

UNION PARISH SHERIFF
Farmerville, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2018

With Supplemental Information Schedules

UNION PARISH SHERIFF
Farmerville, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended June 30, 2018
With Supplemental Information Schedules

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Independent Auditor's Report

UNION PARISH SHERIFF
Farmerville, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Union Parish Sheriff, a component unit of the Union Parish Police Jury, as of June 30, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union Parish Sheriff'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 Union Parish Sheriff's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

UNION PARISH SHERIFF
Farmerville, Louisiana
Independent Auditor's Report,
June 30, 2018

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Union Parish Sheriff as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity 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 7 through 10, the budgetary comparison information on pages 44 through 46, the schedule of funding progress for the retiree healthcare plan on page 47, the schedule of the Sheriff's proportionate share of the net pension liability on pages 48 through 49, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

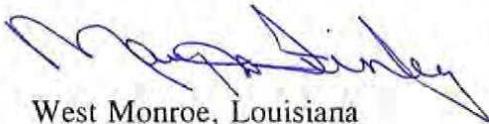
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish Sheriff's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are 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. The schedule of compensation, benefits, and other payments to agency head on page 52 and the Sheriff's sworn statement presented on page 50 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

UNION PARISH SHERIFF
Farmerville, Louisiana
Independent Auditor's Report,
June 30, 2018

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated October 9, 2018, on my consideration of the Union Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana
October 9, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

UNION PARISH SHERIFF
Farmerville, Louisiana

Management's Discussion and Analysis
June 30, 2018

As management of the Union Parish Sheriff, I offer readers of the Union Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Union Parish Sheriff for the fiscal year ended June 30, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Union Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Union Parish Sheriff's assets and liabilities, with the difference between the two 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 Union Parish Sheriff is improving or deteriorating.

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Union Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Union Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

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

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

The Union Parish Sheriff adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Union Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Union Parish Sheriff's performance.

The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Union Parish Sheriff exceeded liabilities by \$3,091,391. Capital assets (e.g. equipment) of the Union Parish Sheriff exceed net position due to the Net OPEB and Net Pension liabilities. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

An additional portion of the Union Parish Sheriff's net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Union Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets included in the statement of net position.

STATEMENT OF NET POSITION

ASSETS	2018	2017
Cash and cash equivalents	\$2,098,670	\$1,873,612
Receivables	346,330	313,489
Due from other funds	1,181	887
Capital assets (net of accumulated depreciation)	4,351,881	4,317,534
TOTAL ASSETS	6,798,062	6,505,522
DEFERRED OUTFLOWS OF RESOURCES		

Pension related	<u>\$937,757</u>	<u>\$1,433,196</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF	<u>\$7,735,819</u>	<u>\$7,938,718</u>
LIABILITIES		
Accounts payable	\$64,274	\$22,708
Salaries payable	71,400	63,149
Lease payable	93,531	
Federal revenue bonds payable	565,039	572,621
Interest payable	21,363	21,650
Compensated absences payable	63,602	70,366
Net pension liability	1,276,327	1,991,129
Net OPEB obligation	<u>1,966,283</u>	<u>841,848</u>
TOTAL LIABILITIES	<u>4,121,819</u>	<u>3,583,471</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB	<u>522,609</u>	<u>523,150</u>
NET POSITION		
Invested in capital assets, net of related debt	3,693,311	3,744,913
Unrestricted	<u>(601,920)</u>	<u>87,184</u>
TOTAL NET POSITION	<u>3,091,391</u>	<u>3,832,097</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$7,735,819</u>	<u>\$7,938,718</u>

STATEMENT OF ACTIVITIES

	<u>2018</u>	<u>2017</u>
Public safety:		
Personal services	\$2,785,730	\$3,134,966
Operating services	580,557	444,851
Materials and supplies	341,413	210,460
Travel	36,524	46,759
Depreciation expense	291,630	363,557
Debt service interest	<u>122,224</u>	<u>23,643</u>
Total Program Expenses	<u>4,158,078</u>	<u>4,224,236</u>
Program revenues:		
Civil and criminal fees	141,686	181,024
Commissions on license and taxes	47,355	53,022
Court attendance	5,463	6,766
Transportation of prisoners	22,823	19,392
Bond fees	14,180	22,287
Other fees		1,184
Accident reports	<u>13,411</u>	<u>12,317</u>
Total program revenues	<u>244,918</u>	<u>295,992</u>
Net Program Expenses	<u>(3,913,160)</u>	<u>(3,928,244)</u>
General revenues:		
Taxes:		
Ad valorem	858,143	867,489
Sales	2,433,438	2,428,525
Grants and contributions not restricted to specific programs:		
Federal sources	296,961	55,076
State sources	283,401	301,434
Local	64,500	61,000
Interest earned	4,929	3,198
Miscellaneous	209,360	236,981
Special items:		
Gain (loss) on disposal of assets	25,429	40,803
Proceeds from lease	<u>99,438</u>	
Change in Net Position	<u>362,439</u>	<u>66,262</u>

NET POSITION

Beginning of year as restated

\$2,728,952 \$3,765,835

End of year

\$3,091,391 \$3,832,097

Financial Analysis of the Government's Funds

As noted earlier, the Union Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, combined governmental fund balances of \$2,310,507 showed an increase of \$208,376 over June 30, 2017.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget were due to an increase in federal grants, state revenue sharing, other state grants, local grants, transportation of prisoners, bond fees, other fees, use of money and property, other revenues and proceeds from disposal of assets and decreases in ad valorem taxes, sales tax, supplemental pay, civil and criminal fees, commissions on licenses and taxes, court attendance, and proceeds from insurance. Differences between expenditures in the original and final budget were due to an increase in operating services, and capital outlay and decreases in personal services.

Capital Asset and Debt Administration

Capital assets. The Union Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$4,351,881 net of accumulated depreciation). This investment includes vehicles, furniture, and equipment. The increase in capital assets for the year was \$326,798. There were decreases of \$274,541 during the current year.

