

**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

**Basic Financial Statements  
As of and for the Year Ended June 30, 2017  
With Supplemental Information Schedules**

**JEFFERSON DAVIS PARISH SHERIFF**  
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 With Supplemental Information Schedules

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Ivy J. Woods  
Jefferson Davis Parish Sheriff  
Jennings, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Sheriff (Sheriff), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements 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 the 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

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

## Other Matters

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 36 to 37), schedule of funding progress- postemployment healthcare and life insurance benefits (page 38), and the additional pension/ retirement information (pages 39 to 41) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying other supplementary information, as listed in the table of contents (pages 44 to 46 and 53), is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the 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 December 27, 2017, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 27, 2017

**BASIC FINANCIAL STATEMENTS**

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

**JEFFERSON DAVIS PARISH SHERIFF**  
**Statement of Net Position**  
**June 30, 2017**

**Statement A**

**ASSETS**

Cash	\$ 7,496,984
Receivables	494,928
Capital assets:	
Land	25,000
Exhaustible capital assets, net of depreciation	1,295,781

**TOTAL ASSETS** 9,312,693

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows-pension	1,890,844
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**TOTAL DEFERRED OUTFLOWS OF RESOURCES** 1,890,844

**LIABILITIES**

Accounts payable	30,517
Payroll deductions, withholdings, and accrued salaries payable	114,013
Long-term obligations:	
Compensated absences:	
Due within one year	76,030
Due in more than one year	137,065
Other post employment benefit payable	1,175,316
Net pension liability	3,242,464

**TOTAL LIABILITIES** 4,775,405

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows-pension	340,099
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**TOTAL DEFERRED INFLOWS OF RESOURCES** 340,099

**NET POSITION**

Net investment in capital assets	1,320,781
Restricted for:	
Drug Enforcement	69,620
Sex offender compliance	10,409
Unrestricted	4,687,223

**TOTAL NET POSITION** \$ 6,088,033

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

**Statement B**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public safety	\$ 7,002,983	\$ 638,847	\$ 385,862	\$ (5,978,274)
<b>Total Governmental Activities</b>	<b>\$ 7,002,983</b>	<b>\$ 638,847</b>	<b>\$ 385,862</b>	<b>(5,978,274)</b>

**General Revenues:**

Property taxes, levied for general purposes	2,560,920
Parish contribution to retirement fund	198,451
Sales taxes, levied for general purposes	2,408,805
State revenue sharing	67,352
State supplemental pay	309,108
Interest and investment earnings	9,970
Miscellaneous	110,016
<b>Total General Revenues</b>	<b>5,664,622</b>
<b>Change in Net Position</b>	<b>(313,652)</b>
<b>Net Position -Beginning</b>	<b>6,401,685</b>
<b>Net Position -Ending</b>	<b>\$ 6,088,033</b>

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**FUND FINANCIAL STATEMENTS (FFS)**

**JEFFERSON DAVIS PARISH SHERIFF**  
**Balance Sheet**  
**June 30, 2017**

**Statement C**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 7,496,984
Receivables	494,928
<b>TOTAL ASSETS</b>	<u><u>7,991,912</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Accounts payable	30,517
Payroll deduction, withholdings, and accrued salaries payable	114,013
Due to agency fund	-
<b>Total Liabilities</b>	<u>144,530</u>
<b>FUND BALANCES</b>	
Restricted:	
Drug enforcement	75,620
Sex offender compliance	10,409
Unassigned	7,761,353
<b>Total Fund Balances</b>	<u>7,847,382</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 7,991,912</u></u>

The accompanying notes are an integral part of this statement.



**JEFFERSON DAVIS PARISH SHERIFF  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2017**

**Statement E**

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes:	
Property taxes	\$ 2,560,920
Sales taxes	2,408,805
Parish contribution to retirement fund	102,909
Intergovernmental revenues:	
Federal sources:	
Federal grants	71,464
State sources:	
State grants	55,901
State supplemental pay	309,108
State revenues sharing	67,352
Other	47,237
Local sources:	
District attorney - LACE	46,691
Parish - 911 District	211,806
Fees, charges, and commissions for services:	
Commissions on licenses, taxes, etc.	89,869
Civil and criminal fees	164,165
Court attendance	7,890
Transporting prisoners	15,525
Feeding and keeping prisoners	129,421
Commissary commissions	28,072
Commissions on fines and other forfeitures	77,141
Other	66,738
Fines and Forfeitures:	
Drug related fines and forfeitures	24,222
Bond, fines and other forfeitures	3,621
Use of money and property:	
Interest	9,970
Commissions on phones	32,183
Miscellaneous	45,221
Total Revenues	<u>6,576,231</u>
<b>EXPENDITURES</b>	
Current:	
Personal services and related benefits	5,176,304
Operating services	583,962
Materials and supplies	454,563
Other	64,577
Intergovernmental:	
Retirement deducted from tax collections	39,372
Capital outlay	370,200
Total Expenditures	<u>6,688,978</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(112,747)</u>
<b>OTHER FINANCING SOURCES (USES):</b>	
Proceeds from sales of fixed assets	4,784
Compensation for loss or damage of assets	12,774
Total Other Financing Sources (uses)	<u>17,558</u>
NET CHANGE IN FUND BALANCE	(95,189)
FUND BALANCES BEGINNING OF YEAR	<u>7,942,571</u>
FUND BALANCES END OF YEAR	<u>\$ 7,847,382</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

**Statement F**

**Total Net Change in Fund Balance - Governmental Funds (Statement E)** \$ (95,189)

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

In statement of activities pension expense is based on proportionate share computation based on changes in total net pension liability, and in governmental funds pension expense is measured by the amount of financial resources used (essentially employer contribution paid).

85,279

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	(426,025)	
Capital outlays	<u>370,200</u>	(55,825)

In the statement of activities, certain operating expenses - compensated absences (vacations and other absences) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid):

Change in compensated absences payable	(64,493)
Change in other post employment benefit obligation	(183,424)

**Change In Net Position of Governmental Activities (Statement B)** \$ (313,652)

**JEFFERSON DAVIS PARISH SHERIFF**  
**FIDUCIARY FUNDS**  
**Statement of Fiduciary Net Position**  
**June 30, 2017**

**Statement G**

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 459,386
Due from general fund	-
<b>TOTAL ASSETS</b>	<u>\$ 459,386</u>
<b>LIABILITIES</b>	
Deposits due others	\$ 459,386
<b>TOTAL LIABILITIES</b>	<u>\$ 459,386</u>

The accompanying notes are an integral part of this statement.

