

**OUACHITA PARISH SHERIFF**

Monroe, Louisiana

*Annual Financial Report*

*As of and for the Year Ended June 30, 2019*



**Ouachita Parish Sheriff  
Monroe, Louisiana**

**Financial Report  
As of and for the Year Ended June 30, 2019**

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**Ouachita Parish Sheriff  
Monroe, Louisiana**

**Financial Report  
As of and for the Year Ended June 30, 2019**

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**(Concluded)**

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## INDEPENDENT AUDITORS' REPORT

**The Honorable Jay Russell  
Ouachita Parish Sheriff  
Monroe, Louisiana**

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the Table of Contents.

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

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

### **Auditors' Responsibility**

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

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

Ouachita Parish Sheriff  
Monroe, Louisiana

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Ouachita Parish Sheriff as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10, the Budgetary Comparison Schedule on page 45, the Schedule of Changes in Net OPEB Liability and Related Ratios on page 46, Schedule of Employer Contributions on page 47, Schedule of Proportionate Share of Net Pension Liability on page 48, and the Schedule of Contributions on page 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 51 through 54 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates 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 statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ouachita Parish Sheriff  
Monroe, Louisiana

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 6, 2019

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART A)**

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Management's Discussion and Analysis (Unaudited)**

Within this section of the Ouachita Parish Sheriff (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2019. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

The Sheriff's net position decreased by \$72,738.

The Sheriff's governmental fund - General Fund reported total ending fund balance of \$15,907,125 this year. This compares to the prior year ending fund balance of \$15,288,754 representing an increase of \$618,371 for the current year. This increase is primarily due to additional ad valorem taxes collected along with additional income from feeding, keeping and transporting of prisoners.

Total net position of governmental activities is \$(26,744,221). This results primarily from the requirements per GASB 68 *Accounting and Financial Reporting for Pensions* which requires recognizing the actuarial determined pension liability of \$12,064,392. Another liability is required to be reported as required by GASB 75 *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (OPEB) of \$37,138,889.

Overall, the Sheriff continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Management's Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall financial health of the Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 12 - 13 of this report.

## FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff has one governmental fund, the General Fund.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 15 - 18 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff reports four agency funds.

The agency fund financial statement is presented on page 19 of this report.

Notes to the basic financial statements:

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. A budgetary comparison schedule is included as "required supplemental information" for the General Fund. This schedule demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found beginning on page 45 of this report.

In addition, details of the individual agency funds are presented as other supplemental information beginning on page 51 of this report.

#### FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's net position decreased between fiscal years 2018 and 2019 by \$72,738. The following table provides a summary of the Sheriff's net position:

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets:		
Current assets and other assets	\$ 17,327,042	\$ 16,625,041
Capital assets	<u>6,374,713</u>	<u>6,334,502</u>
Total assets	<u>23,701,755</u>	<u>22,959,543</u>
Deferred Outflows of Resources	6,759,070	5,442,934
Liabilities:		
Current liabilities	1,419,917	1,336,287
Long-term liabilities	<u>51,484,553</u>	<u>51,075,186</u>
Total liabilities	<u>52,904,470</u>	<u>52,411,473</u>
Deferred Inflows of Resources	4,300,576	2,662,487
Net position:		
Net investment in capital assets	6,374,713	6,334,502
Unrestricted	<u>(33,118,934)</u>	<u>(33,005,985)</u>
Total net position	<u>\$ (26,744,221)</u>	<u>\$ (26,671,483)</u>

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities was 12 to 1 for both 2019 and 2018.

The Sheriff reported negative balances in net position for the governmental activities as previously noted due to GASB 68 and 75 implementation. Net position decreased \$72,738 for governmental activities in fiscal year 2019 and increased \$909,446 for governmental activities in fiscal year 2018.

## CHANGES IN NET POSITION

The Sheriff's total revenues were \$37.62 million representing an increase of approximately \$470,000 or 1.25% over 2018. A significant portion, 44.5% of the Sheriff's revenue comes from fees, fines and charges for services. Another 47.29% comes from taxes, while only 5.61% comes from grants and contributions.

The total cost of all programs and services was \$37.69 million, an increase of \$1.45 million or 4%. All of these costs are for public safety. Of the total costs, depreciation on the public safety and other equipment, buildings and vehicles was \$1,056,554 or 2.8% of total expenses.

Ouachita Parish Sheriff  
Statements of Activities  
June 30, 2019 and 2018

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
<u>Program Revenues</u>		
Fees, Fines and Charges for Services	\$ 16,745,944	\$ 16,509,509
Operating Grants and Contributions	1,937,145	1,989,460
Capital Grants and Contributions	173,566	174,615
<u>General Revenues</u>		
Property Taxes	13,567,754	13,329,149
Sales Taxes	4,224,368	4,206,635
State Revenue Sharing	639,750	653,746
Investment Earnings	267,675	163,623
Other	64,697	125,738
<b>Total Revenues</b>	<u>37,620,899</u>	<u>37,152,475</u>
<b>Expenses</b>		
Public Safety	37,693,637	36,243,029
Change in net position	(72,738)	909,446
Beginning net position	(26,671,483)	(27,580,929)
Ending net position	<u>\$ (26,744,221)</u>	<u>\$ (26,671,483)</u>

## FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

### Governmental Funds

As discussed, governmental funds are reported in the fund financial statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$15,907,125, an increase of \$618,371 from the preceding year. This increase is primarily due to rise in ad valorem taxes collected and additional income from keeping and feeding prisoners. The vast majority of these funds is unassigned and is available for continuing the Sheriff's activities.

### MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's only operating fund and the source of day-to-day service delivery.

