

# Livingston Parish Sheriff

## Annual Financial Statements

As of and for the Year Then Ended June 30, 2017  
With Supplemental Information Schedules



**BRUCE HARRELL & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Accounting Corporation

**Livingston Parish Sheriff  
Livingston, Louisiana**

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

**TABLE OF CONTENTS**

|                                                                                                                                                                          | <b>Statement</b> | <b>Page</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------|
| Independent Auditor’s Report .....                                                                                                                                       |                  | 4           |
| Required Supplemental Information (Part I):                                                                                                                              |                  |             |
| Management’s Discussion and Analysis.....                                                                                                                                |                  | 8           |
| Basic Financial Statements:                                                                                                                                              |                  |             |
| Government-Wide Financial Statements:                                                                                                                                    |                  |             |
| Statement of Net Position.....                                                                                                                                           | A                | 17          |
| Statement of Activities .....                                                                                                                                            | B                | 18          |
| Fund Financial Statements:                                                                                                                                               |                  |             |
| Governmental Funds Financial Statements:                                                                                                                                 |                  |             |
| Balance Sheet, Governmental Funds .....                                                                                                                                  | C                | 20          |
| Reconciliation of the Governmental Funds Balance Sheet to the<br>Government-Wide Financial Statement of Net Position.....                                                | D                | 21          |
| Statement of Revenues, Expenditures, and Changes in Fund Balances.....                                                                                                   | E                | 22          |
| Reconciliation of the Statement of Revenues, Expenditures, and<br>Changes in Fund Balances of Governmental Funds to the<br>Government-Wide Statement of Activities ..... | F                | 23          |
| Fiduciary Fund Financial Statements:                                                                                                                                     |                  |             |
| Statement of Net Position – Fiduciary Funds .....                                                                                                                        | G                | 25          |
| Statement of Changes in Net Position – Fiduciary Trust Fund.....                                                                                                         | H                | 26          |
| Statement of Changes in Net Position – Fiduciary Agency Funds .....                                                                                                      | I                | 27          |
| Notes to the Financial Statements .....                                                                                                                                  |                  | 29          |

**Livingston Parish Sheriff  
Livingston, Louisiana**

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

**TABLE OF CONTENTS**

|                                                                                                                                                                                                                                       | <b>Schedule</b> | <b>Page</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
| <b>Required Supplemental Information (Part II):</b>                                                                                                                                                                                   |                 |             |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances<br>Budget to Actual – General Fund.....                                                                                                                              | 1               | 61          |
| Notes to Budget Comparison Schedules .....                                                                                                                                                                                            |                 | 62          |
| Schedule of Funding Progress for Retiree Benefits .....                                                                                                                                                                               | 2               | 63          |
| Schedule of Sheriff’s Proportionate Share of the Net Pension Liability.....                                                                                                                                                           | 3               | 64          |
| Schedule of the Sheriff’s Contributions.....                                                                                                                                                                                          | 4               | 65          |
| <b>Other Supplemental Information (Part III):</b>                                                                                                                                                                                     |                 |             |
| Tax Collector Account Affidavit .....                                                                                                                                                                                                 | 5               | 67          |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head.....                                                                                                                                                            | 6               | 68          |
| Schedule of Expenditures of Federal Awards.....                                                                                                                                                                                       | 7               | 69          |
| <b>Schedules of Audit Findings Resolution</b>                                                                                                                                                                                         |                 |             |
| Schedule of Findings and Questioned Costs .....                                                                                                                                                                                       |                 | 70          |
| Schedule of Prior Year Audit Findings and Responses .....                                                                                                                                                                             |                 | 72          |
| <b>Other Independent Auditor’s Reports:</b>                                                                                                                                                                                           |                 |             |
| Independent Auditor’s Report on Internal Control over Financial Reporting and<br>on Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... |                 | 73          |
| Independent Auditor’s Report on Compliance for Each Major Program and<br>on Internal Control Over Compliance Required by the Uniform Guidance.....                                                                                    |                 | 75          |

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## Independent Auditor's Report

To the Honorable Jason Ard  
Livingston Parish Sheriff  
Ex-Officio Parish Tax Collector  
Livingston Parish, Louisiana

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

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

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

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

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Livingston Parish Sheriff  
Independent Auditor's Report  
Page 2

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8–15 and 61-62, as well as, the schedule of funding progress for retiree benefits on page 63, the schedule of proportionate share of the net pension liability on page 64, and the schedule of contributions on page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Sheriff's basic financial statements. The schedule of compensation, benefits, and other payments to agency head and the tax collector account affidavit, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head and the tax collector account affidavit and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the tax collector account affidavit and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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Livingston Parish Sheriff  
Independent Auditor's Report  
Page 3

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
Kentwood, Louisiana

December 29, 2017

**Required Supplemental Information (Part I)**  
**Management's Discussion and Analysis**

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Introduction

As management of the Livingston Parish Sheriff, Livingston, Louisiana, we offer readers of the Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2017. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Livingston Parish Sheriff's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Sheriff's finances. It is also intended to provide readers with an analysis of the Sheriff's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Sheriff. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Livingston Parish Sheriff's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

#### Financial Highlights

- The Sheriff's government wide assets exceeded its liabilities by \$6,415,516 (net position, previously reported as net assets). Of this amount, (\$1,318,483) (unrestricted) may be used to meet the Sheriff's ongoing obligations to the Parish. An amount of \$7,713,181 is invested in capital assets, net of related debt.
- For the year ended June 30, 2017, the Sheriff's total government wide net position decreased by \$49,296.
- At June 30, 2017, the Sheriff's governmental funds reported ending fund balances of \$8,646,426, an increase of \$1,947,657 for the year. The total amount, \$8,646,426 is available for spending at the Sheriff's discretion (unassigned fund balance).

#### Overview of the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the Livingston Parish Sheriff's financial statements. The Livingston Parish Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Government-Wide Financial Statements

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

The *statement of net position (formerly reported as statement of net assets)* presents information on all of the Livingston Parish Sheriff's assets and liabilities using the accrual basis of accounting. The difference between the assets and the liabilities is 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 Livingston 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 the 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.

The government-wide financial statements can be found on pages 17 - 18 of this report.

#### 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 Livingston Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Sheriff can be divided into two categories: governmental funds and fiduciary 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 effects of the government's near-term financing decisions. Both the governmental fund balance sheet and the 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 Livingston Parish Sheriff maintains one individual governmental fund. Information is presented separately in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The Livingston Parish Sheriff adopts an annual appropriated budget for its general fund. A budgetary comparison statement for the major fund has been provided herein to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Livingston Parish Sheriff's own programs. The Sheriff reports its Post-Retirement Benefits Trust Fund as a fiduciary fund, and has three agency funds, including the Sheriff's Fund, Tax Collector Fund, and Inmate Deposit Fund.

The basic fiduciary fund financial statements can be found on pages 25 - 27 of this report.

#### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 - 59 of this report.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. These can be found on page 61 through 65 of this report.

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Sheriff's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 17 of this report.

#### Net Position 2017 and 2016

|                                                     | Governmental Activities |                     |
|-----------------------------------------------------|-------------------------|---------------------|
|                                                     | 2017                    | 2016                |
| Assets:                                             |                         |                     |
| Current and Other Assets                            | \$ 12,230,259           | \$ 9,172,235        |
| Capital Assets                                      | 9,692,781               | 8,877,127           |
| Total Assets                                        | <u>21,923,040</u>       | <u>18,049,362</u>   |
| Deferred Outflows of Resources                      | 6,506,983               | 2,206,497           |
| Total Assets and Deferred Outflows of Resources     | <u>28,430,023</u>       | <u>20,255,859</u>   |
| Liabilities:                                        |                         |                     |
| Long-Term Debt Outstanding                          | 18,222,873              | 9,794,711           |
| Other Liabilities                                   | 2,292,025               | 1,833,631           |
| Total Liabilities                                   | <u>20,514,898</u>       | <u>11,628,342</u>   |
| Deferred Inflows of Resources                       | 1,499,609               | 2,162,705           |
| Total Liabilities and Deferred Inflows of Resources | <u>22,014,507</u>       | <u>13,791,047</u>   |
| Net Position:                                       |                         |                     |
| Invested in Capital Assets, Net of Related Debt     | 7,713,181               | 6,614,727           |
| Restricted                                          | 20,818                  | 32                  |
| Unrestricted                                        | (1,318,483)             | (149,947)           |
| Total Net Position                                  | <u>\$ 6,415,516</u>     | <u>\$ 6,464,812</u> |

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

One of the largest portions of the Livingston Parish Sheriff's net position (120 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Livingston Parish Sheriff uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Livingston Parish Sheriff's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Livingston Parish Sheriff is able to report a positive balance in the investment in capital assets category of net position, but there was a deficient balance in unrestricted net position due to the implementation of GASB Statements 68 and 71. The Sheriff was able to report positive balances in all categories of fund balance in the separate governmental activities.

The Sheriff's activities decreased its total net position by \$(49,296) during the current fiscal year.

In order to further understand what makes up the changes in net position, the table on the following page provides a summary of the results of the Sheriff's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 18 of this report.