Long-term debt. At the end of the fiscal year, Union Parish Sheriff had total debt outstanding of \$3,964,782 in the form of compensated absences of \$63,602, federal revenue bonds of \$565,039, capital lease of \$93,531, and net OPEB obligation of \$1,966,283. The Union Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. The liability associated with the Net Pension Obligation is \$1,276,327 at June 30, 2018.

Requests for Information

This financial report is designed to provide a general overview of the Union Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Union Parish Sheriff, P.O. Box 723, Farmerville, LA 71241.

BASIC FINANCIAL STATEMENTS

UNION PARISH SHERIFF
Farmerville, Louisiana

STATEMENT OF NET POSITION
June 30, 2018

ASSETS	
Cash and cash equivalents	\$2,098,670
Receivables	346,330
Due from other funds	1,181
Capital assets (net of accumulated depreciation)	4,351,881
TOTAL ASSETS	<u>6,798,062</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	<u>937,757</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$7,735,819</u></u>
LIABILITIES	
Accounts payable	\$64,274
Salaries payable	71,400
Interest payable	21,363
Federal Revenue Bonds:	
Due within one year	7,895
Due in more than one year	557,144
Lease payable	93,531
Compensated absences payable	63,602
Net pension liability	1,276,327
Net OPEB obligation	1,966,283
TOTAL LIABILITIES	<u>4,121,819</u>
DEFERRED INFLOWS OF RESOURCES	
Pension and OPEB	<u>522,609</u>
NET POSITION	
Invested in capital assets, net of related debt	3,693,311
Unrestricted	<u>(601,920)</u>
TOTAL NET POSITION	<u>\$3,091,391</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u><u>\$7,735,819</u></u>

The accompanying notes are an integral part of this statement.

Statement B

UNION PARISH SHERIFF
Farmerville, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2018

Public safety:	
Personal services	\$2,785,730
Operating services	580,557
Materials and supplies	341,413
Travel	36,524
Depreciation expense	291,630
Debt service interest	122,224
Total Program Expenses	<u>4,158,078</u>
Program revenues:	
Civil and criminal fees	141,686
Commissions on license and taxes	47,355
Court attendance	5,463
Transportation of prisoners	22,823
Bond fees	14,180
Accident reports	13,411
Total program revenues	<u>244,918</u>
Net Program Expenses	(3,913,160)
General revenues:	
Taxes:	
Ad valorem	858,143
Sales	2,433,438
Grants and contributions not restricted to specific programs:	
Federal sources	296,961
State sources	283,401
Local	64,500
Interest earned	4,929
Miscellaneous	209,360
Special items -	
Gain (loss) on disposal of assets	25,429
Proceeds from lease	99,438
Change in Net Position	<u>362,439</u>
NET POSITION	
Beginning of year	<u>2,728,952</u>
End of year	<u><u>\$3,091,391</u></u>

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF
Farmerville, Louisiana
GOVERNMENTAL FUND

Balance Sheet, June 30, 2018

	General Fund	Non Major Funds	Total
ASSETS			
Cash and cash equivalents	\$2,020,704	\$77,966	\$2,098,670
Receivables	346,330		346,330
Due from other funds	1,181		1,181
	<u>2,368,215</u>	<u>77,966</u>	<u>\$2,446,181</u>
TOTAL ASSETS			
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$64,274		\$64,274
Salaries payable	71,400		71,400
Total Liabilities	135,674	NONE	135,674
Fund equity:			
Restricted		\$77,966	77,966
Unassigned	2,232,541		2,232,541
Total fund equity	2,232,541	77,966	2,310,507
	<u>2,368,215</u>	<u>77,966</u>	<u>\$2,446,181</u>
TOTAL LIABILITIES AND FUND EQUITY			

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF
Farmerville, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended June30, 2018

Total Fund Balances at June 30, 2018 - Governmental Funds (Statement C)	\$2,310,507
Deferred outflows of resources	937,757
Cost of capital assets at June 30, 2018	\$6,629,358
Less: Accumulated depreciation as of June 30, 2018	<u>(2,277,477)</u> 4,351,881
Long-term liabilities at June 30, 2018 -	
Compensated absences payable	(63,602)
Revenue bonds payable	(565,039)
Lease payable	(93,531)
Interest payable	(21,363)
Net pension liability	(1,276,327)
Net OPEB obligation	<u>(1,966,283)</u> (3,986,145)
Deferred inflows of resources	<u>(522,609)</u>
Net Position at June 30, 2018 (Statement A)	<u><u>\$3,091,391</u></u>

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF
Farmerville, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2018

	General Fund	Non Major Funds	TOTAL
REVENUES			
Taxes:			
Ad valorem	\$858,143		\$858,143
Sales	2,433,438		2,433,438
Intergovernmental revenues:			
Federal grants	296,961		296,961
State grants:			
State supplemental pay	168,002		168,002
State revenue sharing (net)	100,695		100,695
Other	14,704		14,704
Local grants	64,500		64,500
Fees, charges, and commissions for services:			
Civil and criminal fees	141,686		141,686
Commissions on licenses and taxes	47,355		47,355
Court attendance	5,463		5,463
Transportation of prisoners	22,823		22,823
Bond fees	14,180		14,180
Accident reports	13,411		13,411
Use of money and property	4,823	\$106	4,929
Other	92,360		92,360
Total revenues	<u>4,278,544</u>	<u>106</u>	<u>4,278,650</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	2,874,108		2,874,108
Operating services	578,575	1,982	580,557
Materials and supplies	341,413		341,413
Travel and other charges	36,524		36,524
Debt Service	130,093		130,093
Capital outlay	326,798		326,798
Total expenditures	<u>4,287,511</u>	<u>1,982</u>	<u>4,289,493</u>

(Continued)

Statement D

UNION PARISH SHERIFF
 Farmerville, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance

	General Fund	Non Major Funds	TOTAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$8,967)	(\$1,876)	(\$10,843)
OTHER FINANCING SOURCES:			
Proceeds from disposal of assets	26,250		26,250
Proceeds from lease	192,969		192,969
Total other financing sources	\$219,219	NONE	\$2,874,108
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER OVER EXPENDITURES	210,252	(1,876)	208,376
FUND BALANCE AT BEGINNING OF YEAR	2,022,289	79,842	2,102,131
FUND BALANCE AT END OF YEAR	\$2,232,541	\$77,966	\$2,310,507

(Concluded)

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF
Farmerville, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds (Statement D)	\$208,376
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period:	35,168
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets decreased when the asset is disposed.	(821)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	287
Payments of long-term debt, including bonds, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	7,582
Payments of long-term debt, including leases, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(93,531)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	10,962
In the Statement of Activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	6,764
Non-employer contributions to cost-sharing pension plan	117,000
Pension expense associated with cost-sharing pension plan	<u>70,652</u>
Change in net position of governmental activities (Statement B)	<u><u>\$362,439</u></u>

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF
Farmerville, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
ASSETS				
Cash and equivalents	\$70,528	\$60,400	\$148,136	\$279,064
Total Assets	<u>\$70,528</u>	<u>\$60,400</u>	<u>\$148,136</u>	<u>\$279,064</u>
LIABILITIES				
Unsettled deposits due to:				
Other funds	\$513	\$127	\$541	\$1,181
Others	70,015	60,273	147,595	277,883
Total Liabilities	<u>\$70,528</u>	<u>\$60,400</u>	<u>\$148,136</u>	<u>\$279,064</u>

UNION PARISH SHERIFF
Farmerville, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

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

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

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Union Parish Police Jury is the financial reporting entity for Union Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Union Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides partial funding for equipment, furniture and supplies of the sheriff's office, the sheriff was determined to be a component unit of the Union Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Union Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position.

The government-wide financial statements are prepared using 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*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Allocation of Indirect Expenses - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Type

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana

UNION PARISH SHERIFF
 Farmerville, Louisiana
 Notes to the Financial Statements (Continued)

law and national banks having principal offices in Louisiana. At June 30, 2018, the sheriff has cash and equivalents (book balances) totaling \$2,377,734 follows:

Demand deposits	\$2,376,834
Petty cash	<u>900</u>
Total	<u>\$2,377,734</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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) at June 30, 2018, are secured as follows:

Bank balances	<u>\$2,387,338</u>
Federal deposit insurance	\$559,231
Pledged securities (uncollateralized)	<u>3,717,860</u>
Total	<u>\$4,277,091</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

F. SALES TAX

The voters of the parish approved the continuance of a ½ of one percent sales and use tax and to levy an additional ½ of one percent sales and use tax for ten (10) years, beginning April 1, 2002. This sales tax was renewed beginning April 1, 2012 for a period of ten (10) years. The proceeds of the sales tax are dedicated for the purpose of providing additional funding for the law enforcement district. The sheriff's office has entered into an agreement with the Lincoln Parish Sales and Use Tax Commission for collection of the tax. For its services, the tax commission receives one and one-eighths per cent (1-1/8%) of gross collections for the year ended June 30, 2018.

G. 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 \$1000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

H. VACATION AND SICK LEAVE

All employees are granted from one to two weeks of vacation leave each year, depending on length of service. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is earned at a rate of eight hours per month, and may not be accumulated and carried forward to succeeding years.

I. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

J. PENSION PLANS

The Union Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

K. OPEB PLAN

The Sheriff's defined benefit postemployment health care plan provides OPEB to eligible retired employees. The plan provides OPEB for permanent full-time employees of the Sheriff. The Sheriff's 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 Statement 75.

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.

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

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

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, 2018. 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.

**N. CURRENT YEAR ADOPTION OF NEW ACCOUNTING
 STANDARDS AND RESTATEMENT OF NET POSITION**

The Union Parish Sheriffs' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45. The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2017, as previously stated	\$3,832,097
Net Change in OPEB at June 30, 2018	<u>(1,103,145)</u>
Total Net Position, June 30, 2018, Restated	<u><u>\$2,728,952</u></u>

2. RECEIVABLES

The receivables of \$346,330 at June 30, 2018, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>
Taxes - Ad Valorem Tax	\$961
Taxes - Sales Tax	248,902
Federal grants	6,296
State grants	37,631
Civil and criminal fees	18,450
Other	<u>34,090</u>
Total	<u><u>\$346,330</u></u>

3. ON-BEHALF PAYMENTS

Certain employees of the Union Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$168,002.

4. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings, vehicles, and equipment follows:

Adjusted balance at June 30, 2017	\$6,577,101
Additions	326,798
Deletions	<u>(274,541)</u>
Balance at June 30, 2018	6,629,358

UNION PARISH SHERIFF
Farmerville, Louisiana
Notes to the Financial Statements (Continued)

Less accumulated depreciation	<u>(\$2,277,477)</u>
Net Capital Assets	<u>\$4,351,881</u>

**5. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION
FOR A COST-SHARING EMPLOYER**

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

Summary of Significant Accounting Policies.

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

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

Plan Description.

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

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

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

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

Plan Benefits

Retirement Benefits

For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For a member whose first employment making him eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

UNION PARISH SHERIFF

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Notes to the Financial Statements (Continued)

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

Disability Benefits

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

Survivor Benefits

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the members' final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits:

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

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

Back Deferred Retirement Option Plan (Back-DROP)

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

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Union Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 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 Union 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 Union Parish Sheriff's contributions to the System for the years ended June 30, 2018, 2017, and 2016 were \$250,176, \$270,383, and \$294,606, respectively, equal to the required contributions for each year.

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

At June 30, 2018, the Sheriff reported a liability of \$1,276,327 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2017, the Sheriffs' proportion was .295 percent, which was a decrease of .0190 from its proportion measured as of June 30, 2016.