Revenues from this governmental fund type increased \$468,424 or 1.3%. Most of the increase can be attributed to property taxes and feeding, keeping and transporting prisoners. Expenditures decreased \$1,118,138 or 2.9%. Most of the decrease comes from the completion of the OPSO Training Facility and the related equipment and furnishings in the prior fiscal year.

### BUDGETARY HIGHLIGHTS

#### General Fund

The Sheriff was not required to revise the original budget. Actual expenditures were \$113,708 (.3%) more and actual revenues were \$732,079 (1.8%) greater than the final budgeted amounts.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2019, was \$6,374,713. This represents a net increase (including additions and deductions) of \$40,211. This increase was related mainly to the current year acquisitions of vehicles and machinery and equipment exceeding the current year depreciation. Additional information regarding Capital Assets is available in the Notes to the Financial Statements.

Ouachita Parish Sheriff  
 Sheriff's Capital Assets  
 June 30, 2019 and 2018

	Governmental Activities	
	2019	2018
Vehicles	5,886,485	5,965,055
Machinery & equipment	4,062,669	3,888,371
Buildings and building improvements	5,105,635	5,100,873
Rifle range land	489,755	489,755
Construction in progress	-	-
Totals at historical cost	15,544,544	15,444,054
Total accumulated depreciation	9,169,831	9,109,552
Net capital assets	\$ 6,374,713	\$ 6,334,502

At June 30, 2019, the net depreciable capital assets for governmental activities were 41.01% undepreciated versus 41.02% in the prior year. The percentage of remaining life is an indicator of the age of the asset. The higher the percentage reflects the capital asset has a longer remaining lifespan. The assets, therefore at June 30, 2019 have about 2/5 of their useful life remaining. As this percentage decreases, one can assume that more resources will have to be used to replace the older capital assets.

**Long-term obligations**

At the end of the fiscal year, the Sheriff had total Long-Term Obligations of \$51,484,553 which consists of \$2,181,272 accrued annual vacation and compensated absences, \$100,000 in claims and judgments payable, \$37,138,889 in other post-retirement benefits payable (OPEB) and \$12,064,392 in net pension liability. This amount represents an increase from 2018 of \$409,368. This increase is primarily attributable to the other post-employment and compensated absences offset by a decrease in the net pension liability.

**CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Jay Russell, Sheriff, Ouachita Parish Sheriff and Tax Collector, 400 St. John St, Suite 109, Monroe, LA 71201.

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Statement of Net Position**  
**Governmental Activities**  
**June 30, 2019**

<b>ASSETS</b>	
Cash	\$ 3,747,023
Investments	12,280,693
Receivables	949,301
Due from other funds	334,721
Prepaid Asset	192
Inventory	15,112
Capital assets, net	6,374,713
<b>TOTAL ASSETS</b>	<u>23,701,755</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	6,759,070
Other post-employment benefits	-
<b>LIABILITIES</b>	
Accounts payable	202,578
Accrued payroll & other	1,217,339
Long-term liabilities:	
Due within one year	2,181,272
Due after one year	49,303,281
<b>TOTAL LIABILITIES</b>	<u>52,904,470</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	4,178,735
Other post-employment benefits	121,841
<b>NET POSITION</b>	
Net investment in capital assets	6,374,713
Unrestricted	<u>(33,118,934)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (26,744,221)</u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Statement of Activities**  
**For the Year Ended June 30, 2019**

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenues and Changes in Net Assets Governmental Activities</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental Activities</b>					
Public safety	\$ 37,693,637	\$ 16,745,944	\$ 1,937,145	\$ 173,566	\$ (18,836,982)
Total	<u>\$ 37,693,637</u>	<u>\$ 16,745,944</u>	<u>\$ 1,937,145</u>	<u>\$ 173,566</u>	<u>(18,836,982)</u>

## General revenues

## Taxes, levied for general purposes:

Property taxes	13,567,754
Sales taxes	4,224,368
State revenue sharing	639,750
Interest and investment earnings	267,675
Miscellaneous	<u>64,697</u>
Total general revenues	<u>18,764,244</u>

## Change in net position

Change in net position	(72,738)
Net position - at beginning of year	<u>(26,671,483)</u>
Net position - at end of year	<u>\$ (26,744,221)</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS**

**OUACHITA PARISH SHERIFF  
Monroe, Louisiana**

**Balance Sheet - Governmental Fund  
General Fund**

**June 30, 2019**

**ASSETS**

Cash	\$ 3,747,023
Investments	12,280,693
Receivables	949,301
Due from other funds	334,721
Prepaid Legal	192
Inventories	<u>15,112</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>17,327,042</u></u></b>

**LIABILITIES AND FUND BALANCES****Liabilities**

Accounts payable	\$ 202,578
Accrued payroll & other	<u>1,217,339</u>
Total Liabilities	<u><u>1,419,917</u></u>

**Fund Balances**

Nonspendable	15,112
Unassigned	<u>15,892,013</u>
Total Fund Balances	<u><u>15,907,125</u></u>

<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u><u>17,327,042</u></u></b>
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The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF  
Monroe, Louisiana**

**Reconciliation of the Governmental Fund's Balance Sheet  
to the Statement of Net Position**

**June 30, 2019**

Total fund balances - governmental fund		\$ 15,907,125
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 15,544,544	
Less: accumulated depreciation	<u>(9,169,831)</u>	6,374,713
Deferred Outflows of Resources - Pensions		
Pensions	6,759,070	
Other post-employment benefits	<u>-</u>	6,759,070
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund		
Claims and judgments payable	(100,000)	
Compensated absences payable	(2,181,272)	
Net Pension Liability	(12,064,392)	
Other post-employment benefits payable	<u>(37,138,889)</u>	(51,484,553)
Deferred Inflows of Resources - Pensions		
Pensions	(4,178,735)	
Other post-employment benefits	<u>(121,841)</u>	<u>(4,300,576)</u>
Total net position - governmental activities		\$ <u>(26,744,221)</u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund - General Fund**