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Changes in Net Position

#### For the years ended June 30, 2017 and 2016

|                                     | Governmental Activities |                     | Variance           |            |
|-------------------------------------|-------------------------|---------------------|--------------------|------------|
|                                     | 2017                    | 2016                | Amount             | Percentage |
| Revenues:                           |                         |                     |                    |            |
| Program Revenues:                   |                         |                     |                    |            |
| Charges for Services                | \$ 3,972,702            | \$ 4,149,765        | \$ (177,063)       | -4%        |
| Operating Grants and Contributions  | 2,940,185               | 877,906             | 2,062,279          | 235%       |
| Capital Grants and Contributions    | 63,058                  | 5,278               | 57,780             | 1095%      |
| General Revenues:                   |                         |                     |                    |            |
| Property Taxes                      | 10,817,956              | 10,817,273          | 683                | -          |
| Sales Taxes                         | 10,932,230              | 8,686,732           | 2,245,498          | 26%        |
| Intergovernmental                   | 3,902,444               | 3,378,989           | 523,455            | 15%        |
| Interest Income                     | 66,207                  | 40,936              | 25,271             | 62%        |
| Miscellaneous                       | 1,983,391               | 1,764,537           | 218,854            | 12%        |
| Gain (Loss) on Sale of Assets       | 201,502                 | 44,616              | 156,886            | 352%       |
| Total Revenues                      | <u>34,879,675</u>       | <u>29,766,032</u>   | <u>5,113,643</u>   | 17%        |
| Expenses:                           |                         |                     |                    |            |
| Public Safety                       | 34,928,971              | 27,841,121          | 7,087,850          | 25%        |
| Total Expenses                      | <u>34,928,971</u>       | <u>27,841,121</u>   | <u>7,087,850</u>   | 25%        |
| Extraordinary Items:                |                         |                     |                    |            |
| Deep water Horizon Settlement       | -                       | 133,877             | (133,877)          | 100%       |
| Total Extraordinary Items           | <u>-</u>                | <u>133,877</u>      | <u>(133,877)</u>   | 100%       |
| Increase (Decrease) in Net Position | <u>(49,296)</u>         | <u>2,058,788</u>    | <u>(2,108,084)</u> | -102%      |
| Net Position - Beginning            | 6,464,812               | 4,406,024           | 2,058,788          | 47%        |
| Net Position, Ending                | <u>\$ 6,415,516</u>     | <u>\$ 6,464,812</u> | <u>\$ (49,296)</u> | -1%        |

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Governmental Activities

Governmental activities increased the Livingston Parish Sheriff's net position by \$(49,296). Key elements of this change in net position as shown on the previous page are as follows:

- Sales taxes increased \$2,245,498 or 26 percent in 2017.
- Operating grants increased \$2,062,279 or 235 percent in 2017.
- Capital grants increased by \$57,780 or 1,095 percent in 2017.
- Expenditures increased by \$7,087,850 or 25 percent in 2017.

#### Fund Financial Analysis

As noted earlier, the Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

##### Governmental Funds

The focus of the Sheriff's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sheriff's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Sheriff's net resources available for spending at the end of the year.

The general fund is the chief operating fund of the Livingston Parish Sheriff. At the end of the current fiscal year, total fund balance of the general fund was \$8,646,426, an increase of \$1,947,692. The total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The capital project fund is used to account for and report financial resources that are restricted, committed, or assigned for capital outlays. At the end of the current fiscal year, total fund balance of the capital project fund was \$0, a decrease of (\$35). The total amount constitutes no *restricted fund balance*, which was previously restricted for spending on construction of the work release building.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund operating expenditures plus other financing uses totaling \$36,535,707.

#### Major Fund Budgetary Highlights

Differences between the original and final amended budgets of the major funds budgeted for revenues and other sources were more than the final budget by \$1,187,905.

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Capital Assets and Debt Administration

##### Capital Assets

The Livingston Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2017, amounted to \$9,692,781 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

The following table provides a summary of the Sheriff's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 5 to the financial statements on page 40 of this report.

#### Capital Assets (Net of Depreciation) 2017 and 2016

| Capital Assets                 | Governmental Activities    |                            | Increase<br>(Decrease)   | Percentage<br>Increase<br>(Decrease) |
|--------------------------------|----------------------------|----------------------------|--------------------------|--------------------------------------|
|                                | 2017                       | 2016                       |                          |                                      |
| Land                           | \$ 381,958                 | \$ 269,558                 | \$ 112,400               | 42%                                  |
| Construction in Progress       | -                          | 935,263                    | (935,263)                | -100%                                |
| Buildings and Tower            | 5,644,088                  | 4,656,527                  | 987,561                  | 21%                                  |
| Equipment and Furniture        | 5,054,962                  | 4,388,362                  | 666,600                  | 15%                                  |
| Vehicles                       | 6,565,966                  | 6,426,464                  | 139,502                  | 2%                                   |
| Subtotal Capital Assets        | <u>17,646,974</u>          | <u>16,676,174</u>          | 970,800                  | 6%                                   |
| Less: Accumulated Depreciation | <u>(7,954,193)</u>         | <u>(7,799,047)</u>         | 155,146                  | 2%                                   |
| <b>Capital Assets, Net</b>     | <u><u>\$ 9,692,781</u></u> | <u><u>\$ 8,877,127</u></u> | <u><u>\$ 815,654</u></u> | 9%                                   |

##### Long Term Debt

At the end of the fiscal year, the Sheriff had long term debt consisting of revenue bonds and net pension liability in the amount of \$18,937,873. For more detailed information on Revenue Bonds Payable see Note 14 to the financial statements on page 52 of this report.

#### Outstanding Debt 2017 and 2016

|                                           | Governmental Activities     |                             |
|-------------------------------------------|-----------------------------|-----------------------------|
|                                           | 2017                        | 2016                        |
| Debt backed by the Government             |                             |                             |
| Revenue Bonds                             | \$ 6,960,000                | \$ 2,240,000                |
| Subtotal of Debt backed by the Government | <u>6,960,000</u>            | <u>2,240,000</u>            |
| Other long term Indebtedness              |                             |                             |
| Net Pension Liability                     | <u>11,977,873</u>           | <u>7,834,711</u>            |
| Subtotal Other long term Indebtedness     | <u>11,977,873</u>           | <u>7,834,711</u>            |
| <b>Total Long Term Debt</b>               | <u><u>\$ 18,937,873</u></u> | <u><u>\$ 10,074,711</u></u> |

## Livingston Parish Sheriff

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Other Post-Employment Benefits

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employees for Post-employment Benefits Other Than Pensions (GASB 45). The statement was implemented prospectively. Using this method, the beginning other post-employment benefits (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2008) will be amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The total ARC for the Fiscal year ending June 30, 2017 is \$832,095 for medical and life combined.

#### Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Livingston Parish Sheriff's budget for the 2017 fiscal year:

- The two major revenue sources for the general fund are ad valorem taxes and sales and use taxes. Ad valorem tax increased by \$683 between 2016 and 2017.
- Sales tax revenues increased by approximately \$2,245,498 between 2016 and 2017.

#### Request for Information

This financial report is designed to provide a general overview of the Livingston 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 for June 30, 2017, or requests for additional financial information should be addressed to Jamie Felder, Chief Fiscal Officer of the Livingston Parish Sheriff, at (225) 686-2241.

**Basic Financial Statements**  
Government-Wide Financial Statements

**Livingston Parish Sheriff  
Statement of Net Position  
As of June 30, 2017**

**Statement A**

|                                                                           |    | <b>Primary<br/>Government<br/>Governmental<br/>Activities</b> |
|---------------------------------------------------------------------------|----|---------------------------------------------------------------|
| <b>Assets</b>                                                             |    |                                                               |
| Current Assets:                                                           |    |                                                               |
| Cash and Cash Equivalents                                                 | \$ | 7,612,726                                                     |
| Receivables, Net:                                                         |    | 3,529,266                                                     |
| <b>Total Current Assets</b>                                               |    | <u>11,141,992</u>                                             |
| Restricted Assets:                                                        |    |                                                               |
| Restricted Cash and Cash Equivalents                                      |    | 20,818                                                        |
| Net Other Post Employment Benefit Asset                                   |    | 1,067,449                                                     |
| <b>Total Restricted Assets</b>                                            |    | <u>1,088,267</u>                                              |
| Capital Assets:                                                           |    |                                                               |
| Land                                                                      |    | 381,958                                                       |
| Capital Assets, Net                                                       |    | 9,310,823                                                     |
| <b>Total Capital Assets</b>                                               |    | <u>9,692,781</u>                                              |
| <b>Total Assets</b>                                                       |    | <u>21,923,040</u>                                             |
| <b>Deferred Outflows:</b>                                                 |    |                                                               |
| Pension Related                                                           |    | 6,506,983                                                     |
| <b>Total Deferred Outflows</b>                                            |    | <u>6,506,983</u>                                              |
| <b>Total Assets and Deferred Outflows of Resources</b>                    | \$ | <u>28,430,023</u>                                             |
| <b>Liabilities</b>                                                        |    |                                                               |
| Current Liabilities:                                                      |    |                                                               |
| Accounts Payable                                                          | \$ | 390,968                                                       |
| Accrued Interest Payable                                                  |    | 86,267                                                        |
| Other Accrued Payables                                                    |    | 439,517                                                       |
| Due to Livingston Parish Library                                          |    | 660,273                                                       |
| Current Portion of Long Term Indebtedness                                 |    |                                                               |
| Bonds Payable                                                             |    | 715,000                                                       |
| <b>Total Current Liabilities</b>                                          |    | <u>2,292,025</u>                                              |
| Long Term Liabilities:                                                    |    |                                                               |
| Bonds Payable                                                             |    | 6,245,000                                                     |
| Net Pension Liability                                                     |    | 11,977,873                                                    |
| <b>Total Long Term Liabilities</b>                                        |    | <u>18,222,873</u>                                             |
| <b>Total Liabilities</b>                                                  |    | <u>20,514,898</u>                                             |
| <b>Deferred Inflows:</b>                                                  |    |                                                               |
| Pension Related                                                           |    | 1,499,609                                                     |
| <b>Total Deferred Inflows</b>                                             |    | <u>1,499,609</u>                                              |
| <b>Net Position</b>                                                       |    |                                                               |
| Net Investment in Capital Assets                                          |    | 7,713,181                                                     |
| Capital Projects and Debt Service                                         |    | 20,818                                                        |
| Unrestricted                                                              |    | (1,318,483)                                                   |
| <b>Total Net Position</b>                                                 |    | <u>6,415,516</u>                                              |
| <b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b> | \$ | <u>28,430,023</u>                                             |

The accompanying notes are an integral part of this statement.