## NOTES TO THE FINANCIAL STATEMENTS

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**INTRODUCTION**

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

**B. REPORTING ENTITY**

GASB Statement 14, *The Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Sheriff is considered a primary government, since it is a special purpose government, the Sheriff is independently elected, is a legally separate entity, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent entity is defined as being able to determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt without the approval or consent of another governmental entity. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the Parish Police Jury as required under Louisiana law, the Sheriff is financially independent. The Sheriff also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the Sheriff is financially accountable.

**C. FUND ACCOUNTING**

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.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Governmental Funds**

Governmental funds account for all or most of the sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Sheriff. The following are the Sheriff's governmental funds:

**General Fund** – the primary operating fund of the Sheriff and it accounts for all financial resources, except those 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.

**Fiduciary Funds**

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

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund, of Statements C and E, 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 the Sheriff's operations.

The amounts reflected in the General Fund, of Statements C and E, 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**

Property taxes are recorded as revenues in the year for which they are levied under the susceptible to accrual concept. Property taxes are assessed on a calendar year basis, become due

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. Sales taxes are recorded as revenues in the same period the assets are recognized, which is when the exchange transaction on which the tax is imposed occurs or when the resources are received. Grants are recorded when the Sheriff is entitled to the funds. Other intergovernmental revenues and fees, charges, and commissions for services are recorded when the Sheriff is entitled to the funds. Interest earnings on time deposits are recorded as earned since they are measurable and available. Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest 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.

**Other Financing Sources**

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

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

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of all of the funds of the Sheriff, except the fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The Sheriff does not allocate indirect expenses. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

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

**E. CASH**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, 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. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**F. CAPITAL ASSETS**

Capital assets are recorded at historical cost or estimated historical cost if historical cost is not available. Approximately 15 percent of fixed assets costs have been estimated. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$500 or more for capitalizing assets.

Capital assets are recorded in the GWFS Statement of Net Position. 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:

Buildings and building improvements	5 – 40 years
Furniture and fixtures	5 – 15 years
Vehicles	5 years
Software	10 years

**G. COMPENSATED ABSENCES**

All employees who have completed twelve months of service receive ten (10) days vacation leave each year. Vacation leave does not accumulate or vest. Employees can accumulate compensatory time in lieu of payment for overtime. The Sheriff's standard policy is that sick leave does not accumulate or vest. However, each instance of sick leave is handled on an individual basis at the discretion of the Sheriff. No liability is reported for unpaid accumulated sick leave.

In the FFS, vacation and compensatory time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the general fund. The amount not expected to be paid with current resources is not reported in the FFS. The entire compensated absence liability is reported in the GWFS.

**H. RESTRICTED NET POSITION**

For government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

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

**I. FUND EQUITY**

In the FFS, funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Sheriff passes a motion that removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes, but are neither restricted or committed. The Sheriff has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Sheriff's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Sheriff's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

#### **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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

#### **K. 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 operating transfers in the FFS.

#### **L. SALES TAX**

Sales taxes will be collected on a monthly basis by the Jeff Davis Parish School Board's Sales Tax Department. The Sheriff's Office will receive sales tax revenue from the following sales taxes:

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

An ordinance dated July 21, 2007, which was approved by the voters of the parish authorizes the Sheriff's Office to collect, for an indefinite period beginning January 1, 2008, a 1/2% sales and use tax to be dedicated and used for the purposes of (a) paying the salaries and benefits of deputies, (b) acquiring, operating and maintaining vehicles and communications equipment, and (c) providing additional funding for operations and training.

**M. PENSION/RETIREMENT**

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Sheriffs Pension and Relief Fund (LSPRF), and additions to/deductions from LSPRFs' and fiduciary net position have been determined on the same basis as they are reported by LSPRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. LSPRF uses the accrual basis of accounting.

**N. DEFERRED OUTFLOW/ INFLOW OF RESOURCES**

In addition to assets the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. All of the items that qualify for reporting in this category are related to pension amounts. See pension/ retirement footnote for further details of these items. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. All of the items that qualify for reporting in this category are related to pension amounts. See pension/ retirement footnote for further details of these items. No deferred inflows of resources affect the governmental funds financial statements in the current year.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had actual expenditures over budgeted appropriations for the year ended June 30, 2017:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
None	-	-	-	-

**JEFFERSON DAVIS PARISH SHERIFF**  
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**3. LEVIED TAXES**

The Sheriff levies taxes on real and business personal property located within Jefferson Davis Parish’s boundaries. Property taxes are levied by the Sheriff on property values at January 1 assessed by the Jefferson Davis Parish Tax Assessor and approved by the State of Louisiana Tax Commission upon submission of the tax roll.

The Jefferson Davis Parish Sheriff Tax Collector’s Office bills and collects property taxes for the Sheriff.

<u>Property Tax Calendar</u>	
Assessment date	January 1 <sup>st</sup>
Levy date	Not later than June 1 <sup>st</sup>
Tax bills mailed	On or about November 15 <sup>th</sup>
Due date	December 31 <sup>st</sup>
Penalties and interest are added	January 1 <sup>st</sup>
Lien date	January 1 <sup>st</sup>
Tax sale – delinquent property	During June

Assessed values are established by the Jefferson Davis Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$214,575,950 for the calendar year 2016. Louisiana State law exempts the first \$75,000 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption was \$50,182,486 of the assessed value in calendar year 2016.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement:			
Legislative	6.20	6.20	NONE
Special	5.95	5.95	2020

**4. CASH**

At June 30, 2017, the Sheriff has cash (book balances) totaling \$ 8,467,381 as follows:

Cash on hand	\$ 1,800
Checking-non-interest bearing	349,291
Checking- interest bearing	6,553,296
Savings deposits	1,030,833
Certificates of deposits	21,149
	<u>\$ 7,956,369</u>

**JEFFERSON DAVIS PARISH SHERIFF**  
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Cash and cash equivalents are reported in the basic financial statements as follows:

Governmental Funds	\$ 7,500,295
Fiduciary Funds	<u>456,074</u>
	<u>\$ 7,956,369</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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.

