

ALLEN PARISH SHERIFF
OBERLIN, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

As of and for the Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Honorable Douglas L. Hebert, III
Allen Parish Sheriff
Oberlin, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 43 through 46, Employee Health Care Plan-Schedule of Funding Progress on page 47, and the schedule of employers' share of net pension liabilities, and the schedule of employer contributions on pages 48 and 49 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Sheriff's basic financial statements. The Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, Affidavit -Tax Collector Fund, and Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, Affidavit -Tax Collector Fund, and Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, Affidavit -Tax Collector Fund, and Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2017, on my consideration of the Allen Parish Sheriff's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Allen Parish Sheriff's internal control over financial reporting and compliance.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 22, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Statement of Net Position-Governmental Activities
June 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash - Interest bearing and non-interest bearing	\$ 1,829,385
Receivables	136,608
Prepaid assets	22,401
Due from other governmental units	659,606
Capital assets:	
Land	106,328
Construction in progress-jail	217,745
Depreciable assets, net	11,468,663
TOTAL ASSETS	<u>14,440,736</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,516,923</u>
LIABILITIES	
Accounts and other accrued payables	232,778
Interest payable	18,221
Long-term liabilities:	
Due within one year	165,002
Due in more than one year	4,932,701
Net pension liability	2,553,686
OPEB obligation	2,705,435
TOTAL LIABILITIES	<u>10,607,823</u>
DEFERRED INFLOWS OF RESOURCES	<u>267,853</u>
NET POSITION	
Net investment in capital assets	6,695,033
Restricted:	
Public safety	232,093
Debt service	10,047
Capital outlay	395
Unrestricted (deficit)	(1,855,585)
TOTAL NET POSITION	<u>\$ 5,081,983</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Statement of Activities
For the Year Ended June 30, 2017

FUNCTIONS/ PROGRAMS	Program Revenues				Governmental Activities
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary Government:					
Governmental activities:					
Public safety	\$ 7,310,693	\$ 2,045,359	\$ 698,380	\$ 217,745	\$ (4,349,209)
Interest on long-term debt	222,852	-	-	95,602	(127,250)
Total governmental activities	<u>\$ 7,533,545</u>	<u>\$ 2,045,359</u>	<u>\$ 698,380</u>	<u>\$ 313,347</u>	<u>\$ (4,476,459)</u>
GENERAL REVENUES					
Taxes:					
Ad valorem, levied for general purposes					1,551,443
Sales and use					2,536,184
Local sources-Allen Parish Police Jury					240,000
State revenue sharing					129,823
Non-employer pension contributions					156,296
Interest and investment earnings					4,259
				Total General Revenues	<u>4,618,005</u>
CHANGE IN NET POSITION					
					141,546
NET POSITION-BEGINNING					
					4,940,437
NET POSITION-ENDING					
					<u>\$ 5,081,983</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

E-911 Special Revenue Fund

The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish.

Coushatta Tribe of Louisiana Community Grant Fund

The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

DEBT SERVICE FUND

The Debt Service Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2017

	General Fund	E-911 Fund	Coushatta Tribe of Louisiana Community Grant Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash - Interest bearing	\$ 1,730,918	\$ 74,179	\$ 13,846	\$ 10,047	\$ 395	\$ 1,829,385
Receivables:						
Due from other governmental units	659,606	-	-	-	-	659,606
Due from other funds	36,079	-	-	-	-	36,079
Other	-	27,135	109,473	-	-	136,608
TOTAL ASSETS	\$ 2,426,603	\$ 101,314	\$ 123,319	\$ 10,047	\$ 395	\$ 2,661,678
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 88,603	\$ -	\$ -	\$ -	\$ -	\$ 88,603
Accrued payroll liabilities	144,175	-	-	-	-	144,175
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	36,079	-	-	-	36,079
Total Liabilities	232,778	36,079	-	-	-	268,857
Deferred inflows of resources:						
Unavailable revenue	722	-	-	-	-	722
Total Deferred Inflows of Resources	722	-	-	-	-	722
Fund balances:						
Restricted:						
Public safety	43,539	65,235	123,319	-	-	232,093
Debt service	-	-	-	10,047	-	10,047
Capital Outlay	-	-	-	-	395	395
Unassigned	2,149,564	-	-	-	-	2,149,564
Total Fund Balances	2,193,103	65,235	123,319	10,047	395	2,392,099
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,426,603	\$ 101,314	\$ 123,319	\$ 10,047	\$ 395	\$ 2,661,678

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
 Oberlin, Louisiana
 RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 June 30, 2017

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT JUNE 30, 2017		\$ 2,392,099
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets, net of accumulated depreciation		11,792,736
Certain insurance costs which are reported as expenditures in the year incurred in the governmental funds will benefit future periods and are recorded as prepaid insurance on the statement of net position.		
		17,183
Certain lease costs which are reported as expenditures in the year incurred in the governmental funds will benefit future periods and are recorded as prepaid lease payments on the statement of net position.		
		5,218
Certain property tax revenue receivable that will not be collected within 60 days of year end are not considered available in the governmental funds.		
		722
Certain liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the statement of net position.		
Accrued interest payable	\$ (18,221)	
Deferred outflows of resources	1,516,923	
Deferred inflows of resources	(267,853)	
Net pension liability	(2,553,686)	
OPEB obligation	(2,705,435)	
Revenue bonds payable	(5,045,000)	
Capital leases payable	(52,703)	
	<u>(9,125,975)</u>	<u>(9,125,975)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT JUNE 30, 2017		<u>\$ 5,081,983</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	GENERAL FUND	E-911 FUND	COUSHATTA TRIBE OF LOUISIANA COMMUNITY GRANT FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes:						
Ad valorem taxes	\$ 1,552,505	\$ -	\$ -	\$ -	\$ -	\$ 1,552,505
Sales taxes	2,536,184	-	-	-	-	2,536,184
Intergovernmental revenues -						
Federal grants	112,476	-	-	-	-	112,476
State grants	129,610	-	-	-	-	129,610
State revenue sharing	129,823	-	-	-	-	129,823
State supplemental pay	198,116	-	-	-	-	198,116
Local sources	121,757	-	449,768	240,000	-	811,525
Fees, charges and commissions for services:						
Civil and criminal fees	110,094	-	-	-	-	110,094
Court attendance	11,696	-	-	-	-	11,696
E-911 revenue	-	239,013	-	-	-	239,013
Feeding and keeping prisoners	1,208,556	-	-	-	-	1,208,556
Transporting prisoners	64,397	-	-	-	-	64,397
Other	289,344	-	-	-	-	289,344
Fines and forfeitures	122,259	-	-	-	-	122,259
Interest	4,134	86	19	16	4	4,259
TOTAL REVENUES	6,590,951	239,099	449,787	240,016	4	7,519,857
EXPENDITURES						
Current -						
Public safety:						
Personal services and related benefits	4,601,394	-	-	-	-	4,601,394
Operating services	257,985	195,746	-	-	-	453,731
Operations and maintenance	1,002,391	-	-	-	-	1,002,391
Intergovernmental transfer - APPJ	157,404	-	-	-	-	157,404
Capital outlay	309,199	-	21,241	-	217,745	548,185
Debt service:						
Principal	29,342	34,289	-	120,000	-	183,631
Interest	1,626	1,636	-	219,930	-	223,192
TOTAL EXPENDITURES	6,359,341	231,671	21,241	339,930	217,745	7,169,928
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	231,610	7,428	428,546	(99,914)	(217,741)	349,929
OTHER FINANCING SOURCES (USES)						
Operating transfers in	153,161	-	-	95,602	217,745	466,508
Operating transfers out	-	-	(466,508)	-	-	(466,508)
TOTAL OTHER FINANCING SOURCES (USES)	153,161	-	(466,508)	95,602	217,745	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	384,771	7,428	(37,962)	(4,312)	4	349,929
FUND BALANCES, BEGINNING	1,808,332	57,807	161,281	14,359	391	2,042,170
FUND BALANCES, ENDING	\$ 2,193,103	\$ 65,235	\$ 123,319	\$ 10,047	\$ 395	\$ 2,392,099

