

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2019
With Supplemental Information Schedules

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules

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Public Accountants

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 329-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, major funds and fiduciary funds of the Richland Parish Sheriff, a component unit of the Richland Parish Police Jury, as of June 30, 2019, 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 Richland 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 Richland 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.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund information and fiduciary fund information of the Richland Parish Sheriff as of June 30, 2019, 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.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Independent Auditor's Report,
June 30, 2019

Emphasis of a Matter

As described in Note 1N to the financial statements, errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease Net Position by (\$527,189). My opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Richland Parish Sheriff's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 54 and the Sheriff's sworn affidavit presented on page 53 are presented for the purpose of additional analysis and are not a required part of the financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of compensation, benefits and other payments and the Sheriff's sworn affidavit are fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated October 17, 2019, on my consideration of the Richland 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 solely 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 the effectiveness of internal control over

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Independent Auditor's Report,
June 30, 2019

financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lincoln Parish Sheriff's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated October 17, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
October 17, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Management's Discussion and Analysis
June 30, 2019

As management of the Richland Parish Sheriff, I offer readers of the Richland Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Richland Parish Sheriff for the fiscal year ended June 30, 2019. 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 Richland Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Richland 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 Richland 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 Richland 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 Richland 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 Richland Parish Sheriff maintains 3 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Detention Center special revenue fund, which are considered to be major funds and the Inmate Welfare fund which is a non major fund.

The Richland Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue fund. A budgetary comparison statement is provided for the major funds 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 Richland 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 Richland Parish Sheriff's performance.

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, liabilities of the Richland Parish Sheriff exceeded assets by \$3,371,420. A portion of the Richland Parish Sheriff's net position reflects its investment in capital assets (equipment), less any related debt used to acquire those assets that is still outstanding. 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 Richland 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 Richland Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$6,231,978	\$5,437,782
Receivables	785,403	747,963
Prepays	67,544	
Due from other funds	2,397	1,371
Inventory	51,304	21,086
Capital assets (net of accumulated depreciation)	<u>9,159,209</u>	<u>592,719</u>
TOTAL ASSETS	<u>16,297,835</u>	<u>6,800,921</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension and OPEB related	<u>1,811,149</u>	<u>2,314,957</u>
TOTAL ASSETS AND OUTFLOWS OF RESOURCES	<u>\$18,108,984</u>	<u>\$9,115,878</u>
LIABILITIES		
Accounts payable	\$206,267	\$137,789
Salaries payable	122,958	99,659
Withholdings payable	28,032	23,180
Due to other funds		43
Interest payable	29,634	
Compensated absences payable	145,524	153,891
Revenue Bonds payable	9,118,141	
Net pension liability	2,419,100	2,773,804
Net OPEB obligation	<u>5,616,128</u>	<u>7,843,956</u>
TOTAL LIABILITIES	<u>17,685,784</u>	<u>11,032,322</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related	<u>3,794,620</u>	<u>729,857</u>
NET POSITION		
Invested in capital assets, net of related debt	41,068	592,719
Reserved for inventory	51,304	21,086
Unrestricted	<u>(3,463,792)</u>	<u>(3,260,106)</u>
TOTAL NET POSITION	<u>(\$3,371,420)</u>	<u>(\$2,646,301)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$18,108,984</u>	<u>\$9,115,878</u>

STATEMENT OF ACTIVITIES

	<u>2019</u>	<u>2018</u>
Public safety:		
Personal services	\$7,027,317	\$6,919,681
Operating services	2,429,512	2,401,282

Materials and supplies	\$2,102,723	\$2,055,736
Travel	103,100	103,091
Interest expense	190,319	
Depreciation expense	539,500	236,428
Total Program Expenses	<u>12,392,471</u>	<u>11,716,218</u>
Program revenues:		
Commissions on state revenue sharing	63,664	63,668
Commissions on fines and bonds	39,663	46,504
Civil and criminal fees	278,528	269,135
Commissions on licenses and taxes	178,282	114,967
Court attendance	1,520	1,500
Feeding and keeping prisoners	5,810,295	5,846,665
Tax notices, etc.	28,500	21,980
Total program revenues	<u>6,400,452</u>	<u>6,364,419</u>
Net Program Expenses	<u>(5,992,019)</u>	<u>(5,351,799)</u>
General revenues:		
Taxes		
Ad valorem	2,566,183	2,181,007
Sales tax	1,515,599	1,482,182
Grants and contributions not restricted to specific programs:		
Federal sources	66,166	62,217
State sources	402,156	400,530
Local sources	144,568	89,924
Use of money and property	786,570	743,738
Miscellaneous	622,084	547,475
Special items-		
Gain (Loss) on sale/disposition of assets	2,983	(875)
Change in Net Position	114,290	154,399
Net Position - Beginning of year as restated	<u>(3,485,710)</u>	<u>(2,800,700)</u>
Net Position - End of year	<u>(\$3,371,420)</u>	<u>(\$2,646,301)</u>

Financial Analysis of the Government's Funds

As noted earlier, the Richland 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, unassigned 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, 2019, combined governmental fund balances of \$6,781,369 showed an increase of \$833,838 over June 30, 2018. The General Fund's portion of the unassigned fund balance of \$5,742,575 shows an increase (of approximately \$705,964) from the prior year amount.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget of the General Fund were due primarily to the increase in anticipated ad valorem taxes, sales taxes, federal grants, state supplemental pay, local grants, commissions on fines and bonds, commissions on licenses and taxes, tax notices, use of money and property, other revenues, proceeds for disposal of assets and proceeds from insurance and

a decrease in civil and criminal fees. The differences in the expenditures of the original budget and the final budget for the General Fund was due to increases in operating services, materials and supplies, travel and other charges and capital outlay and a decrease in personal services.