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to the Sheriff. The Sheriff's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of June 30, 2016, the Sheriff had deposits (collected bank balances) totaling \$8,009,269 which includes \$521,662 in fiduciary funds. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the Sheriff's Office.

**5. RECEIVABLES**

The receivables at June 30, 2017, consisted of the following:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Total</u>
Intergovernmental :		
State	\$ 56,016	56,016
Local	430,980	430,980
Other	<u>7,932</u>	<u>7,932</u>
Total	<u>\$ 494,928</u>	<u>494,928</u>

There were no allowances for uncollectible accounts as of June 30, 2017.

**JEFFERSON DAVIS PARISH SHERIFF**  
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**6. CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance Ending</u>
Capital assets not being depreciated:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Total capital assets not being depreciated	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Capital assets being depreciated:				
Buildings and improvements	184,990	-	-	184,990
Furniture and equipment	2,644,778	154,488	-	2,799,266
Vehicles	1,734,856	207,874	151,132	1,791,598
Software	232,755	7,839	-	240,594
Total capital assets being depreciated	<u>4,797,379</u>	<u>370,200</u>	<u>151,132</u>	<u>5,016,448</u>
Less accumulated depreciation for:				
Buildings and improvements	50,093	5,382	-	55,475
Furniture and equipment	2,187,100	168,387	-	2,355,487
Vehicles	1,123,421	209,046	151,132	1,181,335
Software	85,159	43,210	-	128,369
Total accumulated depreciation	<u>3,445,773</u>	<u>426,025</u>	<u>151,132</u>	<u>3,720,666</u>
Total capital assets being depreciated, net	<u>1,351,606</u>	<u>(55,825)</u>	<u>-</u>	<u>1,295,782</u>
Capital assets, net	<u>\$ 1,376,606</u>	<u>(55,825)</u>	<u>-</u>	<u>1,320,782</u>

**7. PENSION/ RETIREMENT**

**General Information about the Pension Plan**

***Plan Description***

The Louisiana Sheriffs Pension and Relief Fund (LSPRF) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office.

***Benefits Provided***

The following is a description of the plan and its benefits and is provided for general informational purposes only. LSPRF provides normal retirement, disability benefits, survivor's benefits, deferred benefits, and back deferred retirement option plan (DROP) benefits. Participants should refer to the appropriate statutes for more complete information.

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**Retirement Benefits:**

**A. Normal Retirement**

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

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

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

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

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

**B. 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.

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**C. 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.

**D. 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.

**E. Back Deferred Retirement Option Plan (Back-DROP)**

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

**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.

**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 \$453,765.

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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, 2015. Non-employer contributions for the year ended June 30, 2017 were \$198,451.

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

At June 30, 2017, the Sheriff reported a liability of \$3,242,464 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on the employer's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year. At June 30, 2016, the Sheriff's proportion was .510874%, which was an increase of .03032% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$495,140 plus/(less) employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$84,937.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 340,099
Changes of assumptions	264,899	-
Net difference between projected and actual earnings on pension plan investments	812,076	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	360,104	-
Employer contribution subsequent to the measurement date	453,765	-
Total	<u>\$ 1,890,844</u>	<u>\$ 340,099</u>

\$453,765 reported as deferred outflows of resources related to the pension resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability

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in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	172,400
2019		172,400
2020		408,942
2021		284,441
2022		29,400
Thereafter		29,400

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being recognized in employer’s pension expense/(benefit) 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. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

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

<b>Valuation Date</b>	June 30, 2016
<b>Actuarial cost method</b>	Entry Age Normal
<b>Actuarial assumptions:</b>	
<b>Investment rate of return</b>	7.6% net of investment expenses
<b>Discount Rate</b>	7.5%
<b>Projected salary increases</b>	5.5% (2.875% Inflation, 2.625% Merit)
<b>Mortality Rates</b>	RP-2000 Employee Mortality Table (set back 1 year) RP-2000 Disabled Lives Mortality Table RP-2000 Healthy Annuitant Mortality Table (set back 1 year)
<b>Expected Remaining Service Lives</b>	2016 -7 years; 2015-6 years; 2014-6 years
<b>Cost-of-living adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2016 were as follows:

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

The discount rate used to measure the total pension liability was 7.5% for the measurement period ending June 30, 2016. In the prior period this rate was 7.6%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Sheriff's net pension liability calculated using the discount rate of 7.5%, 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, 2016:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability (Asset)	\$ 5,501,170	\$ 3,242,464	\$ 1,378,169

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**Pension Plan Fiduciary Net Position**

The Sheriffs' Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov. The plan's basis of accounting is accrual basis. The plan's fiduciary net position was also determined using the accrual basis of accounting.

**Payables to the Pension Plan**

As of June 30, 2017, the Sheriff owed \$68,872 in legally required contributions to LSPRF.

**8. LONG-TERM OBLIGATIONS**

Summary of the long-term liability transactions during the year:

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Ending</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Other Obligations:					
Compensated absences	\$ 148,602	105,579	41,086	213,095	76,030
Total long-term liabilities	<u>\$ 148,602</u>	<u>105,579</u>	<u>41,086</u>	<u>213,095</u>	<u>76,030</u>

**9. RESTRICTED FUND BALANCE**

A portion of the fund balance of the General Fund, \$86,029 has been restricted for specific use. A portion of the restricted fund balance, \$75,620 has been restricted for drug law enforcement. This balance represents seizures from criminal activities. Louisiana Revised Statute 40:2616.B(3.a) requires such proceeds to be used in drug law enforcement. The other portion of the restricted fund balance of the General Fund, \$10,409, has been restricted for sex offender registration and compliance. The Code of Criminal Procedure 895.1(F) provides funding that is to be used to improve the overall effectiveness and efficiency of the sex offender and child predator registration process.

**10. CONTINGENCIES**

**Litigation.** The Sheriff is involved in various lawsuits and pending claims. Management believes the ultimate resolution of these suits would not create a material liability to the Sheriff in excess of existing insurance coverage. Accordingly, no provision for losses, exceeding available insurance coverage, has been recorded in the accompanying financial statements.

**Grant Disallowances.** The Sheriff participates in a number of state and federal financial assistance programs. These programs are subject to further financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined at this time. Based on prior experience the Sheriff feels such amounts, if any, to be immaterial to the financial statements.