**For the Year Ended June 30, 2019**

<b>REVENUES</b>	
Ad valorem taxes	\$ 13,567,754
Sales taxes	4,224,368
Intergovernmental revenues:	
Federal grants	173,566
State grants:	
State revenue sharing (net)	639,750
State supplemental pay	1,827,731
Other	96,264
Other grants and contributions	13,150
Fees, charges, and commissions for services:	
Services and programs	1,645,407
Civil and criminal fees	1,706,724
Court attendance	53,284
Feeding, keeping and transporting of prisoners	13,022,556
Tax notices, etc.	317,973
Use of money and property	267,675
Other	29,794
<b>TOTAL REVENUES</b>	<u>37,585,996</u>
<b>EXPENDITURES</b>	
Public safety	
Current	
Personal services and related benefits	30,827,618
Operating services	2,054,966
Materials and supplies	2,459,253
Travel and other charges	454,914
Capital outlay	1,205,777
<b>TOTAL EXPENDITURES</b>	<u>37,002,528</u>
<b>Excess of revenues over expenditures</b>	<u>583,468</u>
<b>OTHER FINANCING SOURCES</b>	
Compensation for damage and sale of assets	34,903
<b>Total other financing sources</b>	<u>34,903</u>
<b>Excess of Revenues and Other Sources Over Expenditures</b>	618,371
<b>Fund Balance at Beginning of Year</b>	<u>15,288,754</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 15,907,125</u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Reconciliation of the Governmental Fund's Statement of Revenues,  
Expenditures and Changes in Fund Balance  
to the Statement of Activities**

**For the Year Ended June 30, 2019**

Net change in fund balance - total governmental fund	\$	618,371
The change in net assets reported for governmental activities in the statement of activities is 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.		
Capital outlay	\$ 1,096,765	
Depreciation expense	<u>(1,056,554)</u>	40,211
Governmental funds reports annual premiums for other post-employment benefits as expenditures. However, in the statement of activities, only the current addition in the obligation is recognized as an expense.		
Change in Net Pension Liability	1,124,657	
Current year addition to the post-employment benefit payable	<u>(1,670,492)</u>	(545,835)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures.		
Loss on Disposition of Assets	-	
Compensated absences	<u>(185,485)</u>	<u>(185,485)</u>
Change in net position - governmental activities	\$	<u><u>(72,738)</u></u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF  
Monroe, Louisiana**

**Fiduciary Fund - Agency Funds  
Statement of Fiduciary Assets and Liabilities**

**June 30, 2019**

**ASSETS**

Cash and cash equivalents \$ 2,047,088

**TOTAL ASSETS** \$ 2,047,088

**LIABILITIES**

Due to General Fund \$ 334,721

Due to taxing bodies and others 1,712,367

**TOTAL LIABILITIES** \$ 2,047,088

The accompanying notes are an integral part of the basic financial statements.

# **OUACHITA PARISH SHERIFF**

## **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

### **INTRODUCTION**

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

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of programs such as neighborhood watch and anti-drug abuse. 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, 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 Tax Collector collects and disburses ad valorem taxes for municipalities, including the City of Monroe, City of West Monroe, Town of Sterlington, and Town of Richwood for a cost based fee. The Tax Collector also collects and disburses various fees assessed to taxpayers by the City of Monroe and fines, court costs, and bond fees for the Town of Sterlington and Town of Richwood.

#### *(1) Summary of Significant Accounting Policies*

##### *A. Reporting Entity*

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

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

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 Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".

#### *Government-Wide Financial Statements (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. However, fiduciary funds are not included. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

#### *Fund Financial Statements (FFS)*

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

#### *Governmental Funds -*

General Fund - The General Fund is the primary operating fund of the Sheriff and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and Federal laws and according to Sheriff policies. The General Fund is the only major fund of the Sheriff.

#### *Fiduciary Funds -*

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

#### *C. Measurement Focus/Basis of Accounting*

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

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

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

#### *Revenues*

Ad valorem taxes and 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 payable by December 31st, and become delinquent thereafter. The taxes are generally collected in December, January, and February of the fiscal year.

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

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

#### *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.

#### *D. Budgets*

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

1. The chief financial deputy prepares a proposed budget for the General Fund and submits it to the Sheriff for the fiscal year not later than fifteen days prior to the beginning of each fiscal year.

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for 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.
7. Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

#### *E. Cash and Interest-Bearing Deposits*

Cash and interest-bearing deposits include amounts in the demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

#### *F. Investments*

Under state law, 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 their 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. The reported value of the pool is the same as the fair value of the pool shares.

# OUACHITA PARISH SHERIFF

## Notes to the Financial Statements As of and For the Year Ended June 30, 2019

### G. *Uncollectible Allowance*

The statements contain no provision for uncollectible accounts. The Sheriff is of the opinion that such allowance would be immaterial in relation to the basic financial statements taken as a whole.

### H. *Short-Term Interfund Receivables/Payables*

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

### I. *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.

### J. *Capital Assets*

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Construction in progress is not depreciated until the asset is completed and placed into service. All capital assets except 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 (Years)</u>
Office furniture and equipment	3-5
Vehicles	5
Machinery, safety and communications equipment	3-10
Buildings & building improvements	7-25

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

#### *K. Compensated Absences*

After one year of service, employees of the Sheriff earn 8 days of vacation leave. After that, an additional day of vacation is added for each year of service except for years 3-5 and years 10-12. After 17 years of service, vacation hours reach a maximum of 20 days. After three full months of service, employees earn sick leave at the rate of one day per month of service. There is no maximum number of hours that an employee may accumulate. Employees are not paid for accumulated sick leave upon separation from service. Compensatory time is accrued at 1.5 hours for each hour worked and holiday time is accrued at 1.0 hour for each holiday hour worked. If an employee leaves the employment of the Sheriff, all accrued vacation, compensatory time and holiday pay are paid to the employee.