Differences between revenues of the original budget and the final budget of the Detention Center Fund were due primarily to an increase in supplemental pay, feeding and keeping prisoners, use of money and property, proceeds from disposal of assets and proceeds from revenue bonds and a decrease in other state grants and other revenue. The differences in the expenditures of the original budget and the final budget for the Detention Center Fund was due to increases in personal services, operating services, materials and supplies, debt service and capital outlay and decreases in travel and other charges.

Capital Asset and Debt Administration

Capital assets. The Richland Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$9,159,209 (net of accumulated depreciation). This investment includes furniture and equipment. The increase in capital assets for the year was \$9,144,106. The decrease in capital assets for the year was \$272,495.

Long-term debt. At the end of the fiscal year, Richland Parish Sheriff had debt outstanding of \$17,298,893. Of this amount, \$145,524 is for compensated absences payable and federal revenue bonds of \$9,118,141. The Richland Parish Sheriff also 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. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2019 is \$5,616,128. Substantially all employees of the Richland 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 net pension liability associated with the plan is \$2,419,100 at June 30, 2019.

Requests for Information

This financial report is designed to provide a general overview of the Richland 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 Richland Parish Sheriff, 708 Julia Street, Suite 113, Rayville LA 71269.

October 17, 2019

BASIC FINANCIAL STATEMENTS

RICHLAND PARISH SHERIFF
Rayville, Louisiana
STATEMENT OF NET POSITION
June 30, 2019

ASSETS

Cash and cash equivalents	\$6,231,978
Receivables	785,403
Prepays	67,544
Due from other funds	2,397
Inventory	51,304
Capital assets (net of accumulated depreciation)	<u>9,159,209</u>
TOTAL ASSETS	<u>16,297,835</u>

DEFERRED OUTFLOW OF RESOURCES

Pension related	<u>1,811,149</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$18,108,984</u>

LIABILITIES

Accounts payable	\$206,267
Salaries payable	122,958
Withholdings payable	28,032
Interest payable	29,634
Compensated absences payable	145,524
Federal Revenue Bonds:	
Due within one year	463,142
Due in more than one year	8,654,999
Net pension liability	2,419,100
Net OPEB obligation	<u>5,616,128</u>
TOTAL LIABILITIES	<u>17,685,784</u>

DEFERRED INFLOWS OF RESOURCES

Pension and OPEB related	<u>3,794,620</u>
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NET POSITION

Invested in capital assets, net of related debt	41,068
Reserved for inventory	51,304
Unrestricted	<u>(3,463,792)</u>
TOTAL NET POSITION	<u>(3,371,420)</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION**

\$18,108,984

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2019

Public Safety:	
Personal services	\$7,027,317
Operating services	2,429,512
Materials and supplies	2,102,723
Travel	103,100
Interest expense	190,319
Depreciation expense	539,500
Total Program Expenses	<u>12,392,471</u>
Program revenues:	
Commissions on state revenue sharing	63,664
Commissions on fines and bonds	39,663
Civil and criminal fees	278,528
Commissions on licenses and taxes	178,282
Court attendance	1,520
Feeding and keeping prisoners	5,810,295
Tax notices, etc.	28,500
Total program revenues	<u>6,400,452</u>
Net Program Expenses	(5,992,019)
General revenues:	
Taxes:	
Ad valorem	2,566,183
Sales tax	1,515,599
Grants and contributions not restricted to specific programs:	
Federal sources	66,166
State sources	402,156
Local sources	144,568
Use of money and property	786,570
Miscellaneous	622,084
Special item - gain (loss) on disposal of assets	<u>2,983</u>
Change in Net Position	114,290
NET POSITION	
Beginning of year	<u>(3,485,710)</u>
End of year	<u><u>(\$3,371,420)</u></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2019

	...MAJOR FUNDS....		NON MAJOR FUND	TOTAL
	GENERAL FUND	DETENTION CENTER	INMATE WELFARE	
ASSETS				
Cash and cash equivalents	\$5,449,016	\$655,733	\$127,229	\$6,231,978
Receivables	197,434	587,969		785,403
Prepays		67,544		67,544
Due from other funds	216,161			216,161
Inventory		51,304		51,304
TOTAL ASSETS	<u>\$5,862,611</u>	<u>\$1,362,550</u>	<u>\$127,229</u>	<u>\$7,352,390</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$31,315	\$174,952		\$206,267
Salaries payable	60,689	62,269		122,958
Withholdings payable	28,032			28,032
Due to other funds		213,764		213,764
Total Liabilities	<u>120,036</u>	<u>450,985</u>	NONE	<u>571,021</u>
Fund Equity:				
Restricted - public safety		51,304	\$127,229	178,533
Unassigned	5,742,575	860,261		6,602,836
Total Fund Equity	<u>5,742,575</u>	<u>911,565</u>	<u>127,229</u>	<u>6,781,369</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$5,862,611</u>	<u>\$1,362,550</u>	<u>\$127,229</u>	<u>\$7,352,390</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana

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

For the Year Ended June 30, 2019

Total Fund Balances at June 30, 2019- Governmental Funds (Statement C)		\$6,781,369
Deferred outflow of resources		1,811,149
Cost of capital assets at June 30, 2019	\$11,846,751	
Less: Accumulated depreciation	<u>(2,687,542)</u>	9,159,209
Elimination of interfund assets and liabilities:		
Due from other funds	213,764	
Due to other funds	<u>(213,764)</u>	
Long-term liabilities at June 30, 2019:		
Compensated absences	(145,524)	
Interest payable	(29,634)	
Revenue bonds payable	(9,118,141)	
Net pension liability	(2,419,100)	
Net OPEB obligation	<u>(5,616,128)</u>	(17,328,527)
Deferred inflow of resources		<u>(3,794,620)</u>
Net Position at June 30, 2019 (Statement A)		<u><u>(\$3,371,420)</u></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2019

MAJOR FUNDS.....		NON MAJOR FUND	TOTAL
	GENERAL FUND	DETENTION CENTER	INMATE WELFARE	
REVENUES				
Taxes:				
Ad valorem	\$2,566,183			\$2,566,183
Sales	1,515,599			1,515,599
Intergovernmental revenues:				
Federal grants	66,166			66,166
State grants:				
State supplemental pay	223,387	\$152,122		375,509
Other	23,047	3,600		26,647
Local grants	144,568			144,568
Fees, charges, and commissions for services:				
Commissions on state revenue sharing	63,664			63,664
Commissions on fines and bonds	39,663			39,663
Civil and criminal fees	278,528			278,528
Commissions on licenses and taxes	178,282			178,282
Court attendance	1,520			1,520
Feeding and keeping of prisoners		5,810,295		5,810,295
Tax notices, etc.	28,500			28,500
Use of money and property	55,088	731,482		786,570
Other	14,826	41,308	\$308,402	364,536
Total revenues	<u>5,199,021</u>	<u>6,738,807</u>	<u>308,402</u>	<u>12,246,230</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and related benefits	3,488,479	3,154,427		6,642,906
Operating services	537,407	1,892,105		2,429,512
Materials and supplies	367,056	1,532,073	203,594	2,102,723
Travel and other charges	90,029	13,071		103,100
Debt service		192,544		192,544
Capital outlay	44,015	9,088,691		9,132,706
Total expenditures	<u>4,526,986</u>	<u>15,872,911</u>	<u>203,594</u>	<u>20,603,491</u>

(Continued)

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

	<u>GENERAL FUND</u>	<u>DETENTION CENTER</u>	<u>INMATE WELFARE</u>	<u>TOTAL</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$672,035	(\$9,134,104)	\$104,808	(\$8,357,261)
OTHER FINANCING SOURCE-				
Proceeds from revenue bonds		9,150,000		9,150,000
Proceeds from disposal of assets	4,604	1,400		6,004
Proceeds from insurance	29,325	5,770		35,095
Total Other Financing Source	<u>33,929</u>	<u>9,157,170</u>	NONE	<u>9,191,099</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	705,964	23,066	104,808	833,838
FUND BALANCE AT BEGINNING OF YEAR	<u>5,036,611</u>	<u>888,499</u>	<u>22,421</u>	<u>5,947,531</u>
FUND BALANCE AT END OF YEAR	<u>\$5,742,575</u>	<u>\$911,565</u>	<u>\$127,229</u>	<u>\$6,781,369</u>

(Concluded)

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, 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, 2019

Total net change in fund balances - governmental funds (Statement D)	\$833,838
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.	8,593,206
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.	(386,696)
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).	8,367
Proceeds of revenue bonds are reported as other financing source in governmental funds. However, those amounts are a increase of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(9,150,000)
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.	31,859
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.	(29,634)
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(38,116)
Non-employer contributions to cost-sharing pension plan	257,548
Pension expense	<u>(6,082)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$114,290</u></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2019

	<u>TAX COLLECTOR</u>	<u>CRIMINAL</u>	<u>SHERIFF'S CIVIL</u>	<u>WORK RELEASE</u>	<u>INMATE</u>	<u>TOTAL</u>
ASSETS						
Cash	<u>\$173,937</u>	<u>\$149,431</u>	<u>\$37,356</u>	<u>\$101,342</u>	<u>\$79,088</u>	<u>\$541,154</u>
LIABILITIES						
Due to other funds		\$753	\$1,644			\$2,397
Due to taxing bodies	<u>\$173,937</u>	<u>\$148,678</u>	<u>35,712</u>	<u>\$101,342</u>	<u>\$79,088</u>	<u>538,757</u>
TOTAL LIABILITIES	<u>\$173,937</u>	<u>\$149,431</u>	<u>\$37,356</u>	<u>\$101,342</u>	<u>\$79,088</u>	<u>\$541,154</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

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, 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 Richland 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 Richland Parish Police Jury is the financial reporting entity for Richland 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Richland 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:

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

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 Richland 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 Richland 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.

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.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

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 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 Types

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.

Special Revenue Funds - The Detention Center Special Revenue Fund, is used to account for the proceeds of specific revenue sources such as grants and state and parish funds for maintaining state and parish prisoners. Those revenues are restricted to expenditures for specified purposes. The Inmate Welfare Special Revenue Fund is used to account for funds generated by inmates and used for purchases for inmate use at the detention center facilities.

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

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the 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.