## Statement B

**Livingston Parish Sheriff**  
**Statement of Activities**  
**For the year ended June 30, 2017**

|                                             | <u>Expenses</u>     | <u>Program Revenues</u> |                      |                       | <u>Net (Expenses)</u> |
|---------------------------------------------|---------------------|-------------------------|----------------------|-----------------------|-----------------------|
|                                             |                     | <u>Charges for</u>      | <u>Operating</u>     | <u>Capital Grants</u> | <u>Revenues and</u>   |
|                                             |                     | <u>Services</u>         | <u>Grants &amp;</u>  | <u>&amp;</u>          | <u>Changes in Net</u> |
|                                             |                     |                         | <u>Contributions</u> | <u>Contributions</u>  | <u>Assets</u>         |
|                                             |                     |                         |                      |                       | <u>Primary</u>        |
|                                             |                     |                         |                      |                       | <u>Government</u>     |
|                                             |                     |                         |                      |                       | <u>Governmental</u>   |
|                                             |                     |                         |                      |                       | <u>Activities</u>     |
| <b>Governmental Activities</b>              |                     |                         |                      |                       |                       |
| Public Safety                               | \$ (34,928,971)     | \$ 3,972,702            | \$ 2,940,185         | \$ 63,058             | \$ (27,953,026)       |
| <b>Total Governmental Activities</b>        | <u>(34,928,971)</u> | <u>3,972,702</u>        | <u>2,940,185</u>     | <u>63,058</u>         | <u>(27,953,026)</u>   |
| <b>General Revenues:</b>                    |                     |                         |                      |                       |                       |
| Taxes:                                      |                     |                         |                      |                       |                       |
| Property Taxes                              |                     |                         |                      |                       | 10,817,956            |
| Sales Taxes                                 |                     |                         |                      |                       | 10,932,230            |
| Intergovernmental                           |                     |                         |                      |                       |                       |
| For Support of Prisoners                    |                     |                         |                      |                       | 3,221,035             |
| State Revenue Sharing                       |                     |                         |                      |                       | 681,409               |
| Investment Earnings                         |                     |                         |                      |                       | 66,207                |
| On Behalf Payments - State Supplemental Pay |                     |                         |                      |                       | 757,768               |
| Miscellaneous                               |                     |                         |                      |                       | 1,225,623             |
| Gain (Loss) on Sale of Assets               |                     |                         |                      |                       | 201,502               |
| <b>Total General Revenues and Transfers</b> |                     |                         |                      |                       | <u>27,903,730</u>     |
| <b>Change in Net Position</b>               |                     |                         |                      |                       | <u>(49,296)</u>       |
| <b>Net Position - Beginning</b>             |                     |                         |                      |                       | <u>6,464,812</u>      |
| <b>Net Position - Ending</b>                |                     |                         |                      |                       | <u>\$ 6,415,516</u>   |

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Fund Financial Statements

**Livingston Parish Sheriff**  
**Balance Sheet, Governmental Funds**  
**As of June 30, 2017**

|                                                                            | General Fund         | Capital Project<br>Fund | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------------|----------------------|-------------------------|--------------------------------|
| <b>Assets</b>                                                              |                      |                         |                                |
| Cash and Equivalents                                                       | \$ 7,633,434         | \$ -                    | \$ 7,633,434                   |
| Receivables, Net:                                                          |                      |                         |                                |
| Due from Other Governments                                                 | 3,529,266            | -                       | 3,529,266                      |
| Restricted Cash                                                            | 110                  | -                       | 110                            |
| <b>Total Assets</b>                                                        | <b>\$ 11,162,810</b> | <b>\$ -</b>             | <b>\$ 11,162,810</b>           |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                      |                         |                                |
| Liabilities:                                                               |                      |                         |                                |
| Accounts Payable                                                           | \$ 389,615           | \$ -                    | 389,615                        |
| Other Accrued Liabilities                                                  | 1,353                | -                       | 1,353                          |
| Accrued Wages and Employee Benefits                                        | 439,517              | -                       | 439,517                        |
| Due to Other Governments                                                   | 660,273              | -                       | 660,273                        |
| Total Liabilities                                                          | 1,490,758            | -                       | 1,490,758                      |
| Deferred Inflows of Resources:                                             |                      |                         |                                |
| Unavailable Revenue                                                        | 1,025,626            | -                       | 1,025,626                      |
| Total Deferred Inflows of Resources:                                       | 1,025,626            | -                       | 1,025,626                      |
| Fund Balances:                                                             |                      |                         |                                |
| Nonspendable                                                               | -                    | -                       | -                              |
| Restricted                                                                 | -                    | -                       | -                              |
| Unassigned                                                                 | 8,646,426            | -                       | 8,646,426                      |
| Total Fund Balances                                                        | 8,646,426            | -                       | 8,646,426                      |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 11,162,810</b> | <b>\$ -</b>             | <b>\$ 11,162,810</b>           |

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**As of June 30, 2017**

Amounts reported for governmental activities in the Statement of Net Position are different because:

|                                                              |           |                  |
|--------------------------------------------------------------|-----------|------------------|
| <b>Fund Balances, Total Governmental Funds (Statement C)</b> | <b>\$</b> | <b>8,646,426</b> |
|--------------------------------------------------------------|-----------|------------------|

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

|                                                 |  |           |
|-------------------------------------------------|--|-----------|
| Governmental capital assets net of depreciation |  | 9,692,781 |
|-------------------------------------------------|--|-----------|

|                                                                                                                                                                                                                                                   |  |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Certain revenues are deferred inflows in the fund financial statements until they are considered available to finance current expenditures, but these revenues are recognized when they are assessed in the government wide financial statements. |  | 1,025,626 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

|                                   |  |           |
|-----------------------------------|--|-----------|
| Deferred Outflows-Pension Related |  | 6,506,983 |
|-----------------------------------|--|-----------|

|                                                                                                                                                    |  |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|
| Interest payable used in the governmental activities is not payable from current resources and therefore is not reported in the Governmental Funds |  | (86,267) |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|

General Long-term liabilities of governmental activities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the Governmental fund. These liabilities are:

|                                  |  |              |
|----------------------------------|--|--------------|
| Bonds Payable                    |  | (6,960,000)  |
| Net Pension Liability            |  | (11,977,873) |
| Deferred Inflows-Pension Related |  | (1,499,609)  |

|                                                                                                                                                                                                                    |  |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| The liability associated with the net unfunded long-term Other Post Employment Benefit Obligation Asset is also not payable in the current period. Therefore, the amount is not reported in the Governmental fund. |  | 1,067,449 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

|                                                              |           |                         |
|--------------------------------------------------------------|-----------|-------------------------|
| <b>Net Position of Governmental Activities (Statement A)</b> | <b>\$</b> | <b><u>6,415,516</u></b> |
|--------------------------------------------------------------|-----------|-------------------------|

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances—Governmental Funds**  
**For the year ended June 30, 2017**

|                                                                    | <u>General Fund</u> | <u>Capital Project Fund</u> | <u>Total Governmental Funds</u> |
|--------------------------------------------------------------------|---------------------|-----------------------------|---------------------------------|
| <b>Revenues</b>                                                    |                     |                             |                                 |
| Taxes                                                              |                     |                             |                                 |
| Ad valorem                                                         | \$ 10,817,956       | \$ -                        | \$ 10,817,956                   |
| Sales and Use                                                      | 10,932,230          | -                           | 10,932,230                      |
| Intergovernmental                                                  |                     |                             |                                 |
| Grants                                                             | 1,244,524           | -                           | 1,244,524                       |
| Support of Prisoners                                               | 3,223,692           | -                           | 3,223,692                       |
| State Revenue Sharing                                              | 681,409             | -                           | 681,409                         |
| Service Contract Revenue                                           | 1,148,581           | -                           | 1,148,581                       |
| Fines, Forfeitures and Other Fees                                  | 2,824,121           | -                           | 2,824,121                       |
| Use of Money and Property                                          | 66,207              | -                           | 66,207                          |
| Miscellaneous                                                      | 1,671,417           | -                           | 1,671,417                       |
| On Behalf Payments - State Supplemental Pay                        | 757,768             | -                           | 757,768                         |
| <b>Total Revenues</b>                                              | <u>33,367,905</u>   | <u>-</u>                    | <u>33,367,905</u>               |
| <b>Expenditures</b>                                                |                     |                             |                                 |
| Public Safety                                                      |                     |                             |                                 |
| Personal Services and Related Benefits                             |                     |                             |                                 |
| Salaries                                                           | 16,047,449          | -                           | 16,047,449                      |
| Employee Benefits                                                  | 7,735,970           | -                           | 7,735,970                       |
| Operating Services                                                 | 3,765,967           | -                           | 3,765,967                       |
| Professional Services                                              | 1,291,989           | -                           | 1,291,989                       |
| Materials and Supplies                                             | 2,188,397           | -                           | 2,188,397                       |
| Other Equipment (Non-Capitalized)                                  | 2,375,588           | -                           | 2,375,588                       |
| Total Public Safety                                                | <u>33,405,360</u>   | <u>-</u>                    | <u>33,405,360</u>               |
| Capital Outlays                                                    | 2,580,019           | -                           | 2,580,019                       |
| Debt Service                                                       |                     |                             |                                 |
| Principal                                                          | 330,000             | -                           | 330,000                         |
| Interest                                                           | 171,578             | -                           | 171,578                         |
| Debt Issuance Cost                                                 | 48,750              | -                           | 48,750                          |
| <b>Total Expenditures</b>                                          | <u>36,535,707</u>   | <u>-</u>                    | <u>36,535,707</u>               |
| <b>Excess (Deficiency) of Revenues Over (Under) (Expenditures)</b> | <u>(3,167,802)</u>  | <u>-</u>                    | <u>(3,167,802)</u>              |
| <b>Other Financing Sources (Uses)</b>                              |                     |                             |                                 |
| Operating Transfers In                                             | 35                  | -                           | 35                              |
| Operating Transfers (Out)                                          | -                   | (35)                        | (35)                            |
| Proceeds from Sale of Capital Assets                               | 65,459              | -                           | 65,459                          |
| Proceeds from Bonds                                                | 5,050,000           | -                           | 5,050,000                       |
| <b>Total Other Financing Sources (Uses)</b>                        | <u>5,115,494</u>    | <u>(35)</u>                 | <u>5,115,459</u>                |
| <b>Net Change in Fund Balances</b>                                 | <u>1,947,692</u>    | <u>(35)</u>                 | <u>1,947,657</u>                |
| <b>Fund Balances, Beginning</b>                                    | <u>6,698,734</u>    | <u>35</u>                   | <u>6,698,769</u>                |
| <b>Fund Balances, Ending</b>                                       | <u>\$ 8,646,426</u> | <u>\$ -</u>                 | <u>\$ 8,646,426</u>             |