At June 30, 2019, employees of the Sheriff have \$2,181,272 accumulated and vested employee leave benefits, which was computed in accordance with GASB Codification C60. This amount is recorded in long-term liabilities on the statement of net position.

#### *L. Equity Classifications*

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

- a. 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

## OUACHITA PARISH SHERIFF

### Notes to the Financial Statements As of and For the Year Ended June 30, 2019

In the fund financial statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB Statement 54 for the year ended June 30, 2012. As such, fund balances of the governmental funds are classified as follows:

*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff reduces committed amounts first, followed by assigned amounts and the unassigned amounts.

#### *M. 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.

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

#### *N. Contingencies*

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering its property, automobiles, law enforcement professional liability, and surety bond coverage. The Ouachita Parish Police Jury maintains insurance coverage on the building and its contents. No claims were paid on any of the Sheriff's policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2019.

#### *O. Pension Plans*

The Ouachita Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund) as described in Note 7. 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 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 have been reported at fair value within the Plan.

#### *P. Subsequent Event Review*

The Sheriff has evaluated subsequent events through December 6, 2019, the date which the financial statements were available to be issued resulting in no adjustments.

#### *(2) Cash and Cash Investments*

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, 2019, the Sheriff has cash and interest-bearing deposits (book balances excluding \$3,200 petty cash) totaling \$5,790,911 as follows:

## OUACHITA PARISH SHERIFF

### Notes to the Financial Statements As of and For the Year Ended June 30, 2019

	General Fund	Fiduciary Funds	Total
Noninterest-bearing deposits	\$ 21,879	\$ 598,406	\$ 620,285
Interest-bearing deposits	3,721,944	1,448,682	5,170,626
<b>Total</b>	<b>\$ 3,743,823</b>	<b>\$ 2,047,088</b>	<b>\$ 5,790,911</b>

*Custodial credit risk – deposits.* These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at June 30, 2019, are secured, as follows:

Bank balances	\$ 7,021,073
Federal deposit insurance	\$ 500,000
Pledged securities	8,725,896
<b>Total</b>	<b>\$ 9,225,896</b>

*Custodial credit risk – investments.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Sheriff had no custodial credit risk related to its investments at June 30, 2019.

*Credit risk.* Under state law, the Sheriff may invest funds in obligations of the United States, in Federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Sheriff's investments consist of certificates of deposit which are covered by Federal deposit insurance or by pledged securities and participation in the Louisiana Asset Management Pool (LAMP). At June 30, 2019, the Sheriff had investments totaling \$12,280,693 stated at cost, which approximates market.

*Concentration of credit risk.* The Sheriff does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

## OUACHITA PARISH SHERIFF

### Notes to the Financial Statements As of and For the Year Ended June 30, 2019

The Sheriff participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment.

*Interest rate risk.* The Sheriff manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2019, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 12.11 mills on property with net assessed valuations (after homestead exemption) totaling \$1,115,120,601.

#### (4) *Receivables*

The following is a summary of receivables at June 30, 2019:

Federal	\$	-
State		182,468
Local		<u>766,833</u>
Total	\$	<u><u>949,301</u></u>

**OUACHITA PARISH SHERIFF**

**Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019**

*(5) Interfund Transactions*

Interfund receivables and payables consisted of amounts due to/from other funds for fees earned for services performed. They consisted of the following at June 30, 2019:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 334,721	\$ -
Agency Funds:		
Tax Collector	-	76,978
Inmate	-	257,743
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 334,721</u>	<u>\$ 334,721</u>

*(6) Capital Assets*

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets not being depreciated				
Rifle range land	\$ 489,755	\$ -	\$ -	\$ 489,755
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>489,755</u>	<u>-</u>	<u>-</u>	<u>489,755</u>
Capital assets being depreciated				
Vehicles	5,965,055	434,845	513,415	5,886,485
Machinery and equipment	3,888,371	657,158	482,860	4,062,669
Buildings and building improvements	5,100,873	4,762	-	5,105,635
Total capital assets being depreciated	<u>14,954,299</u>	<u>1,096,765</u>	<u>996,275</u>	<u>15,054,789</u>
Less: accumulated depreciation	<u>9,109,552</u>	<u>1,056,554</u>	<u>996,275</u>	<u>9,169,831</u>
Governmental activities capital assets - net	<u>\$ 6,334,502</u>	<u>\$ 40,211</u>	<u>\$ -</u>	<u>\$ 6,374,713</u>

Depreciation expense for the year ended June 30, 2019 in the amount of \$1,056,554 was charged to public safety.

## OUACHITA PARISH SHERIFF

### Notes to the Financial Statements As of and For the Year Ended June 30, 2019

#### (7) *Pension Plan*

Substantially all employees of the Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (the System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The System issues an annual financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 1225 Nicholson Dr, Baton Rouge, Louisiana 70802 or by calling (225) 219-0500.

The Sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date- an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

#### **Plan Description:**

The Louisiana Sheriff's Pension and Relief Fund is the administrator of a cost-sharing, multiple employer defined benefit plan. The plan provides retirement, disability and survivor benefits to employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the Sheriff's Pension and Relief Fund's office as provided for in LRS 11:2171.

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. 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. Members who joined the system on or after January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of service may retire with a reduced retirement at age 50. For members eligible on or before June 30,

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

2006, final average compensation is based on the average monthly earnings during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12 month period within the 36 month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12 month period within the 60 months shall not exceed 115% of the preceding 12 month period.

A member is eligible to receive disability benefits if the member has at least 10 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 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 the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under 18 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 4 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.

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.