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

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

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.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

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 law and national banks having principal offices in Louisiana. At June 30, 2019, the sheriff has cash and equivalents (book balances) totaling \$6,773,132 as follows:

Demand deposits	\$3,435,037
Petty cash	2,050
Time deposits	<u>3,336,045</u>
Total	<u>\$6,773,132</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. The Sheriff does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at June 30, 2019, are secured as follows:

Bank balances	<u>\$7,114,570</u>
Federal deposit insurance	\$1,117,071
Pledged securities (uncollateralized)	<u>7,198,424</u>
Total	<u>\$8,315,495</u>

RICHLAND PARISH SHERIFF
 Rayville, Louisiana
 Notes to the Financial Statements (Continued)

F. CAPITAL ASSETS

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

Capital assets are recorded in the 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

G. 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 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, 2019.

H. SALES TAX

On October 7, 1989, voters of the parish approved a one-half of one per cent (1/2 %) sales tax dedicated for the purpose of providing additional funding for the law enforcement district. The tax was renewed in January 2000 and again in January, 2010, and remains in effect for ten years. The sheriff's office has entered into an agreement with the Richland Parish Sales Tax Commission for collection of the tax. For this service, the sheriff's office pays the cost of establishing, operating, maintaining and administering the commission on a pro-rata basis with other tax recipient bodies in the parish.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

I. VACATION AND SICK LEAVE

Employees hired prior to January 1, 1997, except field deputies and radio operators, are granted two weeks of vacation leave each year. Field deputies and radio operators are granted three weeks of vacation leave each year. Accumulated leave cannot be carried forward to succeeding years. Employees hired after January 1, 1997, earn two weeks of vacation time each year, credited to their account on a monthly basis. These employees may carry forward a maximum of two weeks vacation time into the following year.

Employees earn one day of sick leave for each month of service. Employees are allowed to accumulate up to 240 hours of sick leave, which can be carried forward to succeeding years. Employees hired prior to January 1, 1997, are allowed to bring forward all leave accrued prior to that date. However, no additional sick leave will be credited to the employee until his or her balance is less than 240 hours and is not payable upon termination.

Employees are allowed to accrue K-time. The sheriff's office has an accrued liability of \$145,524 at June 30, 2019.

J. PENSION PLANS

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

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

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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.

RICHLAND PARISH SHERIFF
 Rayville, Louisiana
 Notes to the Financial Statements (Continued)

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.

The General Fund has an unassigned fund balance of \$5,742,575. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

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. RESTATEMENT OF NET POSITION

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the Sheriff by \$527,189.

The effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2018, as previously stated	(\$2,958,521)
Net Change in Net Pension at June 30, 2019	<u>(527,189)</u>
Total Net Position, June 30, 2019, Restated	<u><u>(\$3,485,710)</u></u>

2. RECEIVABLES

The receivables of \$785,403 at June 30, 2019, are as follows:

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Total</u>
Taxes:			
Sales and use	\$123,673		\$123,673
Intergovernmental revenues:			
Federal grants	30,226		30,226
Other state grants	3,483	\$980	4,463
Local grants	7,578		7,578
Fees, charges, and commissions for services:			
Civil and criminal fees	24,334		24,334
Commissions on licenses and taxes	300		300
Feeding and keeping prisoners		495,214	495,214
Miscellaneous	7,840	91,775	99,615
Total	<u>\$197,434</u>	<u>\$587,969</u>	<u>\$785,403</u>

3. ON-BEHALF PAYMENTS

Certain employees of the Richland Parish Sheriff and Richland Parish Detention Center 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 (\$223,387) and the Detention Center Operating Fund (\$152,122). Revenues and expenditures under this arrangement totaled \$375,509.

4. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Buildings and Improvements	\$368,221	\$9,069,066		\$9,437,287
Furniture and equipment	1,149,132	63,640	(\$34,932)	1,177,840
Vehicles	1,469,187		(237,563)	1,231,624
Total assets	<u>2,986,540</u>	<u>9,132,706</u>	<u>(272,495)</u>	<u>11,846,751</u>
Less accumulated depreciation	<u>2,380,173</u>	<u>541,748</u>	<u>(234,379)</u>	<u>2,687,542</u>
Net capital assets	<u>\$606,367</u>	<u>\$8,590,958</u>	<u>(\$38,116)</u>	<u>\$9,159,209</u>

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

The Sheriff contributes to the Sheriffs' Pension and Relief Fund (Fund) which 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. Membership in the Fund is required for all eligible sheriffs and deputies. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund, which can be obtained at www.la.state.la.us.

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.

Pension Amount Netting.

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

Plan Description.

The Fund was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of 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.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

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

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 compensation 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 Fund 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 Fund 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 Fund began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making him eligible for membership in the Fund 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

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

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.

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

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

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.

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75%.

In accordance with state statute, the Fund also receives ad valorem taxes, insurance premium taxes, and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

The Sheriff's contractually required composite contribution rate for the year ended June 30, 2018 was 12.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The Richland Parish Sheriff's contributions to the Fund for the years ended June 30, 2019, 2018, and 2017 were \$523,691, \$543,049, and \$579,520, 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 \$2,419,100 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2018, the Sheriff's proportion was .6309 percent, which was a decrease of .010 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$572,447. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$679,080
Changes in assumptions	\$715,120	
Net difference between projected and actual earnings on pension plan		143,605
Changes in employer's proportion of beginning NPL	473,442	246,967
Differences between employer and proportionate share of contributions	7,306	18,854
Sheriff contributions subsequent to the measurement date	523,691	
Total	\$1,719,559	\$1,088,506

\$523,691 reported as deferred outflows of resources related to pensions resulting from the Richland 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, 2019. 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:	
2019	\$97,260
2020	67,208
2021	(190,417)
2022	35,340
2023	97,971
Total	107,362

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2018
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25%

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

Projected salary increases	5.5% (2.60% inflation, 2.90% 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 Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The discounted rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund’s actuary. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

RICHLAND PARISH SHERIFF
 Rayville, Louisiana
 Notes to the Financial Statements (Continued)

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	6.9%	4.3%
Fixed Income	23	3.2	0.7
Alternative Investments	15	4.5	0.7
Totals	100%		5.7
Inflation			2.5
Expected Arithmetic Nominal Return			8.2%

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 7.25%, 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.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Sheriffs' proportionate share of the net pension liability	\$5,474,746	\$2,419,100	(\$153,405)

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Richland Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Richland 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*.