**11. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY**

Certain operating expenditures of the Sheriff's office are paid by the parish police jury, as required under Louisiana law, and are not included in the accompanying financial statements. Specifically the police jury

**JEFFERSON DAVIS PARISH SHERIFF**  
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maintains and operates the parish courthouse in which the Sheriff's office is located and occasionally provides funds for equipment and furniture of the Sheriff's office. The total amount of these expenditures were not available for disclosure.

**12. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

Retirement plan payments in the amount of \$102,909 were made by the Sheriff, acting in his capacity as Ex-Officio Tax Collector, to the Louisiana Sheriff's Pension and Relief Retirement System of the State of Louisiana on behalf of the Sheriff's Office. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to the Louisiana Sheriff's Pension and Relief Retirement System on behalf of the Sheriff. These on-behalf payments have been recorded in the accompanying financial statements as revenues and expenditures in the General Fund.

**13. TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2017, includes \$109,713 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$295. These funds, totaling \$110,008, are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**14. RISK MANAGEMENT**

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Effective September 1, 1998, the Sheriff's Office became a participant in the Louisiana Sheriff's Law Enforcement Program (LSLEP), a public entity risk pool currently operating as a common risk management and insurance program for approximately 45 Louisiana Sheriffs. The Sheriff pays an annual premium to the LSLEP for its law enforcement professional liability insurance coverage. The Sheriff is allowed to select the level of coverage during the process of annual enrollment. The risk retained by LSLEP is managed with the intent to be self-sustaining through participant member premiums. Varying levels of excess coverage, if requested by the Sheriff during the enrollment period, are reinsured through commercial insurance companies. As of June 30, 2017, the Sheriff is covered for individual claims and up to \$2,900,000 with an annual aggregate cap of \$2,900,000. The Sheriff has retained the risk in excess of this limit. The Sheriff estimates claims, for risk retained, based on the requirements of GASB Statement 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of June 30, 2017, the Sheriff has no carrying amount recorded in the financial statements of liabilities for unpaid claims and there are no outstanding amounts of claims liabilities for which annuity contracts have been purchased. No payments for claims were made during fiscal year ending June 30, 2017.

The Sheriff also participates in the Louisiana Sheriff's Association Group Benefits Plan (LSAGP) which provides employee health and life insurance benefits. Neither the LSAGP nor the Sheriff assumes any liability for charges not meeting the Plan's definitions of covered expenses. Health insurance claims are administered by a major health insurance company while the life insurance is underwritten with a commercial life insurance company.

**JEFFERSON DAVIS PARISH SHERIFF**  
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The Sheriff continues to carry commercial insurance for risk of loss concerning auto liability and collision. Risk of loss for Courthouse and Jail building contents and equipment is covered principally by the Police Jury through a commercial insurance company. The Sheriff does not maintain insurance coverage for risk of loss related to a building owned separately in the name of the Law Enforcement District which is used to house the Criminal Investigative Division. Under Louisiana Revised Statutes 23:1034, the Sheriff is exempt from workers compensation coverage and any risk of loss with respect to himself and commissioned deputies. Settled claims resulting from the aforementioned risks have not exceeded commercial insurance coverage in any of the past three years.

**15. POST-EMPLOYMENT BENEFITS**

**Plan Description** – The Jefferson Davis Parish Sheriff’s Office’s medical, dental and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). See the sections below for details on life insurance and dental benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 15 years of service.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees but not for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

Life insurance coverage is continued to retirees and the employer pays 100% of the cost of the first \$10,000 of life insurance after retirement. The retiree may elect to continue additional voluntary insurance amounts in force at time of retirement, subject to an age-related reduction formula (reducing to 75% at age 65 and 50% at age 70). The retiree pays for the additional voluntary insurance, but both that cost and the employer cost are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. We have assumed that 60% of currently active employees will elect to continue the voluntary additional life insurance after retirement.

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

**Fund Policy** – Until 2009, the Jefferson Davis Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Jefferson Davis Parish Sheriff’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Jefferson Davis Parish Sheriff’s portion of health care and life insurance funding cost for retired employees totaled \$102,061 and \$94,501, respectively.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Effective July 1, 2009, the Jefferson Davis Parish Sheriff implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

Normal cost	\$	122,612
30-year UAL amortization amount		<u>180,559</u>
Annual required contribution (ARC)	\$	<u>303,170</u>

**Net Post-employment Benefit Obligation (Asset)** – The table below shows the Jefferson Davis Parish Sheriff’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30:

Beginning Net OPEB Obligation	\$	<u>991,892</u>
Annual required contribution		303,170
Interest on Net OPEB Obligation		39,676
ARC Adjustment		<u>(57,361)</u>
OPEB Cost		285,485
Contribution to Irrevocable Trust		-
Current year retiree premium		<u>(102,061)</u>
Change in Net OPEB Obligation		<u>183,424</u>
Ending Net OPEB Obligation	\$	<u>1,175,316</u>

The following table shows the Jefferson Davis Parish Sheriff’s annual post employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (OPEB) liability (asset) for past two years and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$285,485	35.75%	\$1,175,316
June 30, 2016	\$ 277,080	34.11%	\$ 991,892
June 30, 2015	\$ 226,872	41.77%	\$ 809,313

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Funded Status and Funding Progress** – In 2017, the Jefferson Davis Parish Sheriff made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$3,247,197 which is defined as that portion, as determined by a particular actuarial cost method (the Jefferson Davis Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. The funded status of the Sheriff’s retiree benefit plan under GASB Statement No. 45 as of June 30, 2016 is as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
July 1, 2015	-	3,247,197	3,247,197	0.00%	3,720,688	87.27%

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

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

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

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

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

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Post employment Benefit Plan Eligibility Requirements** – Historically, most employees have not retired until 25 to 30 years of service. We have therefore assumed that employees retire three years after the earliest of the following: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 15 years of service. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement.

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

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

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

**Method of Determining Value of Benefits** – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). See the section below for details on life insurance and dental benefits. The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility. The unblended rates applicable after Medicare eligibility have been used.