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Government-Wide Statement of Activities**  
**For the year ended June 30, 2017**

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

**Net Change in Fund Balances, Total Governmental Funds, Statement E** \$ 1,947,657

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of the gain on the sale of capital assets, which also is not reflected in the fund basis financial statements.

|                                          |                    |         |
|------------------------------------------|--------------------|---------|
| Expenditures for capital assets          | \$ 2,580,019       |         |
| Less:                                    |                    |         |
| Loss on sale of capital assets           | 201,502            |         |
| Proceeds from the sale of capital assets | (513,910)          |         |
| Reclassifications                        | (28,727)           |         |
| Current year depreciation                | <u>(1,423,230)</u> |         |
|                                          |                    | 815,654 |

Certain revenues are deferred inflows in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed in the government-wide financial statements. 1,025,626

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to

|                             |                |             |
|-----------------------------|----------------|-------------|
| Bond Proceeds               | (5,050,000)    |             |
| Bond Repayment of Principal | <u>330,000</u> |             |
|                             |                | (4,720,000) |

Interest Expense reported in the statement of activities does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds. (63,867)

(Increases) or decreases in the unfunded post-employment benefit obligations for medical and life insurance netted against the assets in trust to fund those estimated liabilities in future periods are not recorded for governmental funds on the fund basis. 125,214

Non-employer contributions to cost-sharing pension plan 733,093

Pension Expense 87,327

**Change in Net Position of Governmental Activities, Statement B** \$ (49,296)

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Fiduciary Fund Financial Statements

**Livingston Parish Sheriff**  
**Statement of Net Position - Fiduciary Funds**  
**As of June 30, 2017**

|                                   | Trust Fund                           | Agency Funds      |                          |                           |
|-----------------------------------|--------------------------------------|-------------------|--------------------------|---------------------------|
|                                   | Retired<br>Employees<br>Benefit Fund | Sheriff's<br>Fund | Tax<br>Collector<br>Fund | Inmate<br>Deposit<br>Fund |
| <b>Assets</b>                     |                                      |                   |                          |                           |
| Current Assets:                   |                                      |                   |                          |                           |
| Cash and Cash Equivalents         | \$ 2,455                             | \$ 1,233,537      | \$ 31                    | \$ 72,301                 |
| Investments                       | 7,937,849                            | -                 | -                        | -                         |
| <b>Total Assets</b>               | <b>7,940,304</b>                     | <b>1,233,537</b>  | <b>31</b>                | <b>72,301</b>             |
| <b>Liabilities</b>                |                                      |                   |                          |                           |
| Held for taxing bodies and others | -                                    | 1,233,537         | 31                       | 72,301                    |
| <b>Total Liabilities</b>          | <b>-</b>                             | <b>1,233,537</b>  | <b>31</b>                | <b>72,301</b>             |
| <b>Total Net Position</b>         | <b>\$ 7,940,304</b>                  | <b>\$ -</b>       | <b>\$ -</b>              | <b>\$ -</b>               |

The accompanying notes are an integral part of this statement.

Statement H

**Livingston Parish Sheriff**  
**Statement of Changes in Net Position - Fiduciary Trust Fund**  
**For the year ended June 30, 2017**

|                                     | <u>Trust Fund</u>        |
|-------------------------------------|--------------------------|
|                                     | <u>Retired</u>           |
|                                     | <u>Employees Benefit</u> |
|                                     | <u>Fund</u>              |
| <b>Additions</b>                    |                          |
| Investment Interest                 | \$ 251,326               |
| Realized Gain (Loss) on Investments | 513,790                  |
| <b>Total Additions</b>              | <u>765,116</u>           |
| <b>Deductions</b>                   |                          |
| Investment Expenses                 | 32,197                   |
| Miscellaneous Expenses              | 4,615                    |
| <b>Total Deductions</b>             | <u>36,812</u>            |
| <b>Change in Net Position</b>       | 728,304                  |
| <b>Net Position - Beginning</b>     | <u>7,212,000</u>         |
| <b>Net Position - Ending</b>        | <u>\$ 7,940,304</u>      |

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff**  
**Statement of Changes in Net Position - Fiduciary Agency Funds**  
**For the year ended June 30, 2017**

|                                | <u>Agency Funds</u>   |                           |                            |
|--------------------------------|-----------------------|---------------------------|----------------------------|
|                                | <u>Sheriff's Fund</u> | <u>Tax Collector Fund</u> | <u>Inmate Deposit Fund</u> |
| <b>Additions</b>               |                       |                           |                            |
| Suits and Sales                | \$ 4,406,909          | \$ -                      | \$ -                       |
| Fines and Bonds                | 3,448,786             | -                         | -                          |
| Advance Deposits               | 286,455               | -                         | -                          |
| Garnishments                   | 355,405               | -                         | -                          |
| Property Taxes                 | -                     | 53,785,151                | -                          |
| Parish Occupational Licenses   | -                     | 1,220,857                 | -                          |
| State Revenue Sharing          | -                     | 2,698,386                 | -                          |
| Redemptions and Refunds        | -                     | 1,198,161                 | -                          |
| Interest on Delinquent Taxes   | 13,901                | 95,135                    | -                          |
| Other                          | -                     | 164,288                   | 963,222                    |
| <b>Total Additions</b>         | <u>8,511,456</u>      | <u>59,161,978</u>         | <u>963,222</u>             |
| <b>Distributions</b>           |                       |                           |                            |
| <b>By Funding Source</b>       |                       |                           |                            |
| Property Taxes                 | -                     | 53,716,876                | -                          |
| Parish Occupational Licenses   | -                     | 1,042,792                 | -                          |
| State Revenue Sharing          | -                     | 2,698,386                 | -                          |
| Redemptions and Refunds        | 545,971               | 1,199,131                 | -                          |
| Earned Interest                | -                     | 150,681                   | -                          |
| Pension Funds                  | 3,487,270             | -                         | -                          |
| <b>By Location</b>             |                       |                           |                            |
| State of Louisiana             |                       |                           |                            |
| Livingston Parish              |                       |                           |                            |
| Clerk of Court                 | 369,615               | -                         | -                          |
| Parish Council                 | 185,227               | -                         | -                          |
| Sheriff                        | 1,040,213             | 317,937                   | -                          |
| Twenty-first Judicial District |                       |                           |                            |
| District Attorney              | 1,939,707             | -                         | -                          |
| Other Parties                  |                       |                           |                            |
| Advertising                    | 132,198               | -                         | -                          |
| Appraisers and Helpers         | 27,750                | -                         | -                          |
| Attorneys and Litigants        | 316,867               | -                         | -                          |
| Municipalities                 | 159,785               | -                         | -                          |
| Other                          | 233,414               | 36,172                    | 980,033                    |
| State Crime Laboratory         | 5,642                 | -                         | -                          |
| <b>Total Distributions</b>     | <u>8,443,659</u>      | <u>59,161,975</u>         | <u>980,033</u>             |
| <b>Change in Net Position</b>  | <u>\$ 67,797</u>      | <u>\$ 3</u>               | <u>\$ (16,811)</u>         |

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Notes to the Financial Statements

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Introduction**

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

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

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

**The Reporting Entity**

For financial reporting purposes, the Sheriff includes all funds, account groups and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of the employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Sheriff is financially independent, other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana Law. Accordingly, the Sheriff is a separate governmental reporting entity.

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

**1. Summary of Significant Accounting Policies**

**A. Government-Wide and Fund Financial Statements**

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

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Sheriff has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that require capital contributions to the Sheriff to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I –Net Position*. As required by the Governmental Accounting Standards Board (GASB), the Sheriff implemented GASB Statement No. 63 during the year ending December 31, 2012. The Sheriff had deferred outflows of resources related to pension of \$6,506,983 and deferred inflows related to pension of \$1,499,609 at June 30, 2017.

The Sheriff has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements (Statement of Net Position and Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, and charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when the Sheriff is entitled to the funds.

Expenditures, including capital outlays, are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned or unassigned fund balances are available, the Sheriff considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

The Sheriff reports the following major governmental funds:

- The *General Fund* is the Sheriff's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital Project Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure capital outlays, including the acquisition or construction of capital facilities and other capital assets not reported in the other governmental funds.