RICHLAND PARISH SHERIFF
 Rayville, Louisiana
 Notes to the Financial Statements (Continued)

Benefits Provided - Medical, dental and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage and the first \$10,000 of life insurance for the retiree only (not dependents) for employees who are eligible to retire and who meet the following requirements on or before August 31, 2013: one, attainment of age 55 with at least fifteen years of full-time service with Richland Parish Sheriff's Office; or, two, at least thirty years of service regardless of age. For employees not yet eligible to retire and not meeting the foregoing requirements on or before August 31, 2013, the employer pays for 100% of the same medical and life benefits for those having at least 30 years of service at retirement and 50% for those having attained age 55 with at least 25 years of service. 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.

Life insurance coverage is continued to retirees by election and based on a blended rate for active employees and retirees. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the volume in excess of \$20,000, if any. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms - At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	33
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	125
Total employees	<u>158</u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$5,616,128 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs - The total OPEB liability in the June 30, 2019 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
Prior Discount rate	3.62
Discount rate	3.50%
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index on the applicable measurement period.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenditures	NONE	(\$2,706,114)
Changes in assumptions	\$91,590	
Total	\$91,590	(\$2,706,114)

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:	
2020	(\$137,607)
2021	(137,607)
2022	(137,607)
2023	(137,607)
2024	(137,607)
Thereafter	(\$1,926,492)

7. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2019, are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund		\$216,161
Detention Center Special Revenue Fund	\$213,764	
Agency Funds:		
Criminal Fund	753	
Civil Fund	1,644	
Total	<u>\$216,161</u>	<u>\$216,161</u>

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

On April 25, 2019, the sheriff issued \$9,150,000 in revenue bonds with an interest rate of 3.9 percent. The 2019 series bonds were used for acquisition of 2 existing detention centers. The net proceeds were \$9,058,868 (after issuance costs of \$91,132). Principal is due in monthly installments ranging from \$31,859 to \$67,324. Debt retirement payments are to be made from Detention Center Revenue Fund.

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

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

	Revenue Bonds	Compensated Absences	Total
Long-term obligations, June 30,	NONE	\$153,891	\$153,891
Additions	\$9,150,000	133,048	9,283,048
Deletions	(31,859)	(145,563)	(177,422)
Adjustments		4,148	4,148
Long-term obligations, June 30,	<u>\$9,118,141</u>	<u>\$145,524</u>	<u>\$9,263,665</u>

Adjustment to compensated absences balance at June 30, 2019, was made to reflect differences due to changes in beginning and ending pay rates.

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2019 are as follows:

Year	Principal	Interest	Total
2020	\$463,142	\$347,387	\$810,529
2021	481,531	328,998	810,529
2022	500,650	309,879	810,529
2023	520,529	290,000	810,529
2024	541,196	269,333	810,529
2025-2029	3,045,880	1,006,765	4,052,645
2030-2034	3,565,213	352,348	3,917,561
Total	<u>\$9,118,141</u>	<u>\$2,904,710</u>	<u>\$12,022,851</u>

9. CHANGES IN AGENCY FUND BALANCES

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

	Tax Collector Fund	Criminal Fund	Sheriff's Civil Fund	Work Release Fund	Inmate Fund	Total
Balance, July 1, 2018	\$689,721	\$106,576	\$38,430	\$67,675	\$155,605	\$1,058,007
Additions	18,282,776	1,817,964	655,113	1,272,937	927,240	22,956,030
Reductions	(18,798,560)	(1,775,862)	(657,831)	(1,239,270)	(1,003,757)	(23,475,280)
Balance June 30, 2019	<u>\$173,937</u>	<u>\$148,678</u>	<u>\$35,712</u>	<u>\$101,342</u>	<u>\$79,088</u>	<u>\$538,757</u>

10. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2019, the tax collector has cash and equivalents (book balances) totaling \$173,937 as follows:

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

Ad valorem taxes	\$337
Protest taxes	129,228
Parish licenses	35,806
Interest on taxes	47
Costs	525
Clerks fees	690
Refunds	2,618
Redemptions	4,686
Total	<u>\$173,937</u>

11. AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2019, by taxing body as follows:

Louisiana Forestry Service	\$4,723
Louisiana Tax Commission	42,730
Richland Parish Assessor	1,625,258
Richland Parish Police Jury	2,865,521
Richland Parish School Board	7,081,215
Richland Parish Sheriff	2,483,723
Tensas Levee Basin Board	648,216
Richland Parish Hospital	846,877
Richardson Medical Center	1,056,669
Ward 1 Fire District	587,650
Alto/Archibald Fire District	111,500
Holly Ridge Fire District	102,016
Mangham Fire District	93,700
Start/Girard Fire District	98,200
Fire District No. 8	62,900
Total	<u>\$17,710,898</u>

12. TAX UNCOLLECTED AND UNSETTLED

At June 30, 2019, the tax collector has the following uncollected assessed taxes for the year ended June 30, 2019:

Richland Parish Assessor	\$45
Richland Parish Police Jury	69
Richland Parish School Board	197

RICHLAND PARISH SHERIFF
 Rayville, Louisiana
 Notes to the Financial Statements (Continued)