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

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

Cost of living 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.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 12.25%. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2019.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Parish Sheriff's

## OUACHITA PARISH SHERIFF

### Notes to the Financial Statements As of and For the Year Ended June 30, 2019

contributions to the System, for the years ending June 30, 2019, 2018, and 2017, were \$4,983,447, \$4,980,412, and \$5,012,717, respectively.

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

At June 30, 2019, the Sheriff reported a liability of \$12,064,392 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 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, 2018, the Sheriff's proportion was 3.1461%, which was an increase of 0.0665% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$2,916,989 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$62,116.

At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$(3,386,664)
Changes of assumptions	3,566,404	-
Net difference between projected and actual earnings on pension plan investments	-	(716,180)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	479,447	(75,891)
Employer contributions subsequent to the measurement date	2,713,219	-
Total	\$ 6,759,070	\$ (4,178,735)

The Sheriff reported a total of \$2,713,219 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in net pension liability in the year ended June 30, 2020.

## OUACHITA PARISH SHERIFF

### Notes to the Financial Statements As of and For the Year Ended June 30, 2019

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	LSRPF
2019	\$ 759,996
2020	158,581
2021	(1,170,010)
2022	(44,127)
2023 and beyond	162,676
	<u>\$ (132,884)</u>

#### Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 is as follows:

<b>Valuation Date</b>	June 30, 2018
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	6 years
<b>Investment Rate of Return</b>	7.25%, net of investment expense
<b>Discount Rate</b>	7.25%
<b>Projected salary increases</b>	5.5% (2.60% inflation, 2.90% merit)
<b>Mortality</b>	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table

#### Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments 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.

**OUACHITA PARISH SHERIFF**

**Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the fund’s target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	62%	6.90%	4.30%
Bonds	23%	3.20%	0.70%
Alternative Investments	15%	4.50%	0.70%
Total	<u>100%</u>		<u>5.70%</u>
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>8.20%</u>

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. 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 pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Sheriff’s proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Sheriff’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

**OUACHITA PARISH SHERIFF**

**Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019**

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.25%	7.25%	8.25%
OPSO Share of			
NPL	\$ 27,303,329	\$ 12,064,392	\$ (765,052)

*(8) – Postemployment Health Care and Life Insurance Benefits*

**General Information about the OPEB Plan**

*Plan description* – The Ouachita Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Ouachita Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

*Benefits Provided* – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical/dental coverage for the retiree only (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 but must have 20 years of service with Ouachita Parish Sheriff’s Office to obtain medical coverage paid by the employer.

Life insurance coverage is continued to retirees by election. The employer pays for \$10,000 of life insurance after retirement for retirees but it is based on the blended active/retired rate and there is thus an implied subsidy. The employer also pays the "cost" of up to \$15,000 if the retiree elects to continue the full 2.5 times salary insurance amount into retirement with a similar implied subsidy for this amount. Also, although the retiree pays the "cost" of the excess elected benefit it is based on the blended rate and there is thus an additional implied subsidy. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. Based on past experience, we have assumed that 20% of future retirees will decline life insurance, 10% will elect only the basic \$10,000 and 70% will elect to continue the full 2.5 times salary.

*Employees covered by benefit terms* – At July 1, 2018, the following employees were covered by the benefit terms:

## OUACHITA PARISH SHERIFF

### Notes to the Financial Statements As of and For the Year Ended June 30, 2019

Inactive employees or beneficiaries currently receiving benefit payments	91
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>394</u>
	<u>485</u>

#### Total OPEB Liability

The Sheriff's total OPEB liability of \$37,138,889 was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2008 to June 30, 2019.

#### Changes in the Total OPEB Liability

Balance at June 30, 2018	<u>\$ 35,643,809</u>
Changes for the year:	
Service cost	842,559
Interest	1,235,043
Differences between expected and actual experience	131,213
Benefit payments and net transfers	<u>(713,735)</u>
Net changes	<u>1,495,080</u>
Balance at June 30, 2019	<u>\$ 37,138,889</u>

**OUACHITA PARISH SHERIFF**

**Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019**

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	<b>1.0% Decrease (2.5%)</b>	<b>Current Discount Rate (3.5%)</b>	<b>1.0% Increase (4.5%)</b>
Total OPEB liability	\$ 44,221,320	\$ 37,138,889	\$ 31,691,044

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

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 31,450,638	\$ 37,138,889	\$ 44,506,234

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

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$2,090,800. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 121,841
Total	\$ -	\$ 121,841

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

Years ending June 30:	
2019	\$ 13,198
2020	13,198
2021	13,198
2022	13,198
2023	13,198
2024	13,198
Thereafter	94,106

**OUACHITA PARISH SHERIFF**

**Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019**

*(9) Changes in General Long-Term Obligations*

The following is a summary of the long-term obligation transactions for the year ended June 30, 2019:

	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Other Post Employment Benefits</u>	<u>Total</u>
Long-term obligations at July 1, 2018	\$ 1,995,787	\$ 100,000	\$ 48,979,399	\$ 51,075,186
Additions	185,485	-	223,882	409,367
Deductions	-	-	-	-
Long-term obligations at June 30, 2019	<u>\$ 2,181,272</u>	<u>\$ 100,000</u>	<u>\$ 49,203,281</u>	<u>\$ 51,484,553</u>
Amounts due within one year	<u>\$ 2,181,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,181,272</u>

*(10) Agency Fund Deposits Due to Taxing Bodies and Others*

A summary of changes in Agency Fund deposits due to taxing bodies and others and due to prisoners follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>
Agency Fund				
Tax Collector	\$ 1,308,153	\$ 126,767,190	\$ 127,466,719	\$ 608,624
Civil	207,049	6,843,433	6,752,087	298,395
Bond	423,108	252,178	210,600	464,686
Inmate	180,010	4,529,846	4,369,194	340,662
Total	<u>\$ 2,118,320</u>	<u>\$ 138,392,647</u>	<u>\$ 138,798,600</u>	<u>\$ 1,712,367</u>

## **OUACHITA PARISH SHERIFF**

### **Notes to the Financial Statements As of and For the Year Ended June 30, 2019**

#### *(11) Litigation, Claims and Commitments*

At June 30, 2019, the Sheriff was involved in several lawsuits. The potential liability for lawsuits pending has been estimated to be \$100,000. No provision for any other liability resulting from lawsuits has been made in the accompanying financial statements.