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

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

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

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**16. TAXES COLLECTED ON BEHALF OF OTHERS**

*Ad Valorem Taxes Collected*

The amount of cash on hand at year-end was \$180,134, of which \$110,008 was held under protest (\$109,713 on taxes, and \$295 in interest earnings). The amount of taxes collected for the current year by taxing authority was:

	Unprotested Taxes Collected	Protested Taxes Collected	Total Collected
Jefferson Davis Parish Government	\$ 3,024,716	-	3,024,716
Jefferson Davis Parish Library	1,193,027	-	1,193,027
Jefferson Davis Parish Mosquito Abatement	1,651,722	-	1,651,722
Jefferson Davis Parish Law Enforcement	2,556,505	-	2,556,505
Jefferson Davis Parish Assessor	528,131	-	528,131
Jefferson Davis Parish School Board	7,851,810	-	7,851,810
Jefferson Davis Parish Water and Sewer	436,285	-	436,285
Jefferson Davis Parish Fire Districts	1,804,258	-	1,804,258
Jefferson Davis Parish Drainage Districts	1,136,978	-	1,136,978
City of Jennings	1,270,791	-	1,270,791
Town of Welsh	104,373	-	104,373
Village of Fenton	8,909	-	8,909
Department of Agriculture and Forestry	4,606	-	4,606
Louisiana Tax Commission	25,322	-	25,322
	<u>\$ 21,597,433</u>	<u>-</u>	<u>21,597,433</u>

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

	Supplemental Homestead Exemptions	LTC/ Assessor Reductions (Additions)	Adjudica- tions	No Property Found	Bank- ruptcy	Unpaid
Jefferson Davis Parish Government	\$ 4,290	(844)	284	10,733	4,510	36,800
Jefferson Davis Parish Library	1,991	1,124	232	3,524	4,534	12,584
Jefferson Davis Parish Mosquito Abatement	2,756	1,557	321	4,879	6,277	17,422
Jefferson Davis Parish Law Enforcement	4,286	2,409	497	7,552	9,716	26,966
Jefferson Davis Parish Tax Assessor	881	498	103	1,560	2,007	5,571
Jefferson Davis Parish School Board	13,649	10,175	1,628	24,861	31,987	86,288
Jefferson Davis Parish Water & Sewer	393	(292)	2	-	-	2,269
Jefferson Davis Parish Fire Districts	2,572	(1,977)	70	6,114	22	23,491
Jefferson Davis Parish Drainage Districts	1,868	308	67	4,738	5	15,192
City of Jennings	-	5,336	27,522	1,592	15,777	3,319
Town of Welsh	-	108	325	1	-	1,438
Village of Fenton	-	-	9,501	-	-	141
LA Dept of Ag and Forestry	1	-	-	-	-	-
Louisiana Tax Commission	-	-	-	-	-	-
	<u>\$ 32,687</u>	<u>18,402</u>	<u>40,552</u>	<u>65,554</u>	<u>74,835</u>	<u>231,481</u>

*Other Taxes Collected*

Act 711 of the 2010 Louisiana Legislative Session amended LRS24:51(B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

below are current year State Revenue Sharing and parish license collections and distributions to parish governmental agencies during the fiscal year:

	State Revenue Sharing	Parish Licenses
Beginning balance due taxing authorities	\$ 0	8,051
Additions:		
State revenue sharing	615,622	
Insurance licenses collections		133,407
Occupational licenses collections		95,341
Alcohol licenses collections		2,685
Interest, penalties, and other collections		9
Total additions	<u>615,622</u>	<u>231,442</u>
Reductions:		
Taxes distributed to others		
Jefferson Davis Parish Government	131,573	
Jefferson Davis Parish Library	30,390	183,756
Jefferson Davis Parish Tax Assessor	10,000	
Jefferson Davis Parish School Board	297,822	
Jefferson Davis Parish Fire Districts	2,284	
Jefferson Davis Parish Gravity Drainage	10,800	
City of Jennings	24,929	
Town of Welsh	9,364	
Village of Fenton	2,935	
Town of Elton	4,584	
Town of Lake Arthur	8,324	
Pension Funds	15,265	
Jefferson Davis Parish Sheriff's Office General Fund	67,352	34,716
Total reductions	<u>615,612</u>	<u>218,472</u>
Ending balance due taxing authorities	<u>\$ 0</u>	<u>21,021</u>

The ending balance due taxing authorities represents unpaid amounts pending distribution for subsequent month.

**17. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 27, 2017, the date which the financial statements were available to be issued.

## REQUIRED SUPPLEMENTAL INFORMATION

**JEFFERSON DAVIS PARISH SHERIFF  
GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2017**

**Schedule 1A**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,400,000	\$ 2,510,000	\$ 2,560,920	\$ 50,920
Sales taxes	2,150,000	2,150,000	2,408,805	258,805
Parish contribution to retirement fund			102,909	102,909
Intergovernmental revenues:				
Federal sources:				
Federal grants	-	-	71,464	71,464
State sources:				
State grants	-	72,912	55,901	(17,011)
State supplemental pay	250,000	300,000	309,108	9,108
State revenue sharing			67,352	67,352
Other	139,000	142,959	47,237	(95,722)
Local sources:				
District attorney - LACE	80,000	46,691	46,691	-
Parish - 911 District	218,000	208,000	211,806	3,806
Fees, charges, and commissions for services:				
Commissions on licenses, taxes, etc.	75,000	81,777	89,869	8,092
Civil and criminal fees	110,000	135,000	164,165	29,165
Court attendance	5,000	7,000	7,890	890
Transporting prisoners	12,000	11,000	15,525	4,525
Feeding and keeping prisoners	100,000	100,000	129,421	29,421
Commissary commissions	25,000	23,000	28,072	5,072
Commissions on fines and other forfeitures	100,000	76,000	77,141	1,141
Other	123,500	116,650	66,738	(49,912)
Fines and Forfeitures:				
Drug related fines and forfeitures	1,500	24,000	24,222	222
Bond, fines and other forfeitures	3,500	2,511	3,621	1,110
Use of money and property:				
Interest	10,000	7,500	9,970	2,470
Commissions on phones	35,000	25,000	32,183	7,183
Miscellaneous	40,000	40,000	45,221	5,221
Total Revenues	<u>5,877,500</u>	<u>6,080,000</u>	<u>6,576,231</u>	<u>496,231</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Personal services and related benefits	5,371,700	5,601,209	5,176,304	424,905
Operating services	585,700	610,000	583,962	26,038
Materials and supplies	576,000	580,000	454,563	125,437
Other	65,000	115,000	64,577	50,423
Intergovernmental:				
Retirement deducted from tax collections	40,000	40,000	39,372	628
Capital outlay	500,000	372,000	370,200	1,800
Total Expenditures	<u>7,138,400</u>	<u>7,318,209</u>	<u>6,688,978</u>	<u>629,231</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,260,900)</u>	<u>(1,238,209)</u>	<u>(112,747)</u>	<u>1,125,462</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from sales of fixed assets	-	-	4,784	4,784
Compensation for loss or damage of assets	-	12,774	12,774	-
Total Other Financing Sources (uses)	<u>-</u>	<u>12,774</u>	<u>17,558</u>	<u>4,784</u>
NET CHANGE IN FUND BALANCE	(1,260,900)	(1,225,435)	(95,189)	1,130,246
FUND BALANCES BEGINNING OF YEAR	<u>7,006,429</u>	<u>7,710,966</u>	<u>7,942,571</u>	<u>231,605</u>
FUND BALANCES END OF YEAR	<u>\$ 5,745,529</u>	<u>\$ 6,485,531</u>	<u>\$ 7,847,382</u>	<u>\$ 1,361,851</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