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

NET CHANGE IN FUND BALANCE-TOTAL
GOVERNMENTAL FUNDS \$ 349,929

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

Governmental funds report capital outlays as expenditures,
however, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense. This is the amount by
which capital outlay exceeded depreciation expense:

Capital outlay	\$ 548,185	
Depreciation expense	<u>(655,515)</u>	(107,330)

In the statement of activities some expenses do not require
the use of current financial resources and therefore are not
reported as expenditures in the governmental funds.

OPEB obligations exceed the prior year obligations		(431,548)
Current year accrued interest payable exceeded the prior year payable		340
Principal payments		180,704

Certain retirement benefit expenses reported in the Statement of Activities do
do not require the use of current financial resources and therefore are not
reported as expenditures in the governmental funds.

148,259

Certain property tax revenues receivable will not be collected
for several months after year end are not considered
available in the governmental funds.

(1,062)

The governmental funds report certain expenditures when paid, where the
statement of activities record expenditures in the period benefited as follows:

Prepaid lease expense		(2,398)
Prepaid insurance		<u>4,652</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 141,546

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 518,330
Due from others	2,482
Total assets	<u>\$ 520,812</u>
LIABILITIES	
Due to others	\$ 17,802
Due to taxing bodies and others	503,010
Total liabilities	<u>\$ 520,812</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
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 Allen Parish 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 court orders, and serving subpoenas.

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

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

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

The accounting and reporting policies of the Allen Parish Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basis of Presentation

The accompanying financial statements of the Allen Parish Sheriff have been prepared in conformity with generally accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statement (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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

Fund Financial Statements (FFS)

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the Sheriff are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Sheriff reports the following governmental funds:

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

E-911 Special Revenue Fund-The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish. The Sheriff signed an intergovernmental agreement with the Allen Parish Police Jury on October 31, 1997 and assumed responsibility for the operation of the Allen Parish enhanced 911 services. Revenue to operate the service comes from a telephone service charge on local telephone service supplied within the parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Coushatta Tribe of Louisiana Community Grant Fund - The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

The Debt Service Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

Capital Projects Fund is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections), the welfare of inmates in the parish jail, 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. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. The agency funds use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financial 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 governmental funds 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. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. 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.

The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus/Basis of Accounting (Continued)

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gain, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

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

Expenditures

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

Unearned Revenues

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

Other Financing Sources

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budget Practices

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

1. Formal budgeting is employed as a management control device during the year for the general and special revenue funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
3. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
4. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
5. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Any budgetary amendments must be approved by the Sheriff and are published in the official journal. Budget amounts included in the accompanying financial statements include the original adopted budget and the final amendment, if any.

E. Cash and Interest Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. Investments

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

G. Prepaid Expenditures

Payments made to vendors for services that will benefit periods beyond June 30, 2017 are recorded as prepaid items. The prepaid items that existed at June 30, 2017 consisted of insurance and vehicle lease payments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Short-Term Interfund Receivables and Payables

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

I. Capital Assets

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

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	25-40 years
Equipment and furniture	5-12 years
Vehicles	5 years

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of revenue bonds payable and capital leases payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

L. Compensated Absences

After six months of service, employees of the Sheriff's office are granted from one to three weeks of non-cumulative vacation leave annually. Sick leave is granted at the discretion of the Sheriff. At June 30, 2017, the Sheriff had no vested leave benefits required to be reported in accordance with generally accepted accounting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications

Government-wide statements –

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

As of June 30, 2017, the Sheriff had \$242,535 in restricted net position for public safety, debt service, and capital outlay.

Fund financial statements –

Governmental fund equity is classified as fund balance. As such, fund balance of the governmental funds are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for the specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority. Commitments cannot be used for any other purpose unless the same action/person that established them decides to modify or remove them.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Amounts can only be assigned by the Sheriff.
5. Unassigned – all other spendable amounts.

M. Equity Classifications (Continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

As of June 30, 2017, the Sheriff did not have any non-spendable, assigned, or committed fund balances. The Sheriff had a restricted fund balance in the general fund of \$43,539 for public safety, a restricted fund balance in the E-911 fund of \$65,235 for public safety, a restricted fund balance in the Coushatta Tribe of Louisiana Community Grant Fund of \$123,319 for public safety, a restricted fund balance in the Debt Service Fund of \$10,047 for debt service, and a restricted fund balance in the Capital Projects Fund of \$395 for capital outlay.

N. 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.

O. Interfund Transactions

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

P. 1% Sales and Use Tax

Proceeds of the 1% sales tax and use tax levied by the Sheriff can be used for most operational expenditures. This tax does not expire.

2. CASH AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Allen Parish Sheriff, the Sheriff maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

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

Concentration of credit risk. The Sheriff places no limit on the amount the Sheriff may invest in any one issuer. The Sheriff does not have a policy for custodial credit risk.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

2. CASH AND INVESTMENTS (Continued)

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Sheriff has deposits with financial institutions (book balances) totaling \$2,347,715 as follows:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Interest bearing deposits	\$ 1,829,385	\$ 449,432	\$ 2,278,817
Demand deposits	-	68,898	68,898
	<u>\$ 1,829,385</u>	<u>\$ 518,330</u>	<u>\$ 2,347,715</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. 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 bank. These securities are held by the pledging financial institution's trust department or agent, in the District's name.

Deposit balances (collected bank balances) at June 30, 2017 are secured as follows:

At June 30, 2017, the Sheriff has \$2,644,526 in deposits (collected bank balances). These deposits are secured from risk by \$734,104 of federal deposit insurance, \$536,899 of pledged securities held by the pledging financial institution's trust department or agent, in the District's name, and a \$2,750,000 irrevocable letter of credit to which the Sheriff is the beneficiary.