The Sheriff has entered into various cancelable operating leases for office and communication equipment. Rental expense under all cancelable operating leases for the year ended June 30, 2019 was \$45,635.

#### *(12) On-Behalf Payments*

Certain employees of the Sheriff receive supplemental pay from the State of Louisiana. In accordance with GASB Statement No. 24, the Sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$1,827,731.

#### *(13) Expenditures of the Sheriff Paid by the Ouachita Parish Police Jury*

The Sheriff's office is located in the Ouachita Parish Courthouse Annex. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Ouachita Parish Police Jury.

#### *(14) Deferred Compensation Plan*

The Sheriff also offers employees the ability to participate in the Louisiana 457 Deferred Compensation Plan (the Plan). All current full-time employees are immediately eligible to participate in the Plan. For 2019, the maximum participant contribution amount is 100% of the employees' eligible compensation or \$18,500, whichever is less. Participants who will attain the age of 50 by the end of the year are permitted to make certain "catch-up" contributions up to an additional \$6,000 in 2019. The Sheriff matches 40% of the employee's contribution up to \$5,000. Participants are able to direct their investments into an array of mutual funds that the Plan offers. The Sheriff's contributions to the Plan (including employee contributions) for the years ended June 30, 2019, 2018, and 2017, were \$1,076,585, \$933,203 and \$941,296 respectively.

#### *(15) Federal Financial Assistance*

The Sheriff participated in the following Federal financial assistance programs during the year ended June 30, 2019:

**OUACHITA PARISH SHERIFF**

**Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>C.F.D.A. Number</b>	<b>Federal Expenditures</b>
<b>U. S. Department of Justice:</b>		
<b>Direct Programs:</b>		
Justice Assistance Grant	16.738	26,935
Justice Assistance Grant	16.738	<u>94,161</u>
Total Department of Justice		<u>121,096</u>
<b>Pass-Through Programs:</b>		
Louisiana Commission on Law Enforcement:		
Domestic Violence	16.588	40,277
Domestic Violence	16.588	<u>36,438</u>
Total Department of Justice		<u>76,715</u>
<b>Total Expenditures of Federal Awards</b>		<b>\$ <u>197,811</u></b>

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART B)**

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**General Fund**  
**Budgetary Comparison Schedule**

**For the Year Ended June 30, 2019**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Budgetary Fund Balance - Beginning of year</b>	\$ 15,288,754	\$ 15,288,754	\$ 15,288,754	\$ -
<b>Resources (Inflows)</b>				
Ad valorem taxes	13,400,000	13,400,000	13,567,754	167,754
Sales taxes	4,350,000	4,350,000	4,224,368	(125,632)
Intergovernmental revenues				
Federal grants	70,000	70,000	173,566	103,566
State grants				
State revenue sharing (net)	650,000	650,000	639,750	(10,250)
State supplemental pay	1,888,252	1,888,252	1,827,731	(60,521)
Other	72,000	72,000	96,264	24,264
Other grants and contributions	99,000	99,000	13,150	(85,850)
Fees, charges, and commissions for services				
Services and programs	1,533,052	1,533,052	1,645,407	112,355
Civil and criminal fees	1,675,000	1,675,000	1,706,724	31,724
Court attendance	75,000	75,000	53,284	(21,716)
Feeding, keeping and transporting of prisoners	12,706,516	12,706,516	13,022,556	316,040
Tax notices, etc.	235,000	235,000	317,973	82,973
Use of money and property	120,000	120,000	267,675	147,675
Other	15,000	15,000	29,794	14,794
<b>Total resources</b>	<u>36,888,820</u>	<u>36,888,820</u>	<u>37,585,996</u>	<u>697,176</u>
<b>Other financing sources</b>				
Compensation for damage and sale of assets	-	-	34,903	34,903
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>34,903</u>	<u>34,903</u>
<b>Amounts available for appropriations</b>	52,177,574	52,177,574	52,909,653	732,079
<b>Charges to appropriations (Outflows)</b>				
Public safety				
Current				
Personal services and related benefits	31,301,892	31,301,892	30,827,618	474,274
Operating services	1,715,665	1,715,665	2,054,966	(339,301)
Materials and supplies	2,603,963	2,603,963	2,459,253	144,710
Travel and other charges	667,000	667,000	454,914	212,086
Capital outlay	600,300	600,300	1,205,777	(605,477)
<b>Total charges to appropriations</b>	<u>36,888,820</u>	<u>36,888,820</u>	<u>37,002,528</u>	<u>(113,708)</u>
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ 15,288,754</u>	<u>\$ 15,288,754</u>	<u>\$ 15,907,125</u>	<u>\$ 618,371</u>

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Schedule of Changes in Net OPEB Liability and Related Ratios**

**For the Year Ended June 30, 2019**

<b>Total OPEB Liability</b>	<u>2018</u>	<u>2019</u>
Service cost	\$ 830,429	\$ 842,559
Interest	1,187,391	1,235,043
Changes of benefit terms	-	-
Differences between expected and actual experience	57,397	131,213
Changes of assumptions	-	-
Benefit payments	<u>(713,735)</u>	<u>(713,735)</u>
<b>Net change in total OPEB liability</b>	<u>1,361,482</u>	<u>1,495,080</u>
<b>Total OPEB liability - beginning</b>	<u>34,282,327</u>	<u>35,643,809</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 35,643,809</u>	<u>\$ 37,138,889</u>
Covered-employee payroll	\$ 17,585,740	\$ 17,895,299
Net OPEB liability as a percentage of covered-employee payroll	202.69%	207.53%

**Notes to Schedule:**

*Benefit Changes.* There were no changes of benefit terms for the year ended June 30, 2019.