**A. BUDGETARY PRACTICES**

**General Budget Practices** The Sheriff follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the Sheriff is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to June 15<sup>th</sup>, the Director of Finance and the Sheriff develop a proposed annual budget for the general fund and all special revenue funds. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a finance committee meeting in order to obtain public input. The budget is subsequently adopted by the Sheriff through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Sheriff.

**Budget Basis of Accounting** All governmental funds budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Sheriff cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Sheriff to amend the budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Sheriff approves budgets at the object level and management is allowed to transfer amounts between line items within an object.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS**

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Major Fund	Final Budget	Actual	Unfavorable Variance
None	\$ -	\$ -	\$ -

Reason for unfavorable variance: Not applicable.

**JEFFERSON DAVIS PARISH SHERIFF  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS – POSTEMPLOYMENT HEALTHCARE AND LIFE  
 INSURANCE BENEFITS  
 JUNE 30, 2015 THROUGH 2017**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
2015	-	\$2,716,160	\$2,716,160	0.00%	\$3,322,024	81.76%
2016	-	\$3,122,305	\$3,122,305	0.00%	\$3,650,206	85.54%
2017	-	\$3,247,197	\$3,247,197	0.00%	\$3,720,688	87.27%

**JEFERSON DAVIS PARISH SHERIFF  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ADDITIONAL PENSION/ RETIREMENT INFORMATION  
 Schedule of Employer’s Proportionate Share of Net Pension Liability  
 For the Year Ended June 30, 2017\***

**Louisiana Sheriffs’ Pension and Relief Fund:**

Year Ending June 30th	Employer’s proportion of net pension liability (asset)	Employer’s proportionate share of the net pension liability (asset)	Employer’s covered-employee payroll	Employer’s proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.510874%	3,242,464	3,490,463	92.89%	82.10%
2016	0.480554%	2,142,078	3,186,147	67.23%	86.61%
2015	0.443431%	1,755,989	2,969,653	59.13%	87.34%

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

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

**JEFFERSON DAVIS PARISH SHERIFF  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ADDITIONAL PENSION/ RETIREMENT INFORMATION  
 Schedule of Employer Contributions  
 For the Year Ended June 30, 2017**

**Louisiana Sheriffs' Pension and Relief Fund:**

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2017	\$ 446,434	\$ 446,434	\$ -	\$ 3,369,310	13.25%
2016	\$ 479,740	\$ 479,740	\$ -	\$ 3,490,463	13.75%
2015	\$ 454,026	\$ 454,026	\$ -	\$ 3,186,147	14.25%

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

**JEFFERSON DAVIS PARISH SHERIFF  
REQUIRED SUPPLEMENTARY INFORMATION  
ADDITIONAL PENSION/ RETIREMENT INFORMATION  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2017**

**Louisiana Sheriffs' Pension and Relief Fund:**

**Changes of Benefit Terms.** None.

**Changes of Assumptions.** The Discount Rate changed from 7.6% to 7.5% for the year ended June 30, 2016, the measurement period.

## OTHER SUPPLEMENTAL INFORMATION

**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

**COMBINING FINANCIAL STATEMENTS**

**FIDUCIARY FUNDS-AGENCY FUNDS**

**TAX COLLECTOR FUND**

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

**SHERIFF'S FUND:**

**CIVIL FUND**

The Civil Fund accounts for funds held in civil suits, Sheriff's sales, and garnishments and payments of these collections to the recipients in accordance with applicable law.

**CLEARING FUND**

The Clearing Fund accounts for miscellaneous funds collecting pending distribution to various interested parties.

**BONDS AND FINES FUND**

The Bonds and Fines Fund accounts are for the collection of bonds, fines, costs and payments of these collections to the Sheriff's General Fund and other recipients in accordance with applicable law.

**OTHER AGENCY FUNDS:**

**INMATE FUND**

The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

**PRISONER WORK RELEASE FUND**

The Prisoner Work Release Fund accounts for the collection of inmate wages and the disbursement of those collections in accordance with R.S. 15:711 to 15:711.1.

**EVIDENCE ROOM FUND**

The Evidence Room Fund accounts for the collection of cash confiscated during arrests that is being held as evidence in a trial.

**JEFFERSON DAVIS PARISH SHERIFF**  
**AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 2017**

**Schedule 2**

	Tax Collector Fund			Sheriff's Fund			Inmate	Prisoner Work Release	Evidence Room	Total
	Ad Valorem	State		Civil	Clearing	Bonds and Fines				
		Revenue Sharing	Parish Licenses							
<b>ASSETS</b>										
Cash	\$ 180,135	0	21,021	1,000	1,415	102,785	23,532	2,147	127,351	459,386
Due from other funds				-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 180,135</b>	<b>0</b>	<b>21,021</b>	<b>1,000</b>	<b>1,415</b>	<b>102,785</b>	<b>23,532</b>	<b>2,147</b>	<b>127,351</b>	<b>459,386</b>
<b>LIABILITIES</b>										
Due to taxing bodies and others	180,135	0	21,021	1,000	1,415	102,785	23,532	2,147	127,351	459,386
<b>TOTAL LIABILITIES</b>	<b>\$ 180,135</b>	<b>0</b>	<b>21,021</b>	<b>1,000</b>	<b>1,415</b>	<b>102,785</b>	<b>23,532</b>	<b>2,147</b>	<b>127,351</b>	<b>459,386</b>