The following fiduciary funds are reported separately:

**Trust Fund**

*Retired Employees Benefit Fund:* This fund accounts for the resources that are held in trust for the members and beneficiaries of the Sheriff's other post-employment benefit plan.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Agency Funds**

*Sheriff's Fund, Tax Collector Fund, and the Inmate Deposit Fund:* The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, and inmate monies. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, or deputies as prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government wide statements.

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the Sheriff considers amounts to have been spent first out of restricted funds, committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in commitment or assignment actions.

**C. Budget Practices**

The proposed budget for the year ended June 30, 2017, was made available for public inspection and comments from taxpayers at the Sheriff's Office during June 2016. The proposed budget, per the June 1, 2016, public notice was available for public inspection Monday through Friday, 8:00 a.m. to 4:00 p.m. The public notice also noted that all interested parties may be present at 10:00 a.m., at the Sheriff's Office on June 14, 2016, to express their views concerning the Sheriff's Fiscal Budget. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Encumbrance accounting is not used. However, the budget is integrated into the accounting records, which allows monthly comparison of budget and actual amounts. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**D. Deposits and Investments**

The Sheriff's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Sheriff's investment policy allow the Sheriff to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments are limited by Louisiana Revised Statutes and the Sheriff's Investment Policy. Investments held by the Sheriff at June 30, 2017, were limited to investments for Other Post-Employee Benefits (OPEB) invested per the requirements of Louisiana Revised Statute 33:5162 and consisted of funds invested in a newly created investment trust account. Investments, when held, are reported at fair market value.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**E. Revenues**

Ad valorem taxes and the related state revenue sharing, which is based on population and homesteads in the parish, are recorded in the year taxes are assessed. Ad valorem taxes are assessed and become due on November fifteenth of each year and become delinquent on December thirty-first. The taxes are generally collected in December of the current year and January and February of the ensuing year. The ad valorem tax was assessed pursuant to an election on April 9, 1977, with the tax assessed in perpetuity at an original assessment of an additional fifteen (15) mills on all property subject to taxation.

Federal and state grants are recorded when the law enforcement district is entitled to the funds. Sales and use tax revenues are collected by the Livingston Parish School Board and are recognized by the law enforcement district as revenue in the month the tax is collected. The Sheriff receives a half a cent parish-wide sales tax to help cover the cost of operating expenses, which does not expire. The current sales tax of one-half of one percent was approved by election on March 10, 1992, and was approved in perpetuity. On April 23, 2005, voters approved a re-dedication and use for a limited time an amount equal to 72% of the proceeds of the one-half percent sales and use tax collected within the boundaries of the Denham Springs Economic Development District for the payment of debt service on sales tax increment revenue bonds issued to finance a Bass Pro retail outlet and related improvements and infrastructure. The 1995 rededication of sales and use taxes within the Denham Springs Economic Development is to continue until the bonds remain outstanding. The balance of 28% of the sales and use tax remains payable to the Livingston Law Enforcement District, with the percentage increasing to 100% as the bonds are paid in full. The sales tax revenue is recorded in the month it was collected. Interest on investments and all other revenues are recorded when the income is measurable and available.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. 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 \$1,500 or more for capitalizing capital assets.

When surplus items are sold for an immaterial amount after being declared un-needed for public purposes, no salvage value is utilized for depreciation purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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> |
|------------------------|------------------------|
| Buildings & Tower      | 40 Years               |
| Furniture and Fixtures | 5 Years                |
| Vehicles               | 5 Years                |
| Equipment              | 5 - 20 Years           |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**G. Compensated Absences**

The Sheriff has the following policy related to vacation and sick leave:

**Vacation.** Paid vacation is a benefit of employment given to eligible employees of LPSO. For purposes of this policy, “eligible employees” are those employees who are regularly employed to work more than 30 hours per week for the LPSO and who have completed one uninterrupted year of service with LPSO.

Each year all eligible employees are granted up to four weeks of vacation depending on the number of years employed. All vacation time must be taken during the fiscal year in which it is due. Any unused vacation is forfeited at the year end of each fiscal year and employees will not be compensated for unused vacation upon separation of employment.

**Personal Leave.** Paid personal leave is a benefit of employment given to eligible employees of LPSO. For purposes of this policy, “Eligible employees” are those employees who are regularly employed to work more than 30 hours per week for the LPSO and who have completed their introductory period.

Each 8 hour per day employee is granted eighty (80) hours of personal leave and each 12 hour per day employee is granted one hundred twenty (120) hours of personal leave each fiscal year.

Effective July 1, 2013, policy was changed to state that unused personal leave may not be carried over and accumulated in subsequent fiscal years. Any unused personal leave is forfeited at the end of each fiscal year and employees will not be compensated for unused personal leave upon separation of employment.

The Sheriff's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability, which includes both accrued vacation and sick leave, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

**H. Long-Term Debt**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As detailed in *Footnote 14 – Long-Term Debt*, the Livingston Parish Sheriff on July 18, 2014 issued \$2,800,000 in Revenue Bonds, Series 2014, to construct a facility that will provide housing for inmates participating in the Louisiana Workforce, L.L.C. work release program. The bonds were issued at an annual interest rate of 4%, and are due in semi-annual interest and annual principal installments, with the bonds maturing on April 1, 2024.

Additionally, as detailed in *Footnote 14 – Long-Term Debt*, the Livingston Parish Sheriff on September 6, 2016 was authorized to issue bonds in the amount up to \$10,000,000. The bonds were set up to be drawn down as needed and with no early repayment penalty. The Sheriff issued \$5,000,000 in Revenue Bonds, Series 2016-A and drew down \$50,000 of the approved \$5,000,000 in Revenue Bonds, Series 2016-B, to fund significant additional expenditures resulting from the August 2016 Flood. The bonds were issued at an annual interest rate of 4% and are due in semi-annual interest and annual principal installments, with the bonds maturing on September 1, 2026. However, it should be noted that the \$50,000 Series 2016-B Revenue Bond has been repaid as of June 30, 2017 with no outstanding principal or interest payments due.

The Sheriff has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB Statement 23, as amended, establishes accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt. Refundings involve the issuance of new debt whose proceeds are used to repay previously issued (“old”) debt. The new debt proceeds may be used to repay the old debt immediately (a current refunding); or the new debt proceeds may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding). As described in paragraphs 3 and 4 of GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, an advance refunding may result in the in-substance defeasance of the old debt provided that certain criteria are met.

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. The Series 2014 Revenue bonds issued by the Sheriff on July 18, 2014, represent new debt for constructing a facility to house inmates participating in a work release program. The Series 2016-A and B Revenue bonds issued by the Sheriff on September 6, 2016, represent new debt to fund significant additional expenditures relating to the August 2016 Flood.

Paragraph 187 of GASB Statement 62 establishes standards of accounting and financial reporting for debt issuance costs. Paragraph 12 of Statement 7 indicates that debt issuance costs include all costs incurred to

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

issue the bonds, including but not limited to insurance costs (net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses). Debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. Prepaid insurance costs should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**I. Net Position**

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB 54 for the year ended December 31, 2011. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

- **Non-spendable.** These are amounts that cannot be spent either, because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision making authority for the Sheriff.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Sheriff.
- **Unassigned.** These are all other spendable amounts. This also includes expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned to those purposes.

**J. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**K. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Sheriff, which are either unusual in nature or infrequent in occurrence.

**L. Deferred Inflows of Resources - Unavailable Revenues**

Deferred Inflows of Resources in the Governmental Funds Balance Sheet include unavailable revenues. Unavailable revenue consists of grants receivable. The Sheriff considers revenues available if they are collected within 60 days of the end of the fiscal year.

**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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**N. Reconciliations of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**O. Pension Plans**

The Livingston Parish Sheriff is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 11. 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 from 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.

**2. Deposits and Investments**

At June 30, 2017, the Sheriff has cash and cash equivalents (book balances) totaling, as follows:

|                                        | <b>2017</b>  |
|----------------------------------------|--------------|
| Governmental Funds                     |              |
| Cash on Hand                           | \$ 2,400     |
| Interest Bearing Demand Deposits       | 7,631,144    |
| Subtotal Deposits in Governmental Fund | 7,633,544    |
| Fiduciary Funds                        |              |
| Demand Deposits                        | 1,308,324    |
| Subtotal Deposits in Fiduciary Funds   | 1,308,324    |
| Total Deposits                         | \$ 8,941,868 |

Fiduciary funds are not reflected in the Statement of Net Assets.

These demand deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the Sheriff has \$10,201,895 in deposits (collected bank balances), entirely consisting of demand deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$9,951,895 of pledged securities. The \$9,951,895 of deposits is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**3. Investments**

In the fiscal year ending June 30, 2016, the Investment Advisory Board, which governs the Livingston Parish Retired Employees Insurance Fund (LREIF), began implementation of a relationship with a professional investment manager. The LREIF is included in the Retired Employees Benefits Trust Fund as an investment asset. The Sheriff reports the Retired Employees Benefits Trust Fund as a fiduciary fund.