*Changes of Assumptions.* There were no changes of assumptions for the year ended June 30, 2019.

*Discount Rate.* The discount rate of 3.50% was unchanged from the prior year.

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

**OUACHITA PARISH SHERIFF  
Monroe, Louisiana**

**Schedule of Employer Contributions**

**For the Year Ended June 30, 2019**

	<u>2018</u>	<u>2019</u>
<b>Actuarially determined contribution</b>	\$ 2,694,405	\$ 2,780,560
<b>Contributions in relation to the actuarially determined contribution</b>		
Employer contributions to trust	-	-
Employer-paid retiree premiums	(713,735)	(713,735)
	<u>(713,735)</u>	<u>(713,735)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ 1,980,670</u>	<u>\$ 2,066,825</u>
Covered annual payroll	\$ 17,585,740	\$ 17,895,299
Contributions as a percentage of covered employee payroll	4.06%	3.99%

**Notes to Schedule:**

Valuation date 7/1/2018

Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.

Actuarial cost method Individual Entry Age Normal

Amortization method Level dollar, open

Amortization period 30 years

Asset valuation method Market value

Inflation 2.5% annually

Healthcare trend Flat 5.5% annually

Salary increases 4.0% annually

Investment return 3.5% annually

Retirement age 4 years after the attainment of age 55 and 20 years of service.

Mortality RP-2000 without projection, 50% unisex blend

Turnover Age specific table with an average of 7.5% when applied to the active census

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

**OUACHITA PARISH SHERIFF'S OFFICE**  
**Monroe, Louisiana**

**Schedule of Proportionate Share of Net Pension Liability**  
**Sheriffs' Pension and Relief Fund**  
**For the Year Ended June 30, 2019**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Employer's Proportion of the Net Pension Liability (Asset)	3.0386%	3.0248%	3.0122%	3.0796%	3.1461%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 12,032,717	\$ 13,483,045	\$ 19,117,800	\$ 13,335,590	\$ 12,064,391
Employer's Covered-Employee Payroll	\$ 19,903,775	\$ 20,531,401	\$ 21,330,422	\$ 21,653,773	\$ 22,148,566
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	60.45%	65.67%	89.63%	61.59%	54.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.34%	86.61%	82.10%	88.49%	90.41%

*This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.*

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

**OUACHITA PARISH SHERIFF'S OFFICE**  
**Monroe, Louisiana**

**Schedule of the Employer's Contributions**  
**Sheriffs' Pension and Relief Fund**  
**For the Year Ended June 30, 2019**

	2015	2016	2017	2018	2019
Contractually Required Contribution <sup>1</sup>	\$ 2,857,813	\$ 2,828,851	\$ 2,826,352	\$ 2,760,903	\$ 2,713,219
Contributions in Relation to Contractually Required Contribution <sup>2</sup>	2,857,813	2,828,851	2,826,352	2,760,903	2,713,219
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll <sup>3</sup>	\$ 19,903,775	\$ 20,531,401	\$ 21,330,422	\$ 21,653,773	\$ 22,148,566
Contributions as a % of Covered Employee Payroll	14.36%	13.78%	13.25%	12.75%	12.25%

*This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.*

***For reference only:***

<sup>1</sup> *Employer contribution rate multiplied by employer's covered employee payroll*

<sup>2</sup> *Actual employer contributions remitted to the Sheriffs' Pension and Relief Fund*

<sup>3</sup> *Employer's covered employee payroll amount for the fiscal year ended noted.*

**OTHER SUPPLEMENTAL INFORMATION**

**OUACHITA PARISH SHERIFF**  
**Monroe, Louisiana**

**Fiduciary Fund Type - Agency Funds**  
**Combining Balance Sheet**

**June 30, 2019**

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Bond Fund</u>	<u>Inmate Funds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 685,602	\$ 298,395	\$ 464,686	\$ 598,405	\$ 2,047,088
<b>TOTAL ASSETS</b>	<b><u>\$ 685,602</u></b>	<b><u>\$ 298,395</u></b>	<b><u>\$ 464,686</u></b>	<b><u>\$ 598,405</u></b>	<b><u>\$ 2,047,088</u></b>
<b>LIABILITIES</b>					
Due to General Fund	\$ 76,978	\$ -	\$ -	\$ 257,743	\$ 334,721
Due to taxing bodies and others	<u>608,624</u>	<u>298,395</u>	<u>464,686</u>	<u>340,662</u>	<u>1,712,367</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 685,602</u></b>	<b><u>\$ 298,395</u></b>	<b><u>\$ 464,686</u></b>	<b><u>\$ 598,405</u></b>	<b><u>\$ 2,047,088</u></b>