UNION PARISH SHERIFF
 Farmerville, Louisiana
 Notes to the Financial Statements (Continued)

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$179,524. At June 30, 2017, 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
Beginning balance	\$1,433,196	\$523,150
Change in system deferred outflows and inflows of resources	(436,769)	31,651
Changes in proportionate share	(38,464)	
Differences between Sheriff contributions and proportionate share of contributions		60
Contributions for measurement period	(270,382)	
Sheriff contributions subsequent to the measurement date	250,176	
Total	\$937,757	\$554,861

\$250,176 reported as deferred outflows of resources related to pensions resulting from the Union Parish Sheriffs' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	(\$104,385)
2019	32,086
2020	29,687
2021	(122,789)
2022	(17,311)
2023	(8,072)
Total	(190,784)

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

UNION PARISH SHERIFF

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Notes to the Financial Statements (Continued)

Valuation Date	June 30, 2017
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.4%
Projected salary increases	5.5% (2.775% inflation, 2.725% merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	7 years
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 present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality.

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

The long-term expected rate of return on pension plan investments was determined using a building block method.

Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.4%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

UNION PARISH SHERIFF
 Farmerville, Louisiana
 Notes to the Financial Statements (Continued)

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
Sheriffs' proportionate share of the net pension liability	\$2,629,569	\$1,276,327	\$137,757

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Benefits Provided - Medical, dental and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical and dental coverage for the retiree only (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 12 years of service, For employees hired on and after January 1, 2012, retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at age 55 or, age 62 and 12 years of service or, age 60 and 20 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

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

Inactive employees or beneficiaries currently receiving benefit payments	10
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>47</u>
Total employees	<u><u>57</u></u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$1,966,283 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

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

Inflation	2.5%
Salary increases	3.0%, including inflation
	3.87%, net of OPEB plan investment expense, including
Discount rate	inflation
Healthcare cost trend rates	Flat 5.5% annually

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

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

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

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$1,944,993
Changes for the year:	
Service cost	\$69,653
Interest	77,967
Differences between expected and actual	(33,493)
Benefit payments and net transfers	(92,837)
Net Changes	<u>21,290</u>
Balance at June 30, 2018	<u>\$1,966,283</u>

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 (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
<u>Total OPEB liability</u>	<u>\$2,251,84</u>	<u>\$1,966,283</u>	<u>\$1,732,616</u>

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

UNION PARISH SHERIFF
 Farmerville, Louisiana
 Notes to the Financial Statements (Continued)

be if it were calculated using a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$1,768,042	\$1,966,283	\$2,209,683

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$146,379. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenditures	NONE	(\$32,252)

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

Year ended June 30:	
2019	(\$1,240)
2020	(1,240)
2021	(1,240)
2022	(1,240)
2023	(1,240)
Thereafter	(26,050)

7. LONG TERM OBLIGATIONS

At June 30, 2018, the sheriff has an outstanding issue of federal long-term revenue bonds. In 2011 the sheriff sold a revenue bond to the United States Department of Agriculture, Farmers Home Administration. The issue dated July 22, 2011 was for \$600,000. The issue bears interest at 4.125 per cent per annum. Principal and interest are to be repaid in annual payments of \$31,200 through July 22, 2051. All long-term debt is to be repaid from the revenues derived from the operation of the civil and criminal divisions of the sheriffs office.

UNION PARISH SHERIFF
 Farmerville, Louisiana
 Notes to the Financial Statements (Continued)

The following is a summary of long-term obligation transactions for the year ended June 30, 2018:

	Revenue Bonds	Leased Vehicles	Compensated Absences	Total
Long-term obligations, June 30,	\$572,621	NONE	\$70,366	\$642,987
Additions		\$192,969	51,317	244,286
Deletions	(7,582)	(99,438)	(58,531)	(165,551)
Adjustments			450	450
Long-term obligations, June 30,	<u>\$565,039</u>	<u>\$93,531</u>	<u>\$63,602</u>	<u>\$722,172</u>

Revenue bonds payable at June 30, 2018, are comprised of the following individual issues:

\$600,000 - dated July 22, 2011. The principal is due in annual installments of \$31,200 July 22, 2051, with interest of 4.125 per cent. Debt retirement payments are made from the Sheriff's General Fund.

\$565,039

The annual requirements to amortize the revenue bonds outstanding at June 30, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$7,895	\$23,305	\$31,200
2019	8,220	22,980	31,200
2020	8,559	22,641	31,200
2021	8,913	22,287	31,200
2022	9,280	21,920	31,200
2023-2027	52,469	103,531	156,000
2028-2032	64,221	91,779	156,000
2033-2037	78,605	77,395	156,000
2038-2042	96,211	59,789	156,000
2043-2047	117,760	38,240	156,000
2048-2051	112,906	11,894	124,800
Total	<u>\$565,039</u>	<u>\$495,761</u>	<u>\$1,060,800</u>

The Union Parish Sheriff entered into a lease program with Ford Motor Credit for the purchase of 7 vehicles. Current year principal payments equaled \$99,531. Future minimum payments as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	<u>\$93,531</u>	<u>\$5,362</u>	<u>\$98,893</u>

UNION PARISH SHERIFF
 Farmerville, Louisiana
 Notes to the Financial Statements (Continued)

8. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2018, are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$1,181	
Agency Funds:		
Civil Fund		\$127
Criminal Fund		541
Tax Collector Fund		513
Total	<u>\$1,181</u>	<u>\$1,181</u>

9. CHANGES IN AGENCY FUND BALANCES

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

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Total</u>
Balance, July 1, 2017	\$71,765	\$59,157	\$138,201	\$269,123
Additions	10,788,912	556,041	494,652	11,839,605
Deletions	<u>(10,790,662)</u>	<u>(554,925)</u>	<u>(485,258)</u>	<u>(11,830,845)</u>
Balance, June 30, 2018	<u>\$70,015</u>	<u>\$60,273</u>	<u>\$147,595</u>	<u>\$277,883</u>

10. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2018, the tax collector has cash and equivalents (book balances) totaling \$70,528 as follows:

Ad valorem taxes	\$11,130
Protest taxes	19,520
Parish licenses	17,455
Interest on tax account	8
Interest on delinquent taxes	980
Interest on protest taxes	2,951
Costs	<u>18,484</u>
Total	<u>\$70,528</u>