Richland Parish Sheriff	\$69
Tensas Levec Basin Board	17
Ward 1 Fire District	3
Richardson Medical Center	28
Richland Parish Hospital	<u>28</u>
Total	<u><u>\$456</u></u>

13. OCCUPATIONAL LICENSES COLLECTED

At June 30, 2019, the tax collector has collected and disbursed the following:

	<u>Total</u>	<u>Collection</u>	<u>Final</u>
Richland Parish Police Jury	<u>\$180,809</u>	<u>\$27,121</u>	<u>\$153,688</u>

14. LITIGATION AND CLAIMS

At June 30, 2019, the Richland Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

PART II

RICHLAND PARISH SHERIFF
Rayville, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes:				
Ad valorem	\$2,158,000	\$2,566,123	\$2,566,183	\$60
Sales Tax	1,400,000	1,500,000	1,515,599	15,599
Intergovernmental revenues:				
Federal grants - federal revenue	22,169	82,091	66,166	(15,925)
State grants:				
State supplemental pay	222,000	223,000	223,387	387
Other state grants	22,845	22,845	23,047	202
Local grant	97,400	130,437	144,568	14,131
Fees, charges, and commissions for services:				
Commissions on state revenue sharing	63,668	63,668	63,664	(4)
Commissions on fines & bonds	500	39,543	39,663	120
Civil and criminal fees	283,700	266,933	278,528	11,595
Commissions on license and taxes	100,000	170,000	178,282	8,282
Court attendance	1,500	1,500	1,520	20
Tax notices, etc	13,000	24,100	28,500	4,400
Use of money and property	1,070	54,400	55,088	688
Other revenue	7,950	19,874	14,826	(5,048)
Total revenues	<u>4,393,802</u>	<u>5,164,514</u>	<u>5,199,021</u>	<u>34,507</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	3,544,261	3,472,537	3,488,479	(15,942)
Operating services	457,800	530,239	537,407	(7,168)
Materials and supplies	278,700	350,306	367,056	(16,750)
Travel and other charges	85,576	93,576	90,029	3,547
Capital outlay	20,000	44,015	44,015	
Total expenditures	<u>4,386,337</u>	<u>4,490,673</u>	<u>4,526,986</u>	<u>(36,313)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>7,465</u>	<u>673,841</u>	<u>672,035</u>	<u>(1,806)</u>

Continued

RICHLAND PARISH SHERIFF
 Rayville, 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		\$4,604	\$4,604	
Proceeds from insurance		40,542	29,325	(\$11,217)
Total financing sources	<u>NONE</u>	<u>45,146</u>	<u>33,929</u>	<u>(11,217)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$7,465	718,987	705,964	(13,023)
FUND BALANCES AT BEGINNING OF YEAR	<u>4,900,000</u>	<u>5,036,611</u>	<u>5,036,611</u>	
FUND BALANCES AT END OF YEAR	<u>\$4,907,465</u>	<u>\$5,755,598</u>	<u>\$5,742,575</u>	<u>(\$13,023)</u>

(Concluded)

RICHLAND PARISH SHERIFF
Rayville, Louisiana

BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER FUND
For the Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State grants:				
State supplemental pay	\$144,000	\$152,566	\$152,122	(\$444)
Other	32,000	3,000	3,600	600
Fees, charges and commissions for services -				
Feeding and keeping prisoners	5,551,000	5,779,000	5,810,295	31,295
Use of money and property	721,400	735,625	731,482	(4,143)
• Other revenue	10,000	319	41,308	40,989
Total revenues	<u>6,458,400</u>	<u>6,670,510</u>	<u>6,738,807</u>	<u>68,297</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	3,065,100	3,155,207	3,154,427	780
Operating services	1,873,400	1,968,295	1,892,105	76,190
Materials and supplies	1,431,000	1,496,900	1,532,073	(35,173)
Travel and other charges	19,500	14,900	13,071	1,829
Debt service	16,500	186,062	192,544	(6,482)
Capital outlay	50,000	9,110,869	9,088,691	22,178
Total expenditures	<u>6,455,500</u>	<u>15,932,233</u>	<u>15,872,911</u>	<u>59,322</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>2,900</u>	<u>(9,261,723)</u>	<u>(9,134,104)</u>	<u>127,619</u>
OTHER FINANCING SOURCES:				
Proceeds from revenue bonds		9,150,000	9,150,000	
Proceeds from disposal of assets		9,121	1,400	(7,721)
Proceeds from insurance			5,770	5,770
Total financing sources	<u>NONE</u>	<u>9,159,121</u>	<u>9,157,170</u>	<u>(1,951)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	2,900	(102,602)	23,066	125,668
FUND BALANCES AT BEGINNING OF YEAR	<u>890,000</u>	<u>888,499</u>	<u>888,499</u>	
FUND BALANCES AT END OF YEAR	<u>\$892,900</u>	<u>\$785,897</u>	<u>\$911,565</u>	<u>\$125,668</u>

RICHLAND PARISH SHERIFF
Rayville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019

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 Richland 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.