3. AD VALOREM TAXES

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

The Sheriff has authorized and levied an ad valorem tax of 17.35 mills.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

4. RECEIVABLES

Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2017 consist of the following:

	<u>General Fund</u>
Grants	\$ 43,539
State supplemental pay	16,894
Salary agreement with the Allen Parish District Attorney	8,688
Fees, charges, and commissions for services:	
Civil and criminal fees	21,152
Feeding and keeping prisoners	116,200
Ad valorem taxes	7,515
Sales taxes	443,258
Miscellaneous	2,360
Total	<u>\$ 659,606</u>

Other Receivables

Other receivables at June 30, 2017 are as follows:

Telephone commission – E-911 Special Revenue Fund	\$ 27,135
Local source – Coushatta Tribe Community Grant Fund	109,473
Total	<u>\$ 136,608</u>

All receivables are deemed fully collectible, and accordingly, no allowance has been provided.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2017 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 106,328	\$ -	\$ -	\$ 106,328
Construction in progress-jail	-	217,745	-	217,745
Total capital assets not being depreciated	<u>\$ 106,328</u>	<u>\$ 217,745</u>	<u>\$ -</u>	<u>\$ 324,073</u>
Capital assets being depreciated				
Buildings and improvements	\$ 10,728,374	\$ -	\$ -	\$ 10,728,374
Office equipment and furniture	2,292,447	56,324	-	2,348,771
Vehicles	1,208,242	274,116	-	1,482,358
Total capital assets being depreciated	<u>\$ 14,229,063</u>	<u>\$ 330,440</u>	<u>\$ -</u>	<u>\$ 14,559,503</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (593,757)	\$ (270,615)	\$ -	\$ (864,372)
Office equipment and furniture	(1,084,389)	(211,570)	-	(1,295,959)
Vehicles	(757,179)	(173,330)	-	(930,509)
Total accumulated depreciation	<u>\$ (2,435,325)</u>	<u>\$ (655,515)</u>	<u>\$ -</u>	<u>\$ (3,090,840)</u>

Depreciation expense, which includes amortization expense for capital leases, of \$655,515 for the year was charged to public safety. Major additions include police vehicles, construction in progress, software, and computer equipment.

For the year ended June 30, 2017 the Sheriff had \$315,719 in office equipment and furniture, with related accumulated amortization of \$145,712, that were classified as capital leases, is attributable to governmental activities.

6. OPERATING LEASE

The Sheriff currently leases two vehicles used for officer transportation under a non-cancelable operating lease agreement. The lease agreement began February 2, 2016 and is for a term of four years. The monthly fee for this lease is \$866.04. The total lease expense for the year ended June 30, 2017 totaled \$10,439. The following is a schedule of the future minimum lease payments due to others under this lease agreement.

Year ending June 30,	
2018	\$ 10,392
2019	10,392
2020	6,928

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

7. LONG-TERM OBLIGATIONS

The Sheriff's long-term obligations, which are for debt issued for the construction of a new jail; the purchase of cameras and a 911 system via capital leases is attributable to governmental activities. The following is a summary of changes in long-term obligations for the year ended June 30, 2017.

	Revenue Bonds	Capital Leases	Total
Long-term obligations at beginning of year	\$ 5,165,000	\$ 113,406	\$ 5,278,406
Additions	-	-	-
Reductions	(120,000)	(60,703)	(180,703)
Long-term obligations at end of year	<u>\$ 5,045,000</u>	<u>\$ 52,703</u>	<u>\$ 5,097,703</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the revenue bonds payable and capital leases payable as of June 30, 2017:

	Revenue Bonds	Capital Leases	Total
Current portion	\$ 120,000	\$ 45,002	165,002
Long-term portion	4,925,000	7,701	4,932,701
Total	<u>\$ 5,045,000</u>	<u>\$ 52,703</u>	<u>5,097,703</u>

The capital leases, summarized above, consists of capital lease obligations under the following instruments and contracts:

\$158,000 capital lease dated December 1, 2012; due in monthly installments of \$2,994 through November 1, 2017; interest at 5.35%; secured by 911 phone system.	\$ 14,770
\$143,603 capital lease dated September 26, 2013, due in monthly installments of \$2,580 through October 25, 2018; interest at 2.99 percent; secured by vehicle camera systems.	<u>37,933</u>
Total Capital Leases Payable	<u>\$ 52,703</u>

The long-term debts represented by the capital leases are due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	45,001	921	45,922
2019	7,702	39	7,741
Total	<u>\$ 52,703</u>	<u>\$ 960</u>	<u>\$ 53,663</u>

7. LONG-TERM OBLIGATIONS (Continued)

The Sheriff issued \$5,500,000 in Revenue Bonds, Series 2013, during the fiscal year ending June 30, 2015. These bonds were issued for the purpose of constructing a new jail in Allen Parish. The revenue bonds are to be retired from the payments from the Allen Parish Police Jury agreed to in the cooperative endeavor agreement with the Sheriff and the Allen Parish Law Enforcement District and from funds derived from the Coushatta Tribe of Louisiana Community Grant. The revenue bonds are secured by and payable from a pledge and dedication of the ad valorem taxes received by the Sheriff, the Coushatta Tribe of Louisiana Community Grant, and the cooperative endeavor agreement with the Allen Parish Police Jury.

The Sheriff bonds outstanding at June 30, 2017, for \$5,045,000 are revenue bonds with maturities from 2018 to 2043 and interest rates from -0.10-% to 5.40%. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
Revenue Bond Series 2013	5,500,000	.10 % - 5.40%	06/1/2043	3,963,443	5,165,000

At June 30, 2017, the Sheriff has accumulated \$10,047 in the debt service funds for future debt requirements. The long-term debt represented by the revenue bonds are due as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 120,000	\$ 217,830	\$ 337,830
2019	125,000	215,130	340,130
2020	125,000	212,005	337,005
2021	130,000	208,568	338,568
2022	135,000	204,668	339,668
2023-2017	725,000	954,762	1,679,762
2028-2032	885,000	807,033	1,692,033
2033-2037	1,100,000	598,364	1,698,364
2038-2042	1,380,000	307,871	1,687,871
2043	320,000	17,280	337,280
Total	\$ 5,045,000	\$ 3,743,511	\$ 8,788,511

The revenue bond agreement contains various requirements relating to reserves, sinking funds, etc. The Sheriff met all requirements for the year ended June 30, 2017.

8. PENSION PLAN

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

Plan description: Employees of the Sheriff are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of Sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issues a publicly available financial report that may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

8. PENSION PLAN (CONTINUED)

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

Retirement: 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 allowances 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.

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

8. PENSION PLAN (CONTINUED)

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 members' 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.

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

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

Permanent benefit increases / 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.

8. PENSION PLAN (CONTINUED)

Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, the actual employer contribution rate was 13.75% with an additional 0.0% allocated from the Funding Deposit Account. For the year ended June 30, 2016, the actuarially determined net employer contribution rate was 9.54%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$156,296 and excluded from pension expense for the year ended June 30, 2016.

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

The allocation method used in determining each employer's proportion was based on 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. The employers' projected contribution effort was actuarially determined by the Fund's actuary, G.S. Curran & Company.