UNION PARISH SHERIFF

Farmerville, Louisiana

Notes to the Financial Statements (Continued)

11. AD VALOREM TAXES COLLECTED

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

Louisiana Forestry Service	\$33,966
Louisiana Tax Commission	21,011
Union Parish Assessor	742,088
Union Parish Police Jury	2,754,105
Union Parish School Board	3,251,666
Union Parish Sheriff	851,089
East Union Hospital	671,237
Tri Ward Hospital	248,275
Ward 5 Fire District	315,272
Spencer-West Sterlington	14,680
District 7 Fire District	136,257
District 1 Fire District	271,064
Northeast Union Fire District	92,353
North Union Fire District	35,876
Bernice Fire District	92,099
Spearsville Fire District	53,659
Sadie-Tiger Bend Fire District	37,459
Total	<u>\$9,622,156</u>

12. TAX UNCOLLECTED AND UNSETTLED

The tax collector has not collected and disbursed the following taxes for the year ended June 30, 2018, by taxing body as follows:

Louisiana Forestry Service	\$6
Union Parish Assessor	8,277
Union Parish Police Jury	31,806
Union Parish School Board	37,553
Union Parish Sheriff	9,492
East Union Hospital	8,835
Tri Ward Hospital	807
Ward 5 Fire District	915
Spencer/West Sterlington	720
District 7 Fire District	4,648
District 1 Fire District	1,910
Northeast Union Fire District	5,089

UNION PARISH SHERIFF
 Farmerville, Louisiana
 Notes to the Financial Statements (Continued)

North Union Fire District	\$58
Bernice Fire District	188
Spearsville Fire District	1,204
Sadie-Tiger Fire District	<u>635</u>
Total	<u><u>\$112,143</u></u>

The majority of uncollected taxes consist of gas and oil wells and moveable property. The Sheriff has hired an outside firm to collect outstanding taxes. There are also several assessments that have been determined to be ‘no property found’, but the assessor has not removed it from the tax roll.

13. OCCUPATIONAL LICENSES COLLECTED

At June 30, 2018, the tax collector has collected and disbursed the following:

	<u>Total Collection</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
Union Parish Police Jury	<u>\$142,916</u>	<u>\$21,437</u>	<u>\$121,479</u>

14. LITIGATION AND CLAIMS

The Union Parish Sheriff is not involved in any litigation at June 30, 2018, nor is he aware of any unasserted claims.

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

The Union Parish Sheriff's office is located in a newly constructed sheriff's office building. The cost of maintaining and operating the sheriff's office is paid by the Union Parish Sheriff's office. The Union Parish Police Jury donated the land for the site of the sheriff's office.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

UNION PARISH SHERIFF
Farmerville, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes:				
Ad valorem	\$855,000	\$851,000	\$858,143	\$7,143
Sales	2,350,000	2,300,000	2,433,438	133,438
Intergovernmental revenues:				
Federal grants - federal revenue		20,355	296,961	276,606
State grants:				
State supplemental pay	180,000	140,000	168,002	28,002
State revenue sharing (net)	99,000	100,695	100,695	
Other state grants	15,000	17,708	14,704	(3,004)
Local grant	64,000	172,779	64,500	(108,279)
Fees, charges, and commissions for services:				
Civil and criminal fees	150,000	125,259	141,686	16,427
Commissions on licenses and taxes	19,000	17,519	47,355	29,836
Court attendance	3,500	2,000	5,463	3,463
Transportation of prisoners	10,000	21,540	22,823	1,283
Bond fees	6,000	12,511	14,180	1,669
Accident reports	14,000	13,000	13,411	411
Other fees	15,500	20,153		(20,153)
Use of money and property	1,000	3,484	4,823	1,339
Other revenue	10,000	45,206	92,360	47,154
Total revenues	<u>3,792,000</u>	<u>3,863,209</u>	<u>4,278,544</u>	<u>415,335</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	3,117,006	2,917,006	2,874,108	42,898
Operating services	525,600	605,600	578,575	27,025
Materials and supplies	294,700	294,700	341,413	(46,713)
Travel and other charges	48,390	48,390	36,524	11,866
Debt service	31,200	31,200	130,093	(98,893)
Capital outlay	136,500	413,000	326,798	86,202
Total expenditures	<u>4,153,396</u>	<u>4,309,896</u>	<u>4,287,511</u>	<u>22,385</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(361,396)</u>	<u>(446,687)</u>	<u>(8,967)</u>	<u>437,720</u>

(Continued)

UNION PARISH SHERIFF
 Farmerville, Louisiana
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES-				
Proceeds from disposal of assets	\$25,000	\$31,151	\$26,250	(\$4,901)
Proceeds from lease			192,969	192,969
Proceeds from insurance	<u>15,000</u>	<u>981</u>		<u>(981)</u>
Total financing sources	<u>40,000</u>	<u>32,132</u>	<u>219,219</u>	<u>187,087</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(321,396)	(414,555)	210,252	624,807
FUND BALANCES AT BEGINNING OF YEAR	<u>1,550,000</u>	<u>1,950,007</u>	<u>2,022,289</u>	<u>(72,282)</u>
FUND BALANCES AT END OF YEAR	<u><u>\$1,228,604</u></u>	<u><u>\$1,535,452</u></u>	<u><u>\$2,232,541</u></u>	<u><u>\$552,525</u></u>

(Concluded)

UNION PARISH SHERIFF
Farmerville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2018

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

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

Union Parish Sheriff
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2018

Schedule of Funding Progress

Total OPEB Liability

Service cost	\$69,653
Interest	77,967
Changes of benefits terms	NONE
Differences between expected and actual experience	(33,493)
Changes of assumptions	NONE
Benefit payments	<u>(92,837)</u>
Net change in total OPEB liability	21,290
Total OPEB liability - beginning	<u>1,944,993</u>
Total OPEB liability - ending	<u>\$1,966,283</u>
Covered employee payroll	\$2,025,378
Net OPEB liability as a percentage of covered-employee payroll	97.08%

Note:

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

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

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

Union Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2018

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.353245%	\$2,367,428	\$2,120,709	111.63%	85.32%
June 30, 2016	0.304050%	\$1,204,067	\$2,195,367	54.85%	87.34%
June 30, 2017	0.331117%	\$1,475,960	\$2,142,581	68.89%	86.16%
June 30, 2018	0.294745%	\$1,276,327	\$2,040,628	62.55%	88.49%

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

**Union Parish Sheriff
Schedule of Employer Contributions
June 30, 2018**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$294,566	\$294,566	\$0	\$2,120,709	13.89%
June 30, 2016	\$312,840	\$312,840	\$0	\$2,195,367	14.25%
June 30, 2017	\$294,606	\$294,606	\$0	\$2,142,581	13.75%
June 30, 2018	\$270,383	\$270,383	\$0	\$2,040,628	13.25%

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

STATE OF LOUISIANA

PARISH OF UNION

**AFFIDAVIT
DUSTY J. GATES, SHERIFF OF UNION PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, DUSTY J. GATES, SHERIFF OF UNION PARISH, State of Louisiana, who after being duly sworn, deposed and said:

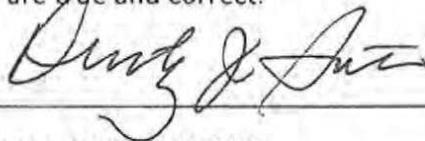
The following information is true and correct:

\$70,529 is the amount of cash on hand in the tax collector account on June, 30, 2018.

He further deposed and said:

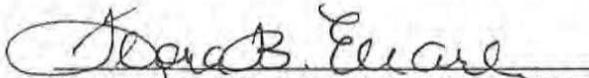
All itemized statements of the amount of taxes collected for the tax year, 2017, by taxing authority, are true and correct.

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

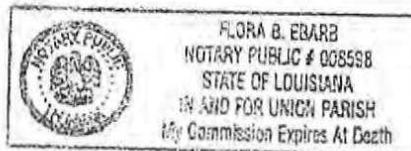


DUSTY J. GATES, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 9th day of October, 2018, in my office in Farmerville, Louisiana.



FLORA B. EBARB, NOTARY PUBLIC #008598
UNION PARISH, LOUISIANA



OTHER SUPPLEMENTARY INFORMATION

PART III

UNION PARISH SHERIFF
Farmerville, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018

DUSTY GATES, SHERIFF

PURPOSE	AMOUNT
Salary	\$145,761
Expense Allowance	14,576
Benefits-insurance	11,205
Benefits-retirement	36,878
Benefits-other	2,360
Cellphone	1,169
Registration fees	980
Housing and lodging	2,830
Membership dues - other	35
Membership dues-Sheriffs Association	12,262
Other amounts paid on behalf of agency head	1,896

UNION PARISH SHERIFF
Farmerville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 2018

NON MAJOR FUNDS

STATE CONSTRUCTION FUND

The State Construction Fund was used for the cost of construction of the law enforcement building with proceeds from Facilities Planning and Control grants.

USDA CONTINGENCY RESERVE FUND

The USDA Contingency Reserve Fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the building.

USDA DEBT SERVICE FUND

This fund is used to pay bond principal and interest as they become due.

UNION PARISH SHERIFF
Farmerville, Louisiana
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Balance Sheet, June 30, 2018

	<u>State Construction Fund</u>	<u>USDA Contingency Reserve</u>	<u>USDA Debt Service Fund</u>	<u>TOTAL</u>
ASSETS				
Cash	\$7,599	\$35,185	\$35,182	\$77,966
TOTAL ASSETS	<u>\$7,599</u>	<u>\$35,185</u>	<u>\$35,182</u>	<u>\$77,966</u>
FUND EQUITY				
Fund Equity - Restricted	\$7,599	\$35,185	\$35,182	\$77,966
TOTAL FUND EQUITY	<u>\$7,599</u>	<u>\$35,185</u>	<u>\$35,182</u>	<u>\$77,966</u>

UNION PARISH SHERIFF
Farmerville, Louisiana
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2018

	State Construction Fund	USDA Contingency Reserve	USDA Debt Service Fund	TOTAL
REVENUES				
Use of money and property		\$53	\$53	\$106
EXPENDITURES				
Operating services	\$1,982			1,982
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,982)</u>	<u>53</u>	<u>53</u>	<u>(1,876)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>9,581</u>	<u>35,132</u>	<u>35,129</u>	<u>79,842</u>
FUND BALANCES AT END OF YEAR	<u><u>\$7,599</u></u>	<u><u>\$35,185</u></u>	<u><u>\$35,182</u></u>	<u><u>\$77,966</u></u>

UNION PARISH SHERIFF
Farmerville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year June 30, 2018

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

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

CIVIL FUND

The Civil Fund accounts for funds held in civil suits, sheriff's sales, and garnishments and payment to recipients in accordance with applicable laws.

CRIMINAL FUND

The Criminal Fund accounts for the collection of bonds, fines, and court costs in criminal matters and payment to recipients in accordance with applicable laws.

UNION PARISH SHERIFF
Farmerville, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Schedule of Changes in Unsettled Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2018

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 2017	<u>\$71,765</u>	<u>\$59,157</u>	<u>\$138,201</u>	<u>\$269,123</u>
ADDITIONS				
Deposits:				
Sheriff's sales		453,457		453,457
Fines and costs			494,652	494,652
Garnishments		74,897		74,897
Other additions		27,687		27,687
Taxes, fees, etc.,	<u>10,788,912</u>			<u>10,788,912</u>
Total additions	<u>10,788,912</u>	<u>556,041</u>	<u>494,652</u>	<u>11,839,605</u>
Total	<u>10,860,677</u>	<u>615,198</u>	<u>632,853</u>	<u>12,108,728</u>
REDUCTIONS				
Deposits settled to:				
Louisiana Forestry Commission	28,915			28,915
Louisiana Tax Commission	21,012			21,012
Union Parish:				
Sheriff's General Fund	987,906	100,965	63,208	1,152,079
Police Jury	3,151,304		16,460	3,167,764
School Board	3,362,402			3,362,402
Assessor	748,082			748,082
Clerk of Court	4,210	27,318	28,002	59,530
East Union Hospital	677,530			677,530
Tri-Ward Hospital	260,170			260,170
Ward Five Fire District	316,852			316,852
Spencer-West Sterlington Fire District	20,775			20,775
District 7 Fire District	136,886			136,886
District 1 Fire District	271,793			271,793
Northeast Union Fire District	92,505			92,505
North Union Fire District	36,121			36,121
Bernice Fire District	92,167			92,167
Spearsville Fire District	53,889			53,889
Sadie-Tiger Fire District	37,841			37,841
Municipalities			9,421	9,421
Pension funds	285,247			285,247