Richland Parish Sheriff
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2019

Schedule of Funding Progress

Total OPEB Liability	2018	2019
Service cost	\$877,059	\$143,157
Interest	292,690	286,542
Changes of benefits terms	NONE	NONE
Differences between expected and actual experience	(327,831)	(2,536,320)
Changes of assumptions	NONE	96,410
Benefit payments	(206,272)	(217,617)
Net change in total OPEB liability	635,646	(2,227,828)
Total OPEB liability - beginning	7,208,310	7,843,956
Total OPEB liability - ending	\$7,843,956	\$5,616,128
Covered employee payroll	\$3,821,625	\$3,836,274
Net OPEB liability as a percentage of covered-employee payroll	205.25%	142.68%
<i>Benefit Changes</i>	None	None
<i>Changes in Assumptions</i>	None	None
<i>Discount Rate</i>	3.62%	3.50%

Note:

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

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

Richland Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2019

Fiscal Year *	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
2014	0.546158%	\$2,162,789	\$3,829,221	56.48%	87.34%
2015	0.535471%	\$2,386,871	\$3,510,965	67.98%	86.61%
2016	0.505416%	\$3,207,822	\$3,431,198	93.49%	82.09%
2017	0.640561%	\$2,773,804	\$4,373,738	63.42%	88.49%
2018	0.630853%	\$2,419,100	\$4,259,199	56.80%	90.41%

* Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Richland Parish Sheriff
Schedule of Employer Contributions
June 30, 2019

Fiscal Year *	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
2014	\$531,879	\$531,879	\$0	\$3,829,221	13.89%
2015	\$500,313	\$500,313	\$0	\$3,510,965	14.25%
2016	\$471,790	\$471,790	\$0	\$3,431,198	13.75%
2017	\$579,520	\$579,520	\$0	\$4,373,738	13.25%
2018	\$543,049	\$543,049	\$0	\$4,259,199	12.75%

* Amounts presented were determined as of the end of the fiscal year.

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

STATE OF LOUISIANA

PARISH OF RICHLAND

**AFFIDAVIT
GARY GILLEY, SHERIFF OF RICHLAND PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, GARY GILLEY, SHERIFF OF RICHLAND PARISH, State of Louisiana, who after being duly sworn, deposed and said:

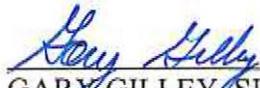
The following information is true and correct:

\$173,937 is the amount of cash on hand in the tax collector account on June, 30, 2019.

He further deposed and said:

All itemized statements of the amount of taxes collected for the tax year, 2018, by taxing authority, are true and correct.

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



GARY GILLEY, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 17th day of October, 2019, in my office in Rayville, Louisiana.



AMANDA FLOWERS, EX- OFFICIO NOTARY #91928
RICHLAND PARISH, LOUISIANA

AMANDA FLOWERS
EX-OFFICIO NOTARY
RICHLAND PARISH SHERIFFS DEPT
NOTARY # 91928

RICHLAND PARISH SHERIFF
Rayville, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

GARY GILLEY, SHERIFF

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$145,761
Expense allowance	14,576
Benefits-insurance	9,086
Benefits-retirement	39,774
Benefits-medicare	2,572
Registration fees	385
Cellphone and tablet	967
Housing and lodging	1,713
Membership dues-Sheriff's Association	12,147

OTHER SUPPLEMENTARY INFORMATION

PART III

RICHLAND PARISH SHERIFF
Rayville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2019

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, licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CRIMINAL FUND

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

SHERIFF'S CIVIL FUND

The Sheriff's Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments. Payment of these collections to recipients are made in accordance with applicable laws.

WORK RELEASE FUND

The Work Release Fund accounts for inmate funds earned working outside of the detention center.

INMATE FUND

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2019

	TAX COLLECTOR FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	WORK RELEASE FUND	INMATE FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$689,721</u>	<u>\$106,576</u>	<u>\$38,430</u>	<u>\$67,675</u>	<u>\$155,605</u>	<u>\$1,058,007</u>
ADDITIONS						
Deposits - sheriff's sales, etc.			655,113			655,113
Fines, forfeitures, bonds, etc.		1,817,964				1,817,964
Ad valorem taxes	17,452,923					17,452,923
Protest taxes	46,074					46,074
State Revenue Sharing	407,927					407,927
Parish licenses	177,795					177,795
Interest on:						
NOW accounts	591					591
Delinquent taxes	7,510					7,510
Protested taxes held in escrow	561					561
Redemptions and refunds	148,293					148,293
Tax notices, etc.	28,382					28,382
Inmate deposits				1,272,937	927,240	2,200,177
In Lieu of taxes	12,720					12,720
Total additions	<u>18,282,776</u>	<u>1,817,964</u>	<u>655,113</u>	<u>1,272,937</u>	<u>927,240</u>	<u>22,956,030</u>
Total	<u>18,972,497</u>	<u>1,924,540</u>	<u>693,543</u>	<u>1,340,612</u>	<u>1,082,845</u>	<u>24,014,037</u>
REDUCTIONS						
Deposits settled to:						
Richland Parish:						
Sheriff's General Fund	2,676,621	181,497	150,651			3,008,769
Assessor	1,674,726					1,674,726
Clerk of Court	8,370	141,061	183,979			333,410
Police jury	3,014,629	54,085				3,068,714
School board	6,984,230					6,984,230
Hospital	842,003					842,003
Richardson Medical Center	1,011,204					1,011,204
District attorney		204,079				204,079
Fire Districts	1,059,397					1,059,397
Indigent Defender Board		243,988				243,988
District judge - Division B		57,610				57,610

(Continued)

RICHLAND PARISH SHERIFF
 Rayville, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS
 Combining Schedule of Changes in Balances
 Due to Taxing Bodies and Others, 2019