The Advisory Board began moving investments from the Louisiana Asset Management Pool (LAMP) in June of 2011 and completed the transfer in July of 2011. The Advisory Board adopted an investment policy which outlines asset allocation strategy, investment structure, monitoring and evaluation criteria, as well as performance measurement milestones. The Investment Advisory Board selected an initial asset allocation of thirty-five percent equities and sixty-five percent fixed income with an expected long-term return of six percent. As of June 30, 2017, assets transferred to the investment manager totaled \$7,937,849.

| <b>Investments held in (LREIF)</b> | <b><u>Composite<br/>Ratings</u></b> | <b><u>Percentage</u></b> |
|------------------------------------|-------------------------------------|--------------------------|
| Mutual Funds                       | Varies                              | 100%                     |

**4. Receivables**

The Governmental Fund receivables at June 30, 2017 consist of the following:

| <b>Government Receivables</b>                   | <b><u>General<br/>Fund</u></b> | <b><u>Capital<br/>Project<br/>Fund</u></b> | <b><u>Total</u></b>        |
|-------------------------------------------------|--------------------------------|--------------------------------------------|----------------------------|
| Due from Fiduciary Funds                        |                                |                                            |                            |
| Due from Tax Collector Fund                     | \$ 114,528                     | \$ -                                       | \$ 114,528                 |
| Due from Other Fund Accounts                    | 57,679                         | -                                          | 57,679                     |
| Due from Other Governments                      |                                |                                            |                            |
| Due from Livingston Parish Council              | 103,912                        | -                                          | 103,912                    |
| Due from Livingston Parish School Board         | 870,045                        | -                                          | 870,045                    |
| Grants                                          | 1,173,201                      | -                                          | 1,173,201                  |
| Other                                           | 1,060,158                      | -                                          | 1,060,158                  |
| Due from Private Entities for Security Services | 24,415                         | -                                          | 24,415                     |
| Due from Private Trade Entities                 | 125,328                        | -                                          | 125,328                    |
| <b>Total Government Receivables</b>             | <b><u>\$ 3,529,266</u></b>     | <b><u>\$ -</u></b>                         | <b><u>\$ 3,529,266</u></b> |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**5. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2017 for governmental activities is as follows:

| <b>Governmental Activities Capital Assets:</b>                 | <b>Beginning<br/>Balance</b> | <b>Reclassifications</b> | <b>Increases</b>    | <b>Decrease</b>       | <b>Ending<br/>Balance</b> |
|----------------------------------------------------------------|------------------------------|--------------------------|---------------------|-----------------------|---------------------------|
| Capital Assets Not Being Depreciated:                          |                              |                          |                     |                       |                           |
| Land                                                           | \$ 269,558                   | \$ -                     | \$ 112,400          | \$ -                  | \$ 381,958                |
| Construction in Progress (Note 18)                             | 935,263                      | (28,728)                 | -                   | (906,535)             | -                         |
| <b>Total Capital Assets Not Being Depreciated</b>              | <b>1,204,821</b>             | <b>(28,728)</b>          | <b>112,400</b>      | <b>(906,535)</b>      | <b>381,958</b>            |
| Capital Assets Being Depreciated:                              |                              |                          |                     |                       |                           |
| Buildings and Tower                                            | 4,656,527                    | (168,602)                | 1,156,163           | -                     | 5,644,088                 |
| Equipment and Furniture                                        | 4,388,362                    | 649,947                  | 175,758             | (159,105)             | 5,054,962                 |
| Vehicles                                                       | 6,426,464                    | (481,344)                | 2,042,234           | (1,421,388)           | 6,565,966                 |
| <b>Total Capital Assets Being Depreciated</b>                  | <b>15,471,353</b>            | <b>1</b>                 | <b>3,374,155</b>    | <b>(1,580,493)</b>    | <b>17,265,016</b>         |
| Less Accumulated Depreciation for:                             |                              |                          |                     |                       |                           |
| Buildings and Tower                                            | (243,408)                    | (1)                      | (131,578)           | -                     | (374,987)                 |
| Equipment and Furniture                                        | (3,772,285)                  | (158,876)                | (347,529)           | 132,002               | (4,146,688)               |
| Vehicles                                                       | (3,783,354)                  | 158,876                  | (944,123)           | 1,136,083             | (3,432,518)               |
| <b>Total Accumulated Depreciation</b>                          | <b>(7,799,047)</b>           | <b>(1)</b>               | <b>(1,423,230)</b>  | <b>1,268,085</b>      | <b>(7,954,193)</b>        |
| <b>Total Capital Assets Being Depreciated, Net</b>             | <b>7,672,306</b>             | <b>-</b>                 | <b>1,950,925</b>    | <b>(312,408)</b>      | <b>9,310,823</b>          |
| <b>Total Governmental Activities Capital Assets, Net</b>       | <b>\$ 8,877,127</b>          | <b>\$ (28,728)</b>       | <b>\$ 2,063,325</b> | <b>\$ (1,218,943)</b> | <b>\$ 9,692,781</b>       |
| Depreciation was charged to governmental functions as follows: |                              |                          |                     |                       |                           |
| Public Safety                                                  |                              |                          |                     |                       | \$ 1,423,230              |

**6. Accounts, Salaries, and Other Payables**

| <b>Governmental Funds Payable</b>     | <b>General<br/>Fund</b> | <b>Capital<br/>Project<br/>Fund</b> | <b>Total</b>        |
|---------------------------------------|-------------------------|-------------------------------------|---------------------|
| Accounts                              | \$ 390,968              | \$ -                                | \$ 390,968          |
| Retainage Payable                     | -                       | -                                   | -                   |
| Accrued Wages and Employee Benefits   |                         |                                     |                     |
| Accrued Salaries                      | 150,410                 | -                                   | 150,410             |
| Accrued Health Claims                 | 289,107                 | -                                   | 289,107             |
| Other Accrued Liabilities             |                         |                                     |                     |
| Due to Livingston Parish Library      | 660,273                 | -                                   | 660,273             |
| <b>Total Government Funds Payable</b> | <b>\$ 1,490,758</b>     | <b>\$ -</b>                         | <b>\$ 1,490,758</b> |

The Livingston Parish Sheriff on July 9, 2014 signed an agreement to pay commission to the Livingston Parish Library in the amount of \$786,272. The payment schedule includes \$90,000 paid from escrow funds in July 2014 and annual payments of \$12,000 with no interest thereafter.

As of June 30, 2017, the Livingston Parish Sheriff owes the Livingston Parish Library \$660,273 which is recorded as a liability of the general fund.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Future requirements are as follows:

| <b>Fiscal Year<br/>Ended June 30</b> | <b>Principal</b>  | <b>Interest</b> | <b>Total</b>      |
|--------------------------------------|-------------------|-----------------|-------------------|
| 2018                                 | \$ 12,000         | \$ -            | \$ 12,000         |
| 2019                                 | 12,000            | -               | 12,000            |
| 2020                                 | 12,000            | -               | 12,000            |
| 2021                                 | 12,000            | -               | 12,000            |
| 2022                                 | 12,000            | -               | 12,000            |
| 2023 to 2027                         | 60,000            | -               | 60,000            |
| 2028 to 2031                         | 540,273           | -               | 540,273           |
|                                      | <u>\$ 660,273</u> | <u>\$ -</u>     | <u>\$ 660,273</u> |

**7. Interfund Transfers**

| <b>Interfund Transfers</b>       | <b>Transfers In<br/>From Other<br/>Funds</b> | <b>Transfers<br/>Out To<br/>Other Funds</b> |
|----------------------------------|----------------------------------------------|---------------------------------------------|
| General Fund                     | \$ 35                                        | \$ -                                        |
| Capital Project Fund             | -                                            | (35)                                        |
| <b>Total Interfund Transfers</b> | <u>\$ 35</u>                                 | <u>\$ (35)</u>                              |

**8. State Revenue Sharing**

The revenue sharing funds provided by Act 525 were distributed as follows for the year ended June 30, 2017:

|                                                |                     |
|------------------------------------------------|---------------------|
| Livingston Parish School Board                 | \$ 966,693          |
| Livingston Parish Council                      | 386,164             |
| Livingston Parish Library                      | 170,940             |
| Livingston Parish Fire Protection Districts    | 293,652             |
| Livingston Parish Sheriff                      | 681,409             |
| Livingston Parish Assessor                     | 125,748             |
| Livingston Parish Juvenile Justice Commission  | 21,613              |
| Livingston Parish Gravity Drainage District    | 25,822              |
| Pension Funds                                  | 26,345              |
| <b>Total Revenue Sharing Funds Distributed</b> | <u>\$ 2,698,386</u> |

**9. Taxes Paid Under Protest**

There were no unsettled balances due to taxing bodies and others in the agency funds at June 30, 2017.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**10. Group Health Self Insurance**

Beginning in March of 2005, the Sheriff started self-insuring the group health coverage for employees. Each month the Sheriff funds an account with an amount equal to what would be required for premiums if the previous policy had continued. From this account, the health claims of employees are paid, as well as a premium for stop-loss insurance which caps the claims per employee at \$75,000 per policy year. As of June 30, 2017, the account used to pay claims had a book balance of \$34,975, which represents a commitment of the General Fund. The Sheriff has accrued a liability for claims incurred but not reported as of June 30, 2017 in the amount of \$289,107 based on a search of actual claims subsequent to the balance sheet date.

The officers of the Louisiana Sheriff's Association may adopt a self-insurance plan to provide group coverage for health, medical and surgical expenses of participating sheriffs and deputy sheriffs. Any self-insurance plan adopted by the Louisiana Sheriff's Association shall not be subject to any of the provisions of Subpart P or Part I of Chapter 2 of Title 22 of the Louisiana Revised Statutes of 1950.

**11. Retirement Systems**

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

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

The Sheriff's office implemented Governmental Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pension and Statement 71 on Pension Transition for Contributions Made Subsequent to the measurement date - an amendment of GASB 68. The standards require the sheriff's office to record its proportional share of the Pension's plan Net Pension Liability and report the following disclosures:

The remaining employees are members of the Federal Social Security System.

**A. Federal Social Security System**

All employees who are not eligible to participate in the Louisiana Sheriff's Pension and Relief Fund are members of the Federal Social Security System. The Sheriff contributes 6.2 percent for social security and 1.45 percent for Medicare, and its employees contribute 6.2 percent for social security and 1.45 percent for Medicare of each employee's taxable compensation. The Sheriff's contributions during the year ended June 30, 2017 were \$114,052 for social security and \$235,201 for Medicare.