The employers' projected contribution effort was calculated by multiplying the projected future compensation of active members in the Fund on June 30, 2016, by the next fiscal year's employers' actuarially required contribution rate. Compensation was determined as follows: 1) Actual earned compensation for active members enrolled in the Fund the entire fiscal year, plus 2) Annualized compensation for active members on June 30, 2016, enrolled in the Fund for a portion of the fiscal year. Annualized compensation was calculated using actual compensation and the employee's date of hire.

The payroll factor was actuarially determined using salary assumptions for expected net changes in active members plus expected new hires and their payroll over the next fiscal year.

The next fiscal year's employers' actuarially required contribution rate was 9.92%.

Pension liabilities, Pension expense, Deferred outflows of resources, and Deferred inflows of resources related to pensions: At June 30, 2017, the Sheriff reported a liability of \$2,553,686 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was .402352%, which was an increase of .027% from its proportion measured as of June 30, 2015.

At June 30, 2017, the contractually required contributions to the pension plan payable at year end totaled \$49,379. These amounts are remitted monthly for the previous month and are equal to 13.75% of the employees' salary.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

8. PENSION PLAN (CONTINUED)

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$453,355 less employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between expected and actual experiences	\$ -	\$ 267,853
Changes of assumptions	208,628	-
Net difference between projected and actual earnings on pension plan investments	639,571	-
Change in proportion and differences between Employer contributions and proportionate share of contributions	223,406	-
Employer contributions subsequent to the measurement date	<u>445,318</u>	<u>-</u>
Total	<u>\$ 1,516,923</u>	<u>\$ 267,853</u>

Deferred outflows of resources of \$445,318 related to pensions resulting from the Sheriff’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 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:

<u>Fiscal Year Ended</u>	
2017	\$ 116,799
2018	\$ 116,799
2019	\$ 303,093
2020	\$ 215,769
2021	\$ 51,292

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

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

8. PENSION PLAN (CONTINUED)

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2004, through June 30, 2009. 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.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016, and 2015 are as follows:

Valuation Date	June 30, 2016 and 2015
Actuarial Cost Method	Frozen Attained Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	7.6% per annum
Inflation Rate	5.5% per annum
Mortality	RP-2000 Employee Mortality Table (set back 1 yr.) RP-2000 Disabled Lives Mortality Table RP-2000 Healthy Annuitant Mortality Table (set back 1 yr.)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Discount rate: The discount rate used to measure the total pension liability was 7.5%. 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.

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 or return for each major asset class based on the Fund's target asset allocation as of June 30, 2015 were as follows:

<u>Asset Class</u>	<u>Expected Rate of Return</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
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			<u>2.7</u>
Expected Arithmetic Nominal Return			7.7%

8. PENSION PLAN (CONTINUED)

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate: The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.5%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:

	1.0% Decrease 6.5%	Current Discount Rate 7.5%	1.0% Increase 8.5%
Employer's proportionate share of the net pension liability	\$4,332,588	\$2,553,686	\$1,085,413

Change in net pension liability: The changes in the net pension liability for the year ended June 30, 2016 were recognized in the current reporting period except as follows:

- a. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual resulted in a deferred inflow of resources in the amount of \$267,853 for the year ended June 30, 2016.
- b. Differences between projected and actual investment earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The differences between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$639,571 for the year ended June 30, 2016.
- c. Changes of assumptions or other inputs: Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$208,628 for the year ended June 30, 2016.
- d. Change in proportion: Changes in employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in the employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$223,406 for the year ended June 30, 2016.

9. DEFERRED COMPENSATION PLAN

The Sheriff offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, \$20 per month, and contribute up to 100% of taxable compensation, not to exceed \$18,000 for the year ended June 30, 2017. The Sheriff does not match any contributions to this plan. Employee contributions for the year ended June 30, 2017 were \$13,920.

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway Suite 702; Baton Rouge, LA 70808; (800)937-7604 or (225)926-8086.

10. CHANGES IN AGENCY FUND BALANCES

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

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Agency funds:				
Sheriff's Fund	\$ 363,313	\$ 1,334,482	\$ 1,273,584	\$ 424,211
Tax Collector Fund	13,859	14,965,915	14,917,931	61,843
Inmate Welfare Fund	9,172	254,673	246,889	16,956
Total	<u>\$ 386,344</u>	<u>\$ 16,555,070</u>	<u>\$ 16,438,404</u>	<u>\$ 503,010</u>

11. LITIGATION & CLAIMS

At June 30, 2017, there were outstanding suits seeking damages against the Sheriff. Although the outcome of these suits is not presently determinable, the opinion of the Sheriff and legal counsel is that resolution of this matter would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

12. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE ALLEN PARISH POLICE JURY

Part of the Sheriff's office is located in the parish courthouse and parish jail. The Allen Parish Police Jury, as required by statute, pays the cost of maintaining and operating the parish courthouse and the parish jail. These expenditures are not included in the accompanying basic financial statements.

13. RISK MANAGEMENT

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

14. POST RETIREMENT BENEFITS OTHER THAN PENSION

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future years when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Sheriff began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Plan Description- The Sheriff contributes to a single-employer defined benefit health care plan (“the Retiree Health Plan”). The plan provides certain healthcare and life insurance benefits for eligible retirees and their spouses through the Sheriff’s group health insurance plan, which covers both active and retired members. Pursuant to LA Revised Statute 33:1448(G), the Sheriff is required to pay 100% of the premiums on group health insurance and the first \$10,000 of life insurance for any deputy who, upon retirement, has attained the age of 55 with at least 15 years of service or has retired with 30 years of service at any age or has 10 years of service at age 60. Retirees may choose to continue coverage for their spouse at the retiree’s expense. The Sheriff has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy- The monthly premiums for the retiree are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits as expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost- The Sheriff’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Sheriff utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability over a 30 year, closed amortization period. The Sheriff has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers with plans that have fewer than 100 total members.

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

Annual required contribution	\$ 643,395
Interest on net OPEB obligation	90,955
Adjustment to annual required contribution	<u>(128,945)</u>
Annual OPEB Cost (expense)	605,405
Contributions made	<u>(173,857)</u>
Increase in net OPEB obligation	431,548
Net OPEB obligation at beginning of year	<u>2,273,887</u>
Net OPEB obligation at end of year	<u><u>\$ 2,705,435</u></u>

The Sheriff’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended 2017, 2016, and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
6/30/17	\$ 605,405	28.7%	\$ 2,705,435
6/30/16	\$ 503,676	28.4%	\$ 2,273,887
6/30/15	\$ 512,659	27.0%	\$ 1,913,466

14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Funded Status and Funding Progress

Based on the July 1, 2016 actuarial valuation, the most recent valuation, the funded status of the plan as of June 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 5,689,755
Actuarial valuations of plan assets	-
Unfunded actuarial accrued liability (UALL)	<u>\$ 5,689,755</u>
Funded ratio (actuarial value of plan assets (AAL)	0%
Covered payroll (active plan members)	\$ 3,240,376
UAAL as a percentage of covered payroll	176%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Sheriff’s actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of future costs. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2016 actuarial valuation, the projected unit cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

Actuarial Method	Projected Unit Cost Method
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan’s benefit formula. This allocation is based on each participant’s service between date of hire and date of expected termination.

