applicable.**

### ***Bank Reconciliations***

---

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

**Observation:**

- A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.**
- B) Bank reconciliations do not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.**

**Exception: Bank reconciliations do not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.**

**Management's Response: Management will have an employee or the sheriff who does not handle cash, post ledgers, or issue checks review and initial each bank reconciliation.**

- C) Some of the bank reconciliations have outstanding checks more than 12 months.**

**Exception: Some of the fiduciary accounts have outstanding checks more than 12 months.**

**Management's Response: Management will clear the old outstanding checks by issuing a new check or sending the funds to the State Unclaimed Property.**

## *Collections*

---

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

**Observation: We obtained a listing of deposit sites (Main office at the courthouse).**

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

**Observation:**

**A) Employees that are responsible for cash collections share cash drawers/registers.**

**Exception: Employees that are responsible for cash collections share cash drawers/registers.**

**Management's Response: The entity does not have enough employees to implement this procedure.**

**B) Inquiry found that each employee responsible for collecting cash is not responsible for preparing/making bank deposits.**

**C) Inquiry found that each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.**

**D) Employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash.**

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

**Observation: All employees who have access to cash are not covered by a bond or insurance policy for theft.**

**Exception: All employees who have access to cash are not covered by a bond or insurance policy for theft.**

**Management's Response: Management will consider having all employees who have access to cash covered by a bond or insurance policy for theft.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Observation:**

- A) Receipts are sequentially pre-numbered.**
- B) We traced the sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.**
- C) We traced the deposit slip total to the actual deposit per the bank statement.**
- D) The deposits were not made within one business day of receipt at the collection location.**

**Exception: The deposits were not made within one business day of receipt at the collection location.**

**Management's Response: Cash collections on certain days are so small that making daily deposits is not practical.**

- E) We traced the actual deposit per the bank statement to the general ledger.**

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

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Observation: The department list one location (the office) that processes payments and represented that the listing is complete.**

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Observation:**

- A) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.**
- B) At least two employees are involved in processing and approving payments to vendors.**
- C) The employee responsible for processing payments has another responsible for periodically reviewing changes to vendor files.**
- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

**Observation:**

- A) The disbursement matched the related original invoice/billing statement.**
- B) The disbursement documentation included evidence (e.g., initial/date) of segregation of duties tested under #9.**

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

---

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

**Observation: We obtained a listing of credit cards and management's representation that the list is complete. (There were 3 cards).**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Observation:**

**A) We obtained the October 2018 statement for each card and observed that there was evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.**

**B) There were no finance charges or late fees on the statements.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Observation: We selected all the transactions on the statements and observed that all were supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).**

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

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Observation: This procedure was performed in the last fiscal year with no exceptions. This procedure will be performed in the next fiscal year.**

***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.*

Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Observation: This procedure was performed in the last fiscal year with no exceptions. This procedure will be performed in the next fiscal year.**

### Payroll and Personnel

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

19. Obtain management’s representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers’ compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

### *Ethics*

---

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

### *Debt Service*

---

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

### *Other*

---

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

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

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

**Observation: These procedures were performed in the last fiscal year with no findings. These procedures will be performed in the next fiscal year.**

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

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

*The Vercher Group*

Jena, Louisiana  
November 26, 2018