	TAX COLLECTOR FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	WORK RELEASE FUND	INMATE FUND	TOTAL
REDUCTIONS (CONTD.)						
Deposits settled to (contd.):						
North Louisiana Crime Lab		\$97,526				\$97,526
Louisiana Commission on Law Enforcement		20,997				20,997
Judicial Expense Fund		44,473				44,473
Louisiana Tax Commission	\$44,375					44,375
Louisiana Forestry Commission	4,725					4,725
Tensas Basin Levee Board	652,241					652,241
Pension funds	484,907					484,907
Litigants			\$313,612			313,612
Refunds to inmates				\$1,239,270	\$1,003,757	2,243,027
Other settlements	341,132	730,546	9,589			1,081,267
Total reductions	<u>18,798,560</u>	<u>1,775,862</u>	<u>657,831</u>	<u>1,239,270</u>	<u>1,003,757</u>	<u>23,475,280</u>
UNSETTLED BALANCES						
DUE TO TAXING BODIES						
AND OTHERS AT END OF						
	<u>\$173,937</u>	<u>\$148,678</u>	<u>\$35,712</u>	<u>\$101,342</u>	<u>\$79,088</u>	<u>\$538,757</u>

**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 is 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 With *Government Auditing Standards***

RICHLAND PARISH SHERIFF
Rayville, 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, the major funds and the fiduciary funds of the Richland Parish Sheriff, a component unit of the Richland Parish Police Jury, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Richland Parish Sheriff's basic financial statements, and have issued my report thereon dated October 17, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, I do not express an opinion on the effectiveness of the 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2019

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Richland 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 Richland 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 Richland Parish Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
October 17, 2019

RICHLAND PARISH SHERIFF
Rayville, Louisiana

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

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unmodified opinion on the financial statements of the Richland Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the Richland Parish Sheriff were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**RICHLAND PARISH SHERIFF
Rayville, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019**

There were no audit findings reported in the audit for the year ended June 30, 2018.

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
Phone (318) 329-8880 - Fax (318) 329-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Richland Parish Sheriff
108 Julia Street, Suite 113
Rayville, LA 71269

To the Richland Parish Sheriff's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Richland 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, 2018 through June 30, 2019. Management of Richland 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):
 - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

- C. Disbursements, including processing, reviewing, and approving
- D. Receipts/Collections, including receiving, recording, and preparing deposits. Also policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification personnel, processes, and tools needed to recover operations after a critical event.

The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period. The Disaster Recovery/Business Continuity policy and procedures was added as required.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

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

The agency provided me with a certified list of all bank accounts. January, 2019 was randomly selected to be tested. A random sample of 5 bank accounts were selected to test the items listed above. For the 5 bank accounts selected, 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. It was determined that all 5 bank reconciliations were performed by the employee responsible for that fund and there was evidence that the reconciliations were reviewed by the chief financial officer. 3 of the 5 accounts had no outstanding reconciling items over 12 months. Two 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.
- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 2 collection locations with 6 cash drawers, 2 at the Sheriff's office and 4 at the detention center. Multiple deputies work out of the cash drawers. At the sheriff's office, one of the deputies reconciles the cash drawer and another armed 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 deputy assigned to that particular fund and there was written documentation that the reconciliations are reviewed by the chief financial officer. The deputy reconciling the cash drawer also collects money in the cash drawers. At the detention center the deputies assigned to inmate accounts prepares the deposits and an armed deputy carries the deposits to the bank. The entries are made in the software when the deposits are prepared. One deputy at the detention center reconciles the bank statements and the warden reviews them.

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 all employees.

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.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,
- C) Trace the deposit slip total to the actual deposit per the bank statement.
- D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

The Sheriff does not use pre-numbered receipts, the system generates receipts when money is collected. Deposit documentation was traced to the cash register information for the daily receipts. The deposit slips selected were traced to the bank statement. The sheriff's office money collected over the counter for taxes and criminal fees are deposited daily. Civil money and any other funds that do not flow thru the cash drawers are deposited weekly. The money collected at the detention center is inmate funds and is deposited daily.

- 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. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 9. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 10. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

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

11. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
12. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
13. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

TRAVEL AND EXPENSE REIMBURSEMENT

14. The Richland 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 Richland 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 Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
17. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
18. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Richland 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.
- 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 provided support for ethics training for the five randomly selected employees above. Agency provided documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

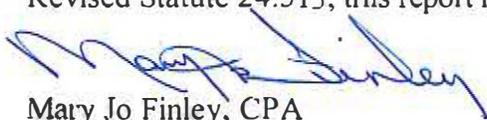
- 21. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 22. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current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

OTHER

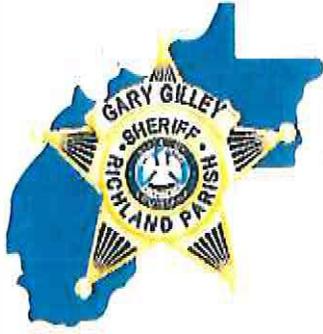
- 23. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 24. The Richland Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

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.



Mary Jo Finley, CPA
October 17, 2019



RICHLAND PARISH SHERIFF'S OFFICE

Gary Gilley, Sheriff and Tax Collector

October 17, 2019

Mary Jo Finley, CPA
116 Professional Drive
West Monroe, LA 71291

Following is the Richland Parish Sheriff's Office response to the report of exceptions found during your testing performed in accordance with the LLA's Statewide Agreed-Upon Procedures:

- 3. C.) We are in the processing of researching items that have been outstanding more than 12 months. These items will be cleared up and in the future, outstanding items will be cleared up within the 12 month timeframe.

- 5. A.) We do not have enough space to place a cash drawer/register for each individual employee.

Regards,

Gary Gilley,
Sheriff