(Continued)

UNION PARISH SHERIFF
 Farmerville, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS
 Schedule of Changes in Unsettled Balances
 Due to Taxing Bodies and Others, 2018

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL	TOTAL
REDUCTIONS: (CONTD.)				
Deposits settled to: (Contd.)				
District attorney			\$60,480	\$60,480
Indigent defender board			48,443	48,443
LA Rehabilitation Service			1,570	1,570
Criminal court fund			117,116	117,116
Judicial district court			35,057	35,057
Litigants		\$394,957	30,300	425,257
North Louisiana Crime Lab			38,439	38,439
Louisiana Commission on Law Enforcement			6,834	6,834
Redemptions	\$24,018			24,018
Other reductions	<u>181,037</u>	<u>31,685</u>	<u>29,928</u>	<u>242,650</u>
Total reductions	<u>10,790,662</u>	<u>554,925</u>	<u>485,258</u>	<u>11,830,845</u>
 UNSETTLED BALANCES DUE TO TAXING BODIES AND				
	<u>\$70,015</u>	<u>\$60,273</u>	<u>\$147,595</u>	<u>\$277,883</u>

(Concluded)

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

Independent Auditor's Report Required
by Government Auditing Standards

The following independent auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting are presented in compliance with the requirements of *Government Auditing Standards* , issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**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 *Government Auditing Standards***

UNION PARISH SHERIFF
Farmerville, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the Union Parish Sheriff as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Union Parish Sheriff's basic financial statements, and have issued my report thereon dated October 9, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

UNION PARISH SHERIFF

Farmerville, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

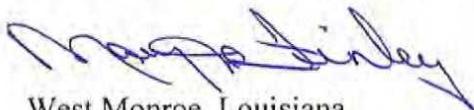
June 30, 2018

Compliance and Other Matters

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

Purpose of this Report

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



West Monroe, Louisiana

October 9, 2018

UNION PARISH SHERIFF
Farmerville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Union Parish Sheriff.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Union Parish Sheriff is reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

UNION PARISH SHERIFF
Farmerville, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

There were no audit findings reported in the audit for the year ended June 30, 2017.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Accountant's Report on Applying Agreed-Upon Procedures

Union Parish Sheriff
710 Holder Road
Farmerville, LA 71241

To the Union Parish Sheriff's Office

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

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

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operation):

The Sheriff provided a policy and procedures manual to test against the agreed upon procedures.

- A. Budgeting, including preparing, adopting, monitoring, and amending the budget.

The budgeting policy and procedure is in compliance with the agree upon procedures guidelines.

- B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The purchasing policies and procedures are in compliance with the agreed upon procedures guidelines. The Sheriff uses purchase orders or requisitions. The designated employees initiate the purchases and designated purchasing employee approves all purchases. The employee assigned to the designated funds add any new vendors to that particular fund. The policy and procedures outlines any purchases requiring compliance with the bid law.

C. Disbursements, including processing, reviewing, and approving

The purchasing policies and procedures are in compliance with the agree upon procedures guidelines. The designated purchasing employee initiates all purchases and the chief civil deputy, chief criminal deputy or the sheriff approve all purchases.

D. Receipts/Collections, including receiving, recording, and preparing deposits. Also policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Sheriff has a written policy and procedures for receipts, recording and preparing documents. The Sheriff is not in accordance with AUP guidelines. All employees receive money and work out of the same cash drawers. The Sheriff has employee theft insurance coverage for the employees.

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

The Sheriff has policies and procedures pertaining to payroll/personnel. It addresses several areas such as leave time, holiday time, compensatory time. The payroll clerk is responsible for tracking the leave time and other compensatory time. All employees track time worked and leave time taken. Employee leave time is audited every year. The Sheriff is in compliance with the AUP guidelines.

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

The Sheriff has written policies and procedures concerning contracting. The Sheriff is in compliance with the AUP guidelines.

G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

The Sheriff has a written polices and procedures addressing credit cards. The cards are in the name of the Sheriff or the chief civil deputy. The chief civil deputy or assistant chief civil deputy attaches the backup to the statements. The Sheriff is in compliance with the AUP guidelines.

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

The Sheriff has policies and procedures in place to cover travel and expense reimbursements. The Sheriff is in compliance with the AUP guidelines.

- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Sheriff has ethics policies and procedures in place. All employees are required to take the online ethics course. There was no signature verification that the employees have read the agency policy on ethics.

- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Sheriff has a written policies and procedures in place for debt service and is in compliance with the AUP guidelines.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. The Union Parish Sheriff's office does not have a board or a finance committee therefore this procedure is not applicable.

BANK RECONCILIATIONS

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

The agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. The agency had a total of 16 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

For the 5 bank accounts selected above, it was determined that the bank reconciliations were dated to show evidence that they were reconciled within 2 months of the closing date of the statements.

- 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);

For the 5 bank accounts selected above, it was determined that the all 5 bank reconciliations were performed by the employee responsible for that fund and no evidence that the reconciliations were reviewed by another employees.

- C) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more that 12 months from the statement closing date, if applicable.

For the 5 bank accounts selected above, 2 of the 5 accounts had no outstanding reconciling items over 12 months. Three accounts had items over 12 months.

COLLECTIONS

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

Agency provided me with a certified list of deposit sites and I verified that it was complete.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- A) Employees that are responsible for cash collections do not share cash drawers/registers.