**OUACHITA PARISH SHERIFF  
EX-OFFICIO TAX COLLECTOR**

**Schedule of Assessed Taxes, Collections,  
and Uncollected Balances  
For the Year Ended June 30, 2019**

<b>Taxing Authority</b>	<b>Taxes Assessed</b>	<b>Tax Adjustments</b>	<b>Taxes Due</b>	<b>Collected Taxes</b>	<b>Refunds</b>	<b>Uncollected Taxes</b>
Law Enforcement	\$ 16,632,712	\$ (3,184,053)	\$ 13,448,659	\$ 13,353,204	12,758	\$ 108,213
Parish Schools - Parishwide	4,439,475	(726,744)	3,712,731	3,686,041	3,118	29,808
Parish Schools - School Maintenance/Operation	20,697,523	(3,388,189)	17,309,334	17,184,901	14,536	138,969
Parish Schools - East Ouachita School Bond	9,379,134	(1,339,473)	8,039,661	8,005,621	7,269	41,309
Monroe City Schools - Maintenance/Operational/Additional Support	14,268,933	(3,388,261)	10,880,672	10,805,248	12,478	87,902
Monroe City Schools - Bonds	4,131,430	(981,038)	3,150,392	3,128,554	3,613	25,451
Parish General Fund	4,206,217	(766,383)	3,439,834	3,416,527	3,191	26,498
Parish Wide - Library Maintenance	10,493,288	(2,008,762)	8,484,526	8,424,306	8,049	68,269
Parish Wide - Health Unit	1,030,172	(197,208)	832,964	827,049	791	6,706
Parish Wide - Mosquito Abatement	1,922,863	(368,098)	1,554,765	1,543,730	1,475	12,510
Parish Wide - GB Cooley Hospital	1,964,067	(375,984)	1,588,083	1,576,809	1,506	12,780
Parish Wide -Detention Home	3,983,119	(762,504)	3,220,615	3,197,755	3,055	25,915
Parish Wide - Jail Maintenance and Improvements	12,635,902	(2,418,930)	10,216,972	10,144,455	9,692	82,209
Parish Wide - Assessment District	2,513,457	(481,156)	2,032,301	2,017,875	1,928	16,354
Municipal - Sterlington General Fund	192,787	(30,772)	162,015	161,697	357	675
Forestry Fee / Per Acre	14,606	(1,451)	13,155	13,161	6	-
Tensas Basin Levee District	2,866,412	(530,590)	2,335,822	2,318,902	2,217	19,137
Parish Fire Maintenance	12,903,310	(2,181,288)	10,722,022	10,657,530	9,918	74,410
East Ouachita Recreation Maintenance	1,912,113	(256,718)	1,655,395	1,649,292	1,630	7,733
Road Lighting District Fees	174,499	(7,502)	166,997	167,197	206	6
LA Tax Commission	78,514	(34)	78,480	78,480	-	-
Drainage District Fees	20,976	-	20,976	20,976	-	-
Parish Abatement Fees	100,289	(56,674)	43,615	29,289	-	14,326
City of Monroe	15,264,520	(3,398,671)	11,865,849	11,786,615	9,249	88,483
City of West Monroe	1,571,087	(207,205)	1,363,882	1,348,394	34	15,522
Municipal-Richwood General and Maintenance	279,380	(136,834)	142,546	141,832	-	714
<b>Total</b>	<b>\$ 143,676,785</b>	<b>\$ (27,194,522)</b>	<b>\$ 116,482,263</b>	<b>\$ 115,685,440</b>	<b>107,076</b>	<b>\$ 903,899</b>

STATE OF LOUISIANA  
PARISH OF OUACHITA

AFFIDAVIT

JAY RUSSELL, SHERIFF OF OUACHITA PARISH

BEFORE ME, the undersigned authority, personally came and appeared, Jay Russell, the Sheriff of Ouachita Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$453,381 is the amount of cash on hand in the tax collector account on June 30, 2019;

All itemized statements of the amounts of taxes collected for tax year 2018, 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.

  
\_\_\_\_\_  
JAY RUSSELL, SHERIFF

Sworn to and subscribed before me, Notary, this 10TH day of December, 2019, in my office in Monroe, Louisiana.

 (Signature)

SHAWN R. MURRAY (Print) # 40629

Notary Public

LIFETIME (Commission)

**OUACHITA PARISH SHERIFF**  
**SCHEDULE OF COMPENSATION, BENEFITS**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**JUNE 30, 2019**

Agency Head  
 Sheriff Jay Russell

Salary		\$ 145,761
Benefits		
Retirement	40,890	
Medical Insurance	7,675	
Dental Insurance	191	
Life Insurance	1,803	
Deferred Compensation	4,500	
Expense Allowance	14,576	
Total Benefits	<u>69,635</u>	69,635
Travel - LSA/LSPRF/FBI/NSA		3,718
Registration Fees - FBI/LSA		135
Dues - FBI/NSA		505
Conference Fees - LSA/NSA		<u>335</u>
Total		<u>\$ 220,089</u>

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

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## **INDEPENDENT AUDITORS' 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**

### **Ouachita Parish Sheriff Monroe, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 6, 2019.

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

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

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

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

Ouachita Parish Sheriff  
Monroe, Louisiana

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Cameron, Hines & Company (APAC)*

December 6, 2019  
West Monroe, Louisiana

**OUACHITA PARISH SHERIFF**

**Schedule of Findings and Responses  
As of and For the Year Ended June 30, 2019**

We have audited the financial statements of the Ouachita Parish Sheriff as of and for the year ended June 30, 2019, and have issued our report thereon dated December 6, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

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

Internal Control

Material Weakness  yes  no

Significant Deficiencies not considered to be  
Material Weaknesses  yes  no

Compliance

Compliance Material to Financial Statements  yes  no

Section II- Financial Statement Findings

None

Section III- Federal Award Findings and Questioned Costs- N/A

**OUACHITA PARISH SHERIFF**

**Schedule of Prior Year Findings  
As of and For the Year Ended June 30, 2019**

Section I- Internal Control and Compliance Material to the Financial Statements

No prior year findings.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Ouachita Parish Sheriff and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Ouachita Parish Sheriff (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, 2018 through June 30, 2019. The Sheriff's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):<sup>1</sup>
  - a) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Findings: No exceptions were noted.

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<sup>1</sup> For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

## ***Bank Reconciliations***

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

Findings: No exceptions were noted.

## ***Management's Response***

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No exceptions were noted in any of the applicable testing. A management's response is not required.

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

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

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 2, 2019

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<sup>2</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.