14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Accumulated Post-Retirement Benefit Obligation

The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.

Discount Rate 4.00% (1.00% real rate of return plus 3.00% inflation)

Average Per Capita Claim Cost: Determined as of July 1, 2016

Age	Medical
55	8,559
56	8,816
57	9,080
58	9,353
59	9,633
60	9,922
61	10,220
62	10,527
63	10,842
64	11,168

The annual per capita medical cost for age 65 and older is the annualized Medical supplement premium of \$4,608.96. The annual per capital dental/vision cost is a level \$190.56.

Health Care Cost Trend Level 5.00% for medical and level 2.00% for dental/vision.

Mortality RP-2014 Total Table with Projection MP-2015

Turnover Rates varying by year of service. Sample rates:
YOS=3 YOS=8 YOS=13
12.00% 6.00% 2.50%

Disability None assumed

Retirement Rates Rates vary by age from 55 to 65 with 100% retirement rate assumed at age 65 and above.

Retiree Contributions Retirees hired prior to July 1, 2015 do not contribute for individual coverages. Retirees hired after that date contribute based on the years of service at retirement. The retiree pays the full contribution for any elected dependent coverage.

14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Data Assumptions

<i>Age Difference/% Married</i>	Not applicable
<i>Coverage</i>	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have individual coverage will continue with individual coverage upon retirement. 30% of all actives who current have dependent coverage will continue retiree and spouse coverage upon retirement.

Valuation Methodology and Terminology

We have used GASB accounting methodology to determine the postretirement benefit obligations.

Amortization Period

The period used to determine amortization costs for the Unfunded Actuarial Accrued Liability is a level period for 30 years.

Valuation Date

July 1, 2016

15. SUBSEQUENT EVENT REVIEW

The Sheriff has evaluated subsequent events through the date of the audit report, the date which the financial statements were available to be issued.

16. REPORTING REQUIREMENTS FOR WIRELESS E911 SERVICE

In accordance with LRS (R.S.) 33:9101 through 9131 the Sheriff reports the following required information:

- Total emergency telephone service charges collected for the year were \$232,820.
- \$3,265 was spent to on small equipment and furniture (radio batteries, headsets, office chair), \$950 was spent on repairs, \$7,500 was spent to relocate a water tower antenna and \$462 was spent on uniforms.
- Status of the implementation of the wireless E911 system- Phase I and II has been completed as of June 30, 2015.

17. COMMITMENT

On April 19, 2013 the Sheriff entered into a cooperative endeavor agreement with the Allen Parish Police Jury and the Allen Parish Law Enforcement District for the housing of parish inmates and the construction and operation of a new facility to replace the current jail owned by the police jury. The police jury shall pay a maximum annual fee of \$240,000 or a minimum annual fee representing the actual payment amount which the District owes in regard to the new facility. The fee shall be paid by the police jury beginning in the fiscal year in which construction begins. Once the District's loan obligations are paid off, the police jury no longer will be required to make any payments to the District. The police jury will then have the right to lease said facility for a term of 99 years for \$1 and other valuable considerations. Construction began during 2014 and was completed in 2016. Also, included in the cooperate endeavor agreement with the Allen Parish Police Jury is the provision to split all profits made from the housing of state, local, or federal prisoners on a 50/50 basis. During fiscal year ending June 30, 2017, the Sheriff made payments to the Allen Parish Police Jury in the amount of \$157,404 resulting from the housing of U.S. Immigration and Customs Enforcement (ICE) inmates.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

18. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at the end of the year was \$61,843.

1. The amount of taxes collected for the current year is as follows:

<u>Taxing Authority</u>	Taxes Collected
Allen Parish Ambulance Service District No. 1	\$ 501,687
Fire Protection District No. 2	120,810
Fire Protection District No. 3	51,215
Fire Protection District No. 4	277,029
Fire Protection District No. 5	130,157
Fire Protection District No. 6	240,485
Bayou Blue Gravity Drainage District No. 1	132,330
Kinder Gravity Drainage District No. 2	84,206
Allen Parish Hospital Service District	772,063
Allen Parish Library	972,596
Allen Parish Mosquito Abatement District	719,775
Allen Parish Police Jury	3,194,536
Recreation District No. 1 (Oakdale)	89,173
Recreation District No. 2 (Kinder)	141,330
Recreation District No. 3 (Elizabeth)	28,966
Recreation District No. 5 (Oberlin)	57,890
Recreation District No. 6 (Reeves)	176,993
Allen Parish School Board	4,307,748
Allen Parish Sheriff	1,561,012
Allen Parish Tax Assessor	472,352
Jefferson Davis Parish School Board	74,500
Louisiana Department of Agriculture & Forestry	22,976
Louisiana Tax Commission	11,250
Totals	<u>\$ 14,141,079</u>

2. The amount of taxes assessed and uncollected is as follows:

<u>Taxing Authority</u>	Taxes Uncollected
Allen Parish Ambulance Service District No. 1	\$ 8,027
Fire Protection District No. 2	6,194
Fire Protection District No. 3	1,016
Fire Protection District No. 4	1,575
Fire Protection District No. 5	394
Fire Protection District No. 6	14
Bayou Blue Gravity Drainage District No. 1	125
Kinder Gravity Drainage District No. 2	562
Allen Parish Hospital Service District	12,353
Allen Parish Library	12,015
Allen Parish Mosquito Abatement District	8,892
Allen Parish Police Jury	57,429
Recreation District No. 1 (Oakdale)	565
Recreation District No. 2 (Kinder)	716
Recreation District No. 5 (Oberlin)	175
Recreation District No. 6 (Reeves)	9,076
Allen Parish School Board	55,657
Allen Parish Sheriff	19,285
Allen Parish Tax Assessor	5,835
Louisiana Department of Agriculture & Forestry	3
Totals	<u>\$ 199,908</u>

18. EX-OFFICIO TAX COLLECTOR (CONT.)

Approximately 1.4% of the total tax levied has yet to be collected. Reasons for not collecting include:

- Adjudications
- Bankruptcies
- NSF payments
- Dual assessments
- Assessments under review
- Insufficient notice on tax sale
- Businesses closed
- Pending court cases

19. OCCUPATIONAL LICENSES COLLECTED

Collections settled during the year for occupational licenses and beer/liquor licenses are as follows:

	Collected	Collection Cost	Settled	Unsettled
Allen Parish Police Jury-				
Occupational	\$ 123,132	\$ (18,470)	\$ (103,097)	\$ 1,565
Beer/liquor	560	(84)	(476)	-
Allen Parish Sheriff-				
Commission	-	18,554	(18,278)	276
Total	\$ 123,692	\$ -	\$ (121,851)	\$ 1,841

20. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

At June 30, 2017 the Sheriff had deferred outflows of resources in the government-wide financial statements totaling \$1,516,923 and deferred inflows of resources in the government-wide financial statements totaling \$267,853. See Note 8 for additional disclosures.