**B. Louisiana Sheriff's Pension and Relief Fund (System)**

**Plan Description:** The Louisiana Sheriff's Pension and Relief Fund is the administrator of a cost-sharing, multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the sheriff's Pension and relief Fund's office as provided for in LRS 11:271.

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and age

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

55 years is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service. Members who joined the system on or after January 1, 2012, who retire at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service are entitled to retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of services may retire with a reduced retirement at age 55. For members eligible on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12 month period within the 36 month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earning during the highest 60 consecutive months and the earnings to be considered for each 12 month period within the 60 months shall not exceed 115% of the preceding 12 month period.

A member is eligible to receive disability benefits if the member has at least 10 years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of a sum equal to the greatest of 45% or final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

Survivor benefits for death, solely as a result of injuries received in the line of duty, are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under 18 years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than 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.

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.

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

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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

Cost of living provision of the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, the actual employer contribution rate was 13.75% with no additional amount allocated from the funding Deposit Account. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support for non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2016.

Plan members are required by state statute to contribute 10.25% of their annual covered salary and the Livingston Parish Sheriff is required to contribute at an actuarially determined rate. The current rate for the year ended June 30, 2017 was 13.25% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Livingston Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Sheriff's contributions to the System for the years ending June 30, 2017 and 2016, were \$1,958,167 and \$1,796,266 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, 2017, the Sheriff reported a liability of \$11,977,873 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all employers actuarially determined. At June 30, 2016 the Sheriff's proportion was 1.887202%, which was an increase of 0.1295% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017 the sheriff recognized pension expense of \$87,327 representing its proportional share of the System's net expense, including amortization of deferred amounts.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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

|                                                                                                                  | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|
| Differences between expected and actual experiences                                                              | \$ -                                 | \$ (1,256,346)                   |
| Changes of assumptions                                                                                           | 978,555                              | -                                |
| Net differences between projected and actual earnings<br>on pension plan investments                             | 2,999,861                            | -                                |
| Changes in proportion and differences between employer<br>contributions and proportionate share of contributions | 592,521                              | (243,263)                        |
| Employer contributions subsequent to the measurement date                                                        | 1,936,046                            |                                  |
| Total                                                                                                            | \$ 6,506,983                         | \$ (1,499,609)                   |

The sheriff reported a total of \$1,936,046 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

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

| Year |    |           |  |
|------|----|-----------|--|
| 2017 | \$ | 343,859   |  |
| 2018 |    | 342,730   |  |
| 2019 |    | 1,216,530 |  |
| 2020 |    | 924,567   |  |
| 2021 |    | 121,821   |  |
| 2022 |    | 121,821   |  |
|      | \$ | 3,071,328 |  |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Actuarial Assumptions** - A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 is as follows:

|                                  |                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date                   | June 30, 2016                                                                                                                                                                                                                                                                                                                                 |
| Actuarial Cost Method            | Entry Age Normal                                                                                                                                                                                                                                                                                                                              |
| Actuarial Assumptions:           |                                                                                                                                                                                                                                                                                                                                               |
| Expected Remaining Service Lives | 7 years                                                                                                                                                                                                                                                                                                                                       |
| Investment Rate of Return        | 7.6%, net of investment expense                                                                                                                                                                                                                                                                                                               |
| Discount Rate                    | 7.5%                                                                                                                                                                                                                                                                                                                                          |
| Projected Salary Increases       | 5.5% (2.875% inflation, 2.625% merit)                                                                                                                                                                                                                                                                                                         |
| Mortality                        | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries<br>RP-2000 Disabled Lives Mortality Table                                                                                                                                                                    |
| Cost of Living Adjustments       | The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. |

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

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

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2016 were as follows:

| Asset Class                        | Expected Rate of Return |                                 |                                           |
|------------------------------------|-------------------------|---------------------------------|-------------------------------------------|
|                                    | Target Allocation       | Real Return<br>Arithmetic Basis | Long-Term Expected<br>Real Rate of Return |
| Equity Securities                  | 60%                     | 6.40%                           | 3.90%                                     |
| Bonds                              | 25%                     | 1.90%                           | 0.50%                                     |
| Alternative Investments            | 15%                     | 4.30%                           | 0.60%                                     |
| Cash and Cash Equivalents          | -                       | -                               | -                                         |
| Total                              | <u>100.00%</u>          |                                 | <u>5.00%</u>                              |
| Inflation                          |                         |                                 | <u>2.70%</u>                              |
| Expected Arithmetic Nominal Return |                         |                                 | <u><u>7.70%</u></u>                       |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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

**Sensitivity of the Employer's proportionate Share of the net pension Liability to Changes in the Discount Rate**

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

|                                                            | 1% Decrease   | Current<br>Discount<br>Rate | 1% Increase  |
|------------------------------------------------------------|---------------|-----------------------------|--------------|
| Louisiana Sheriff Pension & Relief Fund -Rates             | 6.50%         | 7.50%                       | 8.50%        |
| Livingston Parish Sheriff's Share of Net Pension Liability | \$ 20,321,682 | \$ 11,977,873               | \$ 5,091,048 |

**12. Other Post-Employment Benefits**

**Plan Description:** The Livingston Parish Sheriff contributes to a single-employer defined benefit health care plan (The Livingston Parish Retired Employees Insurance Fund, LREIF.) The plan provides lifetime healthcare and life insurance for eligible retirees through the Sheriff's group health insurance plan. Benefit provisions are established by state law (L.R.S. 33:1448(G)). The LREIF does not issue a publically available financial report.

Effective with the year ending June 30, 2009, the Livingston Parish Sheriff implemented Government Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The statement was implemented prospectively. The beginning other post-employment benefit (OPEB) liability was set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2008) is being amortized and recognized as an expense over thirty years.

The Livingston Parish Sheriff pays one hundred percent of the medical coverage for the retiree only (not dependents). Retirees are eligible for benefits once they meet the retirement eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund. Eligibility requirements of the Louisiana Sheriff's Pension and Relief Fund are age fifty-five with at least twelve years of service or any age with at least thirty years of service, but employees must have at least 15 years of service at retirement for employer paid medical coverage.

Life insurance coverage is continued to retirees in the same amount as while active but there is a reduction schedule whereby the amount of life insurance is reduced to the following percentages: 65% at age 65, 45% at age 70, 30% at age 75, 20 % at age 80, 15% at age 85 and 10% at age 90. The employer pays 100% of the cost of life insurance after retirement for retirees (not dependents), but it is based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, the Sheriff uses the 94GAR mortality table described below to "un-blend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

used except for the trend assumption. Zero trend was used for life insurance.

Accounting for Other Post Employment Benefit (OPEB) Obligations requires governmental entities to record the present value of the unfunded employer costs associated with non-retirement-based expected payments to current and former employees for post-employment benefits such as health and life insurance. The Sheriff utilized a specialist to estimate the present value of the full costs of all promised health and life insurance benefits to all current and former employees included in the current benefit population utilizing such factors as the age, retirement age, expected increases in health costs, expected employer contributions, historical health claims by employee population, and other factors.

The rationale behind the implementation of GASB 45 relates to the fact that the former and current employees to the balance sheet date have provided services to the entity and have created a cost in the current period that will need to be paid in future periods based on the current employer-employee agreement. The unfunded portion of these costs will require future cash flows, which need to be considered in combination with other expected future cash outflows in order to avoid budget deficits in those fiscal periods.

**Contribution Rates.** All premium costs are paid by the Sheriff for active retirees.

**Fund Policy.** Until 2008, the Livingston Parish Sheriff recognized the cost of providing post-employment medical and life benefits (Livingston Parish Sheriff's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

During the Fiscal Year beginning June 30, 2009, Livingston Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45) and created the Livingston Parish Retired Employees Insurance Fund (LREIF), a trust to finance future payments of retired employee's premium costs. The Sheriff is required by R.S. 1448.2.B. to deposit one percent of the money received in Livingston Parish Sheriff's general fund and any other money that the Sheriff may contribute to the trust fund each year until the total amount of money, including principal and earnings, equals the sum of six million dollars.

On July 1, 2008, the Sheriff contributed the total amount of six million dollars to the trust. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Livingston Parish. The trust provides that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of six million dollars. In the event that the total amount of money derived from deposits and investment earnings falls below the sum of six million dollars, no earnings shall be withdrawn.

**Annual Required Contribution.** Livingston Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of thirty years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The actuarially computed ARC is as follows:

|                                                      |                   |                   |
|------------------------------------------------------|-------------------|-------------------|
|                                                      | <u>2017</u>       | <u>2016</u>       |
| Normal Cost                                          | \$ 271,342        | \$ 357,868        |
| 30-year UAL (Unfunded Liability) amortization amount | 560,753           | 515,642           |
| Annual required contributions (ARC)                  | <u>\$ 832,095</u> | <u>\$ 873,510</u> |

**Net Post-employment Benefit Obligation (Asset).** The table below shows Livingston Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2017:

|                                           |                       |                     |
|-------------------------------------------|-----------------------|---------------------|
|                                           | <u>2017</u>           | <u>2016</u>         |
| <b>Beginning Net OPEB Obligation</b>      | \$ (942,235)          | \$ (807,416)        |
| Annual required contribution (ARC)        | 832,095               | 873,510             |
| Interest on Net OPEB Obligation (Asset)   | (56,534)              | (48,445)            |
| ARC Adjustment                            | <u>68,452</u>         | <u>58,658</u>       |
| OPEB Cost                                 | 844,013               | 883,723             |
| Contribution to Irrevocable Trust         | -                     | -                   |
| Current year retiree premium              | <u>(969,227)</u>      | <u>(1,018,542)</u>  |
| Change in Net OPEB Obligation             | <u>(125,214)</u>      | <u>(134,819)</u>    |
| <b>Ending Net OPEB Obligation (Asset)</b> | <u>\$ (1,067,449)</u> | <u>\$ (942,235)</u> |

The following table shows Livingston Parish Sheriff's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability (asset):

| <u>Post<br/>Employment<br/>Benefit</u> | <u>Fiscal<br/>Year<br/>Ended</u> | <u>Annual<br/>OPEB Cost</u> | <u>Percentage<br/>of Annual<br/>Cost<br/>Contributed</u> | <u>Net OPEB<br/>Obligation<br/>(Asset)</u> |
|----------------------------------------|----------------------------------|-----------------------------|----------------------------------------------------------|--------------------------------------------|
| Medical and Life                       | 6/30/2017                        | \$ 844,013                  | -114.84%                                                 | \$ (1,067,449)                             |
| Medical and Life                       | 6/30/2016                        | \$ 883,723                  | -115.26%                                                 | \$ (942,235)                               |

**Funded Status and Funding Progress.** In 2017 and 2016, the Livingston Parish Sheriff made no contributions to its post-employment benefits plan. However, in July of 2011, a lump sum contribution of \$2,000,000 was transferred within the meaning of paragraph 141 of GASB 45.