**JEFFERSON DAVIS PARISH SHERIFF  
AGENCY FUNDS  
Combining Schedule of Changes in Unsettled Balances  
For the Year Ended June 30, 2017**

**Schedule 3**

	Tax Collector Fund			Sheriff's Fund				Prisoner Work Release	Evidence Room	Total
	Ad Valorem	State Revenue Sharing	Parish Licenses	Civil	Clearing	Bonds and Fines	Inmate			
<b>BALANCES AT BEGINNING OF YEAR</b>	\$ 267,039	0	8,051	147,464	626	147,049	18,570	0	169,481	758,280
<b>INCREASES</b>										
Deposits:										
Sheriff's sales, suits, and seizures	0	0	0	632,352	0	0	0	0	0	632,352
Fines	0	0	0	0	0	0	0	0	0	0
Cash bonds	0	0	0	0	0	0	0	0	0	0
Bond fees	0	0	0	0	0	1,098,680	0	0	0	1,098,680
Interest	0	0	0	0	0	0	0	0	0	0
Garnishments	0	0	0	75,397	0	0	0	0	0	75,397
Other deposits	0	0	0	61,505	1,244,202	0	130,524	2,147	2,447	1,440,825
Taxes, fees, etc., paid to tax collector	21,733,056	615,622	231,442	0	0	0	0	0	0	22,580,120
Total additions	21,733,056	615,622	231,442	769,254	1,244,202	1,098,680	130,524	2,147	2,447	25,827,374
<b>DECREASES</b>										
Deposits settled to:										
State of Louisiana	29,420	0	0	0	0	0	0	0	0	29,420
Pension funds	576,525	15,265	0	0	0	0	0	0	0	591,790
Sheriff's general fund	2,538,819	67,352	34,716	4,528	0	131,439	0	0	0	2,776,854
Police jury and districts	8,970,792	175,047	183,756	0	0	383,195	0	0	0	9,712,790
School board	7,598,272	297,822	0	0	0	0	0	0	0	7,896,094
Assessor	528,292	10,000	0	0	0	0	0	0	0	538,292
Municipalities	1,382,989	50,136	0	0	0	0	0	0	0	1,433,125
District attorney	0	0	0	0	0	156,935	0	0	36,020	192,955
District court expense funds	0	0	0	0	0	20,053	0	0	0	20,053
Clerk of court	0	0	0	51,750	0	91,556	0	0	0	143,306
Indigent defender board	0	0	0	0	0	200,660	0	0	0	200,660
Attorneys, appraisers, litigants, etc.	0	0	0	859,440	0	0	0	0	0	859,440
Coroner	0	0	0	0	0	20,195	0	0	0	20,195
Other settlements	194,851	0	0	0	1,243,413	138,911	125,562	0	8,557	1,711,294
Protested taxes & interest distributed to taxing bodies & others	0	0	0	0	0	0	0	0	0	0
Total decreases	21,819,960	615,622	218,472	915,718	1,243,413	1,142,944	125,562	0	44,577	26,126,268
<b>BALANCES AT END OF YEAR</b>	\$ 180,135	0	21,021	1,000	1,415	102,785	23,532	2,147	127,351	459,386

**JEFFERSON DAVIS PARISH SHERIFF**

**Schedule of Compensation, Benefits and Other Payments to Agency Head  
or Chief Executive Officer  
For the Year Ended June 30, 2017**

**Schedule 4**

Agency Head Name: Ivy J. Woods, Sheriff

Salary	\$	159,540
Benfits- health insurance		9,021
Benefits- retirement		21,140
Benefits- life insurance		764
Car - Tires for Car		275
Cell Phone		1,438
Dues		15,955
Travel		6,316
Registration fees		1,915
Confernce travel		
Other (gas)		2,555
	\$	<u>218,919</u>

**OTHER REPORTS REQUIRED BY  
GOVERNMENTAL AUDITING STANDARDS**

**Mike B. Gillespie**  
**Certified Public Accountant**  
A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA

Eric C. Gillespie, CPA

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

Honorable Ivy J. Woods  
Jefferson Davis Parish Sheriff  
Jennings, Louisiana

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

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Mike B. Gillespie, CPA, APAC*

Certified Public Accountant  
Jennings, Louisiana  
December 27, 2017

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2017**

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

***Financial Statements***

1. Type of report issued: unmodified opinion on the basic financial statements
2. Internal control over financial reporting:
  - Material weakness(es) identified? - No
  - Significant deficiencies identified that are not considered to be material weakness(es)? - No
3. Noncompliance material to financial statements noted? - No
4. Was a management letter issued? - No

***Federal Awards***

5. Internal control over major programs:
  - Material weakness(es) identified? - No
  - Significant deficiencies identified that are not considered to be material weakness(es)? - No
6. Type of auditor's report issued on compliance for major programs: N/A
7. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? - No
8. The programs tested as major programs included:

<u>CFDA No.</u>	<u>Cluster Title or Program Name</u>
N/A	N/A

9. The dollar threshold used for distinguishing between Type A and B programs was: N/A
10. Did auditee qualify as a low-risk auditee? - N/A

**Section II Financial Statement Findings**

No findings reported.

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

No findings reported.

**Section III Management Letter Findings**

No findings reported.

**JEFFERSON DAVIS PARISH SHERIFF  
MANAGEMENT'S STATUS OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2017**

**SECTION I – FINANACIAL STATEMENT FINDINGS**

No findings reported.

**SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings reported.

**SECTION III – MANAGEMENT LETTER FINDINGS**

No findings reported.

\* \* \* \* \*

THIS STATUS OF PRIOR YEAR FINDINGS HAS BEEN PREPARED BY MANAGEMENT

**JEFFERSON DAVIS PARISH SHERIFF  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2017**

**SECTION I – FINANACIAL STATEMENT FINDINGS**

No findings reported.

**SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings reported.

**SECTION III – MANAGEMENT LETTER FINDINGS**

No findings reported.