Unavailable revenues are reported in governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At June 30, 2017, governmental funds' revenues that have been earned but are unavailable are \$722.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

21. DISTRIBUTION OF STATE REVENUE SHARING FUNDS

Collections settled during the year for state revenue sharing funds are as follows:

	Collected	Settled	Unsettled
Allen Parish School Board	\$ 88,622	\$ 88,622	\$ -
Allen Parish Police Jury	177,080	177,080	-
Allen Parish Sheriff	129,823	129,823	-
Allen Parish Library	56,475	56,475	-
Recreation District No. 3 (Elizabeth)	2,393	2,393	-
Recreation District No. 1 (Oakdale)	3,179	3,179	-
Allen Parish Tax Assessor	36,500	36,500	-
Kinder Gravity Drainage District No. 2	3,255	3,255	-
Jefferson Davis Parish School Board	1,986	1,986	-
Pension Funds	9,466	9,466	-
	<u>\$ 508,779</u>	<u>\$ 508,779</u>	<u>\$ -</u>

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Budgetary Comparison Schedule-General Fund
For the Year Ended June 30, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes	\$ 1,500,000	\$ 1,545,500	\$ 1,552,505	\$ 7,005
Sales taxes	2,350,000	2,445,000	2,536,184	91,184
Intergovernmental revenues -				
Federal grants	100,000	115,000	112,476	(2,524)
State grants	100,000	115,000	129,610	14,610
State revenue sharing	130,000	129,823	129,823	-
State supplemental pay	200,000	177,000	198,116	21,116
Local sources	145,000	231,000	121,757	(109,243)
Fees, charges, and commissions for services:				
Civil and criminal fees	290,500	277,000	110,094	(166,906)
Court attendance	11,500	11,700	11,696	(4)
Feeding and keeping prisoners	695,000	1,260,000	1,208,556	(51,444)
Transporting prisoners	7,500	24,000	64,397	40,397
Fines and forfeitures	3,000	29,000	122,259	93,259
Other	48,500	114,000	289,344	175,344
Interest earnings	1,100	1,160	4,134	2,974
TOTAL REVENUES	<u>5,582,100</u>	<u>6,475,183</u>	<u>6,590,951</u>	<u>115,768</u>
EXPENDITURES				
Current -				
Public safety:				
Personal services and related benefits	4,411,500	4,629,197	4,601,394	27,803
Operating services	213,000	229,857	257,985	(28,128)
Operations and maintenance	891,500	1,060,942	995,309	65,633
Travel and other charges	7,500	10,400	7,082	3,318
Intergovernmental transfer - APPJ	-	180,000	157,404	22,596
Capital outlays	270,000	215,652	309,199	(93,547)
Debt service:				
Principal	62,500	55,000	29,342	25,658
Interest	6,500	6,500	1,626	4,874
TOTAL EXPENDITURES	<u>5,862,500</u>	<u>6,387,548</u>	<u>6,359,341</u>	<u>28,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(280,400)</u>	<u>87,635</u>	<u>231,610</u>	<u>143,975</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	300,000	170,000	153,161	(16,839)
Operating transfers out	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>300,000</u>	<u>170,000</u>	<u>153,161</u>	<u>(16,839)</u>
NET CHANGE IN FUND BALANCE	<u>19,600</u>	<u>257,635</u>	<u>384,771</u>	<u>127,136</u>
FUND BALANCE, BEGINNING	<u>1,808,332</u>	<u>1,808,332</u>	<u>1,808,332</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,827,932</u>	<u>\$ 2,065,967</u>	<u>\$ 2,193,103</u>	<u>\$ 127,136</u>

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
GENERAL FUND EXPENDITURES
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Current				
Public safety:				
Personal services and related benefits:				
Sheriff salary	156,000	156,000	162,123	(6,123)
Deputies' salary	2,865,000	2,995,897	2,997,344	(1,447)
Hospitalization and life insurance	650,000	650,000	772,927	(122,927)
Pension, deferred compensation, and payroll taxes	740,500	827,300	669,000	158,300
TOTAL PERSONAL SERVICES AND RELATED BENEFITS	4,411,500	4,629,197	4,601,394	27,803
Operating services:				
Auto insurance	70,000	81,482	105,357	(23,875)
Collection expense - sales tax	53,000	61,500	56,493	5,007
Other liability insurance	65,000	63,000	63,550	(550)
Other operating services	25,000	23,875	32,585	(8,710)
TOTAL OPERATING SERVICES	213,000	229,857	257,985	(28,128)
Operations and maintenance:				
Auto fuel and oil	150,000	127,000	130,414	(3,414)
Auto maintenance	55,000	80,000	48,317	31,683
Contract labor	65,000	81,385	82,385	(1,000)
Criminal investigation expenditures	9,000	9,000	10,580	(1,580)
Deputy supplies	37,500	26,500	23,447	3,053
Dues and subscriptions	25,000	15,000	15,116	(116)
Juvenile	-	7,500	7,956	(456)
Office supplies	107,500	122,400	97,449	24,951
Prisoner feeding and maintenance	200,000	252,000	249,390	2,610
Radio operation and maintenance	25,000	28,500	8,019	20,481
Tax notices	10,000	10,742	12,953	(2,211)
Telephone	65,000	65,500	67,472	(1,972)
Training	7,500	7,500	8,141	(641)
Repairs and maintenance	3,500	25,500	29,574	(4,074)
Utilities	55,000	107,000	108,656	(1,656)
Other	76,500	95,415	90,783	4,632
TOTAL OPERATIONS AND MAINTENANCE	891,500	1,060,942	990,652	70,290
Travel	7,500	10,400	11,739	(1,339)
Intergovernmental transfer - APPJ	-	180,000	157,404	22,596
TOTAL INTERGOVERNMENTAL TRANSFER	-	180,000	157,404	22,596
Capital Outlays:				
Equipment and automobiles	270,000	215,652	309,199	(93,547)
TOTAL CAPITAL OUTLAYS	270,000	215,652	309,199	(93,547)
Debt Service:				
Principal	62,500	55,000	29,342	25,658
Interest	6,500	6,500	1,626	4,874
TOTAL DEBT SERVICES	69,000	61,500	30,968	30,532
TOTAL EXPENDITURES	\$ 5,862,500	\$ 6,387,548	\$ 6,359,341	\$ 28,207

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
E-911 SPECIAL REVENUE FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Commissions - telephone	\$ 249,000	\$ 240,000	\$ 239,013	\$ (987)
Interest income	-	-	86	86
TOTAL REVENUES	249,000	240,000	239,099	(901)
EXPENDITURES				
Current -				
Public safety:				
Operating services	245,000	230,000	195,746	34,254
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	34,289	(34,289)
Interest	-	-	1,636	(1,636)
TOTAL EXPENDITURES	245,000	230,000	231,671	(1,671)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	4,000	10,000	7,428	(2,572)
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	4,000	10,000	7,428	(2,572)
FUND BALANCE, BEGINNING	57,807	57,807	57,807	-
FUND BALANCE, ENDING	\$ 61,807	\$ 67,807	\$ 65,235	\$ (2,572)