The agency has 1 collection location with two cash drawers at the Sheriff's office. Multiple deputies work out of the cash drawer for tax collections and criminal fund cash drawer. All collection payments are posted to the fund when received by the deputies. One of the deputies reconciles the cash drawer and another deputy makes the deposit. After the deposit is made, the employee assigned to each fund posts the deposits to the Software and Services (GFA) accounting system. Bank reconciliations are prepared by the employee assigned to the fund and there was no written documentation that the reconciliations are reviewed by any other employee.

- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

The cash drawers are reconciled daily and deposits are made daily. The deposit is made by an employee that also may be reconciling the cash register, since several deputies take turns reconciling the cash register and making the deposits. The collections are posted to the software and services system when collected. The deposits are posted by the employee assigned to that fund to the Software and Services (GFA) accounting system daily.

- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The deputies take turns reconciling the cash drawers on a daily basis. The deposit information is given to the employee assigned to each fund who posts the information to the Software and Services (GFA) software.

- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The deputies take turns reconciling the cash drawers on a daily basis. The deputy reconciling the cash drawer also collects money in the cash drawers the Sheriff's office use.

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

The Sheriff has employee theft insurance coverage on the employees.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- A) Observe that receipts are sequentially pre-numbered.

The Sheriff does not use pre-numbered receipts, the system generates receipts when money is collected.

- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,

Deposit documentation was traced to the cash register information for the daily receipts.

- C) Trace the deposit slip total to the actual deposit per the bank statement.

The deposit slips selected were traced to the bank statement.

- D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

The Sheriff's office makes daily deposits.

- E) Trace the actual deposit per the bank statement to the general ledger.

The deposits were traced to the posting in the Software and Services (GFA) accounting software.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

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

Agency provided a complete list of locations that process payments and represented that the list was complete.

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

- A) At least two employees are involved in initialing a purchase request, approving a purchase, and placing an order/making the purchase.

The Sheriff uses a purchase order system or purchase requisitions. The designated employees initiate purchases and supervisors approve all purchases. The Sheriff has ultimate approval on all major purchases.

- B) At least two employees are involved in processing and approving payments to vendors.

The Sheriff uses a purchase order system or purchase requisitions. The designated employees initiate purchases and supervisors approve all purchases. The employee assigned to a particular fund initiates the checks. The employee that initiates the checks does not sign the checks.

- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The Sheriff uses a purchase order system or purchase requisitions. The designated employees add vendors to the fund they are assigned to administer.

D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Sheriff uses a purchase order system or purchase requisitions. The designated employees initiate the checks but do not sign the checks.

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

A) Observe that the disbursement matched the related original invoice/billing statement.

All disbursements selected to be tested had the proper support documentation.

B) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The employees assigned to the fund initiates the purchase and supervisors approve all purchases. The employee assigned to the fund initiates all checks and two other employees sign all checks. The employee assigned to the fund reconciles the bank statement and there is no evidence that any employee reviews the reconciliations.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

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

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

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

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

The chief civil deputy reviews all credit card statements and attaches proper support to the statement. The chief criminal deputy reviews all fuel credit card statements and approves

them for payment. There is no written documentation showing the fuel statements were reviewed for exceptions.

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

For the card tested, there were no service charges or interest charges noted.

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

All transactions tested had the proper documentation. The chief civil deputy or authorized card holder initiates all purchases and the chief civil deputy approves all purchases. All transactions tested appeared to be for business purposes.

TRAVEL AND EXPENSE REIMBURSEMENT

14. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

CONTRACTS

15. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

PAYROLL AND PERSONNEL

16. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

17. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

18. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

19. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

ETHICS (EXCLUDING NONPROFITS)

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

A) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Agency provided support for ethics training for the five randomly selected employees above.

B) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Agency did not have any documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

21. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

22. The Union Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

OTHER

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

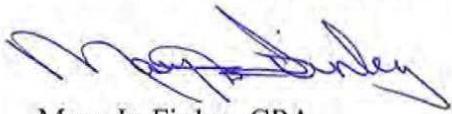
The Sheriff's office has no known misappropriation of funds during the test period.

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

I observed the fraud hotline notice posted on the premises.

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

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

A handwritten signature in blue ink, appearing to read "Mary Jo Finley", written in a cursive style.

Mary Jo Finley, CPA
October 9, 2018



Dusty Gates
Sheriff and his Office Via Computer
710 Haldar Road
Farmerville, LA 71241
Office (318) 368-3124
Civil Division (318) 368-2510
Fax (318) 608-3000

REPONSES TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. (D) Due to the size of this agency, it is not cost effective to hire additional personnel for these purposes.

(G) Card usage will be monitored monthly by Chief Deputy or Sheriff.

(I) Effective immediately, the Chief Criminal Deputy will have each employee sign that they have read and received a copy of the Ethics Policy.

BANK RECONCILIATIONS

2. (B) Effective immediately, an employee not assigned to the fund will review and initial reconciled bank statements.

(C) This Agency is in the process of clearing all items that have been carried on the reconciliation for more than 12 months. This will be done by voiding the item and reissuing same to the correct owner or by sending the item to the State of Louisiana, Abandoned Property Department.

COLLECTIONS

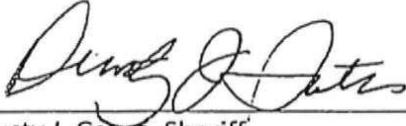
5. (A) Due to the size of this agency, it is not cost effective to hire additional personnel for these purposes. Written documentation for reconciliations will be reviewed by employee not assigned to the fund.

NON-PAYROLL DISBURSMENTS

10. (B) Effective immediately, an employee not assigned to the fund will review and initial reconciled bank statements.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

12 (A) Effective immediately, the Chief Criminal Deputy or Sheriff will monitor monthly statements.

A handwritten signature in black ink, appearing to read "Dusty J. Gates", written over a horizontal line.

Dusty J. Gates, Sheriff
Union Parish, Louisiana