\* \* \* \* \*

THIS CORRECTIVE ACTION PLAN HAS BEEN PREPARED BY MANAGEMENT

AFFIDAVIT

Ivy J. Woods (Sheriff's Name), Sheriff of Jefferson Davis (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, Ivy J. Woods (Name), the sheriff of Jefferson Davis Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 180,135 is the amount of cash on hand in the tax collector account on 06/30/2017 (Date);

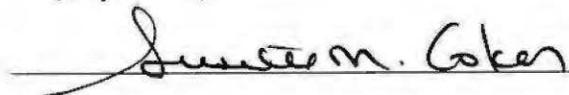
He further deposed and said:

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

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

  
Signature  
Sheriff of Jefferson Davis  
(Parish)

SWORN to and subscribed before me, Notary, this 21<sup>st</sup> day of December 2017, in my office in the Jennings, Louisiana.  
(City/Town)

 (Signature)

Susette M. Coker (Print), # 13207  
Notary Public

at death (Commission)

**Mike B. Gillespie**  
**Certified Public Accountant**  
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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Ivy J. Woods,  
Jefferson Davis Parish Sheriff  
and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
***Finding: Written policies and procedures were obtained and address the functions noted above.***
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
***Finding: Written policies and procedures were obtained and address the functions noted above; however, they do not address how vendors are added to vendor list.***
  - c) ***Disbursements***, including processing, reviewing, and approving  
***Finding: Written policies and procedures were obtained and do not specifically address the functions noted above.***

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

**Finding: Written policies and procedures were obtained and do not address the specify functions noted above for receipts receive via mail. Cash receipts policy does not address recording.**

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

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

**Finding: Written policies and procedures were obtained and address the functions noted above; however, they do not address item monitoring.**

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

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

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

**Finding: Written policies and procedures were obtained and address the functions noted above; however, they do not address item 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. Note: Ethics requirements are not applicable to nonprofits.

**Finding: Written policies and procedures were obtained and address the functions noted above; however, they do not address items (2) and (3).**

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Finding: Not applicable.**

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

---

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

**Finding: Not applicable. Entity does not have an appointed or elected board.**

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

### ***Bank Reconciliations***

---

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

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

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

- a) Bank reconciliations have been prepared;

***Finding: Obtained bank statements and reconciliations for all months in the fiscal year noting that reconciliation have been prepared for all months.***

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

***Finding: Obtained bank statements and reconciliations for all months in the fiscal year noting evidence of management review is included for each bank reconciliation.***

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

***Finding: Obtained bank statements and reconciliations for all months in the fiscal year. Five bank accounts were tested. Two of the five bank accounts tested had two items outstanding longer than six months. Management did have evidence showing they researched these outstanding items.***

### ***Collections***

---

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

***Finding: Obtained listing of all cash collection locations and management's representation that the listing is complete.***

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation

established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

*Finding: Written documentation was obtained and address the functions noted above.*

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

*Finding: Written documentation was obtained and address the functions noted above.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Finding: With the exception of one cash collection that was deposited seven days after the date of collection, all remaining cash collections tested were deposited within one day of collection.*

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

*Finding: All daily cash collections were completely supported by documentation without exception.*

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

*Finding: Written documentation was obtained. It does not address a detailed process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.*

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

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

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

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

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

***Finding: Of the 25 disbursements selected, 20 of them were for recurring transactions or services that would not require a purchase order system. The remaining 5 purchases were tested without exception.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: The entity's written policy and procedures do not address the functions noted above. The Chief Finance Director did inform us that there is a system in place that is required for the Accounts Payable Clerk to complete before being able to add a new vendor. The clerk must fill out a new vendor requisition form and get the form approved before she is able to add a new vendor to purchasing/disbursement system.***

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

***Finding: The entity's written policy and procedures do not address the functions noted above.***

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

***Finding: Per inquiry with Chief Financial Director and observation, the supply of blank unused prenumbered checks is maintained in a locked filing cabinet inside the Tax Division Office and can only be accessed to those with signatory authority.***

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

***Finding: No signature stamp of signature machine is used.***

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

---

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

***Finding: Listing of active credit cards, fuel cards, and name of people who maintain possession of cards along with management's representation that the listing is complete was obtained.***

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

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

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

***Finding: No exceptions noted.***

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

***Finding: There is no documentation detailing the specific business/public purpose for purchases on credit cards.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

---

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

***Finding: The listing and management's representation that the listing was complete was obtained.***

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

***Finding: Written policy and procedures were obtained and compared to GSA rates without exception.***

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

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

***Finding: The largest travel expense documentation was obtained for each of the three employees that incurred the most travel cost during the fiscal period. The documentation was compared to the***

***entity's written policies and procedures for Travel and Expense Reimbursement. One out of the three expense reimbursement payments tested exceeded the rates in accordance with written policy.***

b) Report whether each expense is supported by:

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exception noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

## ***Contracts***

---

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

***Finding: A listing of all contracts and management's representation that the listing is complete was obtained.***

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

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

***Finding: Management was only able to provide formal/written contracts supporting the service arrangement and the amount paid for four out of the five vendors selected.***

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

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

***Finding: With the exception of the vendor for which a contract was not made available the Jefferson Davis Parish Sheriff Office complied with all legal requirements (e.g., bids and advertisement) for the remaining vendors. For the missing contract, purchases appeared to meet the exception of LRS 38:2212.1.***

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

***Finding: Not applicable***

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

***Finding: Not applicable.***

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

***Finding: With the exception of one vendor contract that could not be produced, we were able to obtain the supporting invoices of the largest payments from the four remaining contracts. Then compare those invoices to the contract terms to see if they complied with terms and conditions of the contract without exception.***

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

***Finding: Not applicable. The Sheriff's Office does not maintain minutes nor does it have a board.***

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

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

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

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

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

*Finding: No exceptions noted.*

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

*Finding: No exceptions noted.*

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

*Finding: No exceptions noted.*

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

*Finding: For one of the two terminated employees tested, termination payments for compensatory time were not made in strict accordance with the entity's written policy and procedures. The employee was not paid allowable comp time as per policy.*

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

*Finding: No exceptions noted.*

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

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

*Finding: No exceptions noted.*

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

*Finding: No exceptions noted.*

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

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

***Finding: No debt was issued during fiscal period.***

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

***Finding: No debt was outstanding during fiscal period.***

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

***Finding: Entity had no tax millages for debt service.***

### ***Other***

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

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

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

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

***Mike B. Gillespie, CPA, APAC***

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Jennings, Louisiana  
December 27, 2017