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COUSHATTA TRIBE OF LOUISIANA COMMUNITY GRANT FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Grant revenue	\$ 460,000	\$ 450,000	\$ 449,768	\$ (232)
Interest income	-	-	19	19
TOTAL REVENUES	460,000	450,000	449,787	(213)
EXPENDITURES				
Current -				
Public safety:				
Operating services	-	-	-	-
Capital outlay	-	21,241	21,241	-
TOTAL EXPENDITURES	-	21,241	21,241	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	460,000	428,759	428,546	(213)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(410,653)	(483,346)	(466,508)	16,838
Total other financing sources (uses)	(410,653)	(483,346)	(466,508)	16,838
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	49,347	(54,587)	(37,962)	16,625
FUND BALANCE, BEGINNING	161,281	161,281	161,281	-
FUND BALANCE, ENDING	\$ 210,628	\$ 106,694	\$ 123,319	\$ 16,625

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
EMPLOYEE HEALTH CARE PLAN
Schedule of Funding Progress
For the Year Ended June 30, 2017

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
July 1, 2009	\$ -	\$ 3,413,531	\$ 3,413,531	0.0%	\$ 2,594,464	132%
July 1, 2011	\$ -	\$ 4,112,038	\$ 4,112,038	0.0%	\$ 2,401,265	171%
July 1, 2014	\$ -	\$ 4,584,498	\$ 4,584,498	0.0%	\$ 2,738,487	167%
July 2, 2016	\$ -	\$ 5,689,755	\$ 5,689,755	0.0%	\$ 3,240,376	176%

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2017

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.356529%	\$ 1,411,857	\$ 2,487,829	56.75%	87.34%
2016	0.375229%	\$ 1,672,590	\$ 2,738,487	61.08%	86.61%
2017	0.402352%	\$ 2,553,686	\$ 3,331,611	76.65%	82.09%

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

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

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Schedule of Employer Contributions
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 354,253	\$ 354,253	\$ -	\$ 2,487,829	14.25%
2016	\$ 354,516	\$ 393,674	\$ (39,158)	\$ 2,738,487	14.38%
2017	\$ 377,832	\$ 445,318	\$ (67,486)	\$ 3,331,611	13.37%

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

See Independent Auditor's Report.

Allen Parish Sheriff
Oberlin, Louisiana
Notes to the Required Supplementary Information
For the Year Ended June 30, 2017

(1) Budgets

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

1. The chief financial officer prepares a proposed budget for the general and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.

(2) Pension Plan

Changes of Assumptions- Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

OTHER SUPPLEMENTARY INFORMATION

Allen Parish Sheriff
Oberlin, Louisiana

General Descriptions

AGENCY FUNDS

SHERIFF'S FUND

To account for funds held in connection with civil suits, Sheriff's sales and garnishments, bonds and fines, and costs and payment of the collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

TAX COLLECTOR FUND

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

COMMISSION ON AGING FUND

The Commission on Aging Fund accounts for monies earned from a local fundraiser. All funds are expended to provide food and plaques for senior citizen events and to cover expenses for Senior Citizen Day at the Allen Parish Fair.

INMATE WELFARE FUND

The Inmate Welfare Fund accounts for receipts and disbursements made to the individual prison inmate accounts.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
AGENCY FUNDS
Combining Statement of Fiduciary Net Position
June 30, 2017

	SHERIFF'S FUND	TAX COLLECTOR FUND	INMATE WELFARE FUND	TOTAL
ASSETS				
Cash	\$ 424,211	\$ 61,843	\$ 32,276	\$ 518,330
Due from others	-	-	2,482	2,482
	<u>424,211</u>	<u>61,843</u>	<u>34,758</u>	<u>520,812</u>
TOTAL ASSETS	<u>\$ 424,211</u>	<u>\$ 61,843</u>	<u>\$ 34,758</u>	<u>\$ 520,812</u>
LIABILITIES				
Due to others	\$ -	\$ -	\$ 17,802	\$ 17,802
Due to taxing bodies and others	424,211	61,843	16,956	503,010
	<u>424,211</u>	<u>61,843</u>	<u>34,758</u>	<u>520,812</u>
TOTAL LIABILITIES	<u>\$ 424,211</u>	<u>\$ 61,843</u>	<u>\$ 34,758</u>	<u>\$ 520,812</u>

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
June 30, 2017

	SHERIFF'S FUND	TAX COLLECTOR FUND	INMATE WELFARE FUND	TOTAL
Balances, beginning of year	\$ 363,313	\$ 13,859	\$ 9,172	\$ 386,344
Additions:				
Deposits -				
Sheriff's sales, suits, and seizures	222,569	-	-	222,569
Fines and costs	1,111,786	-	-	1,111,786
Inmates	-	-	254,627	254,627
Taxes, fees, etc., paid to tax collector	-	14,965,915	-	14,965,915
Other additions	127	-	46	173
TOTAL ADDITIONS	<u>1,334,482</u>	<u>14,965,915</u>	<u>254,673</u>	<u>16,555,070</u>
TOTAL	<u>1,697,795</u>	<u>14,979,774</u>	<u>263,845</u>	<u>16,941,414</u>
Reductions:				
Taxes, fees, etc., distributed to taxing bodies and others	-	10,080,300	-	10,080,300
Deposits settled to -				
State agencies	21,429	33,995	-	55,424
Sheriff's General Fund	226,791	1,582,516	-	1,809,307
Clerk of Court	73,740	9,606	-	83,346
Coroner	4,295	-	-	4,295
Police Jury	254,752	3,200,309	-	3,455,061
District Attorney	99,121	-	-	99,121
Judicial Expense Fund	35,323	-	-	35,323
Indigent Defender Fund	89,351	-	-	89,351
Litigants and attorneys	354,003	-	-	354,003
Inmates	-	-	246,842	246,842
Other reductions	114,779	11,205	47	126,031
TOTAL REDUCTIONS	<u>1,273,584</u>	<u>14,917,931</u>	<u>246,889</u>	<u>16,438,404</u>
Balances, end of year	<u>\$ 424,211</u>	<u>\$ 61,843</u>	<u>\$ 16,956</u>	<u>\$ 503,010</u>

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Supplemental Information Schedule
Community Grant Agreement-Coushatta Tribe of Louisiana
For the Year Ended June 30, 2017

<u>Revenues:</u>	
Gaming revenue	\$ 449,768
Investment earnings	19
Total revenues	<u>\$ 449,787</u>
<u>Expenditures:</u>	
Capital outlay:	
2017 Dodge Caravan	\$ 21,241
Transfer to Construction Fund- jail construction	217,745
Transfer to General Fund- correctional employee salaries and jail maintenance	153,161
Transfer to Debt Service Fund- revenue bond interest payment	95,602
Total expenditures	<u>\$ 487,749</u>

See Independent Auditor's Report.

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

Agency Head Name: _____

Douglas L. Hebert, III

Purpose	Amount
Salary	\$ 141,926
Benefits-insurance	9,312
Benefits-retirement	21,746
Benefits-other (Section 414 H 2)	8,411
Car allowance	14,192
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	385
Conference travel	354
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	260

See Independent Auditor's Report.

STATE OF LOUISIANA,

PARISH OF ALLEN.

**AFFIDAVIT
DOUGLAS L. HEBERT, III, SHERIFF OF ALLEN PARISH**

BEFORE ME, the undersigned authority, personally came and appeared DOUGLAS L. HEBERT, III, the sheriff of Allen Parish, Louisiana, who after being duly sworn, deposed and said:

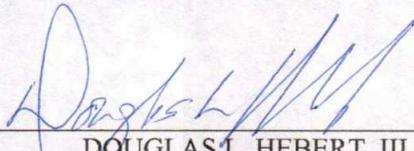
The following information is true and correct:

\$61,843 is the amount of cash on hand in the tax collector bank accounts on June 30, 2017.

HE FURTHER deposed and said:

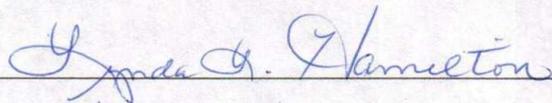
All itemized statements of the amount of taxes collected for tax year 2017, by taxing authority, are true and correct.

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



DOUGLAS L. HEBERT, III
SHERIFF OF ALLEN PARISH, LOUISIANA

SWORN TO AND SUBSCRIBED, before me, Notary, this 22nd day of November, 2017, in my office in Oberlin, Allen Parish, Louisiana.



Lynda L. Hamilton (Print) #: 37444
Notary Public

Expires with life (Commission)

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

STEVEN M. DEROUEN & ASSOCIATES

Certified Public Accountants

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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 Douglas L. Hebert, III
Allen Parish Sheriff
Oberlin, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Allen Parish Sheriff as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Allen Parish Sheriff's basic financial statements and have issued my report thereon dated December 22, 2017.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies. See items 2017-001 and 2017-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allen Parish Sheriff's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Allen Parish Sheriff's Response to Findings

The Allen Parish Sheriff's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The Allen Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 22, 2017

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified.

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

Internal Control

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> X </u>	Yes	<u> </u>	None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

N/A

Section II - Financial Statement Findings

2017-001 Segregation of Duties

Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this significant deficiency in internal control by supervision and review procedures.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

2017-002 Controls Over Financial Reporting

Condition:	In my judgment, the personnel of the Allen Parish Sheriff do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).
Criteria:	The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. Auditing standards emphasize that the auditor cannot be part of your system of internal control over financial reporting.
Effect:	Misstatements in financial statements could go undetected.
Recommendation:	In my judgment, due to the lack of resources available to management to correct this significant deficiency in financial reporting, we recommend management mitigate this significant deficiency in internal control by having a heightened awareness of all transactions being reported.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible. Management will carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Section III – Federal Award Findings and Questioned Costs

None.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2017

2016-001 Segregation of duties:

Corrective Action Taken: This is an ongoing finding that cannot be corrected due lack of financial resources and the size of the entity.

2016-002 Controls over financial reporting:

Corrective Action Taken: This is an ongoing finding that cannot be corrected due lack of financial resources and the size of the entity.

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AGREED-UPON PROCEDURES REPORT

ALLEN PARISH SHERIFF

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017

To the Honorable Douglas L. Hebert and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Allen Parish Sheriff and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 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, I 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
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
 - j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exceptions: The written policies and procedures did not address contracting, travel and expense reimbursement, and debt service. The payroll/personnel policy did not address (2) reviewing and approving time and attendance records. The credit card policy did not address (1) how cards are to be controlled, (2) allowable business uses and (4) required approvers. The ethics policy did not address (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.

Management's response: While the Allen Parish Sheriff actively employs and monitors above policies and procedures listed as "exceptions", they are not written into their policy manual. The written policies and procedures will be updated to address all items listed as "exceptions".

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - 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.

Not Applicable.

Bank Reconciliations

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

Exception: The bank reconciliations did not include evidence that a member of management with no involvement in transactions associated with the bank accounts has reviewed the bank reconciliations.

Management's Response: While management reviews the monthly bank reconciliations, no evidence (ex. manager initials) is made on the bank reconciliation itself. The Sheriff will begin initialing the bank reconciliations to provide evidence of review and approval.

Collections

5. Obtain a listing of cash/check/money order (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.
 - 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.
 - 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.
 - 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.
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.

Exceptions: Due to the limited number of office personnel, three employees take in cash and reconcile bank accounts. Cash drawers are segregated by collection item and multiple employees use the same cash drawer. Due to the limited number of office personnel, persons who take in cash also reconcile cash collections. Due to the limited number of office personnel, a person who is responsible for collections, also reconciles collections.

Management's Response: Management has compensating controls whereby bank reconciliations are reviewed by someone other than the person who prepared the reconciliation. As a compensated control, the persons responsible for cash collections do not reconcile their primary cash drawers at the end of each workday. This end-of-day cash collection reconciliation is performed by a different employee.

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

Exceptions: While all sampled purchases were approved prior to processing, noted three purchases were processed without using a purchase order. While used only as a backup in the event of an employee absence, the person responsible for processing payments can also add a vendor to the entity's purchasing/disbursement system. Due to limited office staff, the person for responsible for purchases can also initiate a purchase.

Notice: One of the three employees with signatory authority also has system access to print checks.

Management's Response: Management reviewed and approved all invoices prior to processing and is in the process of updating their purchase order policy. The person responsible for processing payments rarely adds vendors to the purchasing/disbursement system. Also, due to the limited number of Sheriff employees, management feels this access is necessary as a backup in the event of employee absence. Do to the limited amount of office staff, management feels it is necessary for the person who processes payments to also be able to initiate a purchase. As a compensating control, all large purchases are discussed at weekly meetings and all invoices are reviewed by another employee who cannot initiate nor process payments.

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.

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.]

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

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

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

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

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.

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

No findings.

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.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
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.
 - 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.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - 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.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions: The written policies and procedures did not address travel and expense reimbursements. While evident the three sampled travel expenditures were for business purposes, two travel disbursements did not indicate the specific business purpose.

Management's response: While the Allen Parish Sheriff actively employs procedures and monitors travel and expense reimbursements, it is not written into their policy manual. The written policies and procedures will be updated to address travel and expense reimbursements. While evident the two travel disbursements listed under "exceptions" were for business purposes, management will now indicate the specific business purpose of travel expenditures on all travel receipts.

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.
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.
 - 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)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - 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.
 - 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).

No findings.

Payroll and Personnel

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

- 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.
 - 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.
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.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - 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.
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.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No findings.

Ethics

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.
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.

No findings.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
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.

No findings.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
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.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No findings.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.

Steven M. DeRouen & Associates

December 22, 2017
Lake Charles, Louisiana