The plan had assets of \$7,937,849 as of June 30, 2017. Based on July 1, 2016, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$15,331,083, which is defined as that portion, as determined by a particular actuarial cost method (the Entry Age Normal Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The development of the funded ratio and UAAL as a percentage valuation of payroll as of June 30, 2017 are shown in the following table.

|                                         | <u>2017</u>      | <u>2016</u>      |
|-----------------------------------------|------------------|------------------|
| Actuarial Accrued Liability (AAL)       | \$ 15,331,083    | \$ 15,364,607    |
| Actuarial Value of Plan Assets          | <u>7,937,849</u> | <u>7,204,957</u> |
| Unfunded Act. Accrued Liability (UAAL)  | 7,393,234        | 8,159,650        |
| Funded Ratio (Act. Val. Assets / AAL)   | 51.78%           | 46.89%           |
| <br>                                    |                  |                  |
| Covered Payroll (active plan members)   | \$ 12,150,306    | \$ 13,720,796    |
| UAAL as a percentage of covered payroll | 60.85%           | 59.47%           |

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

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

**Actuarial Cost Method.** The ARC is determined using the Entry Age Normal Cost Method. Each employee's service costs are calculated as a level percentage of that employee's projected pay. The attribution period extends from the first period for which the employee provides service under the terms through the assumed commencement of benefit payments for that employee. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets.** The actuarial value of assets is at market value.

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

**Post-employment Benefit Plan Eligibility Requirements.** Since employees are eligible to retire (or enter the five year D.R.O.P.) at age 55 and 12 years of service, but employees must have at least 15 years for retiree medical benefits coverage, we have assumed that actual retirement (and commencement of OPEB benefits) occurs five years after the earliest of 30 years of service, attainment of age 55 and 20 years of service and attainment of age 60 and 15 years of service. The five years is to accommodate the D.R.O.P. period.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**Investment Return Assumption (Discount Rate).** Since the plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75, the investment return assumption is determined in accordance with paragraph 36 of GASB 75. Since the OPEB plan's fiduciary net position is projected (in conformity with paragraphs 37-39 of GASB 75) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 30-35), the expected long-term rate of return on plan investments equal to 6% has been used. It is important to note that, upon full implementation of GASB 75 in the next fiscal year; it is likely that it will be necessary to make additional employer contributions over and above the employer paid retiree premiums.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an annual rate of 5% for ten years out and later.

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

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. We have been provided medical rates based on actual claims data, administrative fees, and reinsurance premiums adjusted for reimbursement. The medical rates provided are "blended" rates for active and retired both before and after Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare eligibility as 130% of the blended rate and Medicare eligibility as 80% of the blended rate, as required by GASB 45 for valuation purposes.

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

**Projected Salary Increase.** For purposes of determining the actuarial OPEB costs and liabilities in this valuation, an annual salary increase of 4% has been used.

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

Below is a summary of OPEB cost and contribution for the last three fiscal calendar years:

|                                        | <u>FY 2015</u>      | <u>FY 2016</u>      | <u>FY 2017</u>      |
|----------------------------------------|---------------------|---------------------|---------------------|
| OPEB Cost                              | \$ 832,885          | \$ 883,723          | \$ 844,013          |
| Contribution                           | -                   | -                   | -                   |
| Retiree Premium                        | <u>943,094</u>      | <u>1,018,542</u>    | <u>969,227</u>      |
| Total Contribution and premium         | <u>943,094</u>      | <u>1,018,542</u>    | <u>969,227</u>      |
| Change in net OPEB obligation          | <u>\$ (110,209)</u> | <u>\$ (134,819)</u> | <u>\$ (125,214)</u> |
| % of contribution to cost              | 0.00%               | 0.00%               | 0.00%               |
| % of contribution plus premium to cost | 113.23%             | 115.26%             | 114.84%             |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**13. Deferred Compensation Plan**

All of the employees of the Livingston Parish Sheriff are eligible to participate in the State of Louisiana deferred compensation plan. Employees hired after July 1, 2012 do not receive employer match deferred compensation plan. Employees hired before July 1, 2012 continue to receive an employer match according to the following schedule:

| <b>Years of Service</b> | <b>Match</b> |
|-------------------------|--------------|
| 0-4                     | 2.00%        |
| 5-9                     | 4.00%        |
| 10-14                   | 7.00%        |
| 15-19                   | 10.00%       |
| 20-24                   | 12.00%       |
| 25+                     | 14.31%       |

Employees may contribute up to twenty-five percent of their salary (not to exceed \$17,500 a year) to the plan on a pre-tax basis. Participants in the plan have two different opportunities to catch up and contribute more during the final years of their career. "Standard Catch-Up" allows participants in the three calendar years prior to normal retirement age to contribute more to the plan (up to double the annual contribution limit of \$35,000 in 2017). The additional amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were eligible to contribute in previous years but did not.

Also, participants turning age 50 or older in 2014 may contribute an additional \$5,500. The Standard Catch-Up provision and the Age 50+ Catch Up provision cannot be used in the same year.

The contributions are withheld from the employees' paycheck and the Sheriff matches employees' contributions according to plan specifications. The contributions are fully vested immediately and are remitted to a third-party administrator each payday, where they are deposited in an account in the employee's name. The Livingston Parish Sherriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2017, the Sheriff contributed \$460,089 to the plan.

**14. Long Term Debt**

On July 18, 2014, the Livingston Parish Sheriff issued \$2,800,000 in Revenue Bonds, Series 2014, to construct a facility that will provide housing for inmates participating in the Louisiana Workforce, L.L.C. work release program. The bonds were issued at annual interest rate of 4.0% with interest installments due semi-annually and principal payments due annually, with the bonds maturing on April 1, 2024.

|                            | <u>Beginning</u><br><u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u><br><u>Balance</u> | <u>Current</u><br><u>Portion</u> | <u>Long-Term</u><br><u>Portion</u> |
|----------------------------|------------------------------------|------------------|-------------------|---------------------------------|----------------------------------|------------------------------------|
| Revenue Bonds, Series 2014 | \$ 2,240,000                       | \$ -             | \$ (280,000)      | \$ 1,960,000                    | \$ 280,000                       | \$ 1,680,000                       |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The annual requirements to amortize the Series 2014 Revenue Bonds, including interest payments of \$313,600, are as follows:

| <b>Fiscal Year</b>   |                     |                   |                     |
|----------------------|---------------------|-------------------|---------------------|
| <b>Ended June 30</b> | <b>Principal</b>    | <b>Interest</b>   | <b>Total</b>        |
| 2018                 | \$ 280,000          | \$ 78,400         | \$ 358,400          |
| 2019                 | 280,000             | 67,200            | 347,200             |
| 2020                 | 280,000             | 56,000            | 336,000             |
| 2021                 | 280,000             | 44,800            | 324,800             |
| 2022                 | 280,000             | 33,600            | 313,600             |
| 2023 to 2024         | 560,000             | 33,600            | 593,600             |
|                      | <u>\$ 1,960,000</u> | <u>\$ 313,600</u> | <u>\$ 2,273,600</u> |

Due to the August 2016 Flood, which caused significant additional expenditures, the Sheriff requested and was authorized to issue bonds in an amount up to \$10,000,000. The bonds were set up to be drawn down as needed and with no early repayment penalty. On September 6, 2016, the Livingston Parish Sheriff issued \$5,000,000 in Revenue Bonds, Series 2016-A and drew down \$50,000 of the approved \$5,000,000 in Revenue Bonds, Series 2016-B, to fund additional expenditures due to the August 2016 Flood. The bonds were issued at an annual interest rate of 4.0% with interest installments due semi-annually and principal payments due annually, with the bonds maturing September 1, 2026. Revenue Bonds, Series 2016-B has been repaid with no outstanding principal or interest payments due as of June 30, 2017.

|                              | <b>Beginning</b> |                     |                    | <b>Ending</b>       | <b>Current</b>    | <b>Long-Term</b>    |
|------------------------------|------------------|---------------------|--------------------|---------------------|-------------------|---------------------|
|                              | <b>Balance</b>   | <b>Additions</b>    | <b>Reductions</b>  | <b>Balance</b>      | <b>Portion</b>    | <b>Portion</b>      |
| Revenue Bonds, Series 2016-A | \$ -             | \$ 5,000,000        | \$ -               | \$ 5,000,000        | \$ 435,000        | \$ 4,565,000        |
| Revenue Bonds, Series 2016-B | -                | 50,000              | (50,000)           | -                   | -                 | -                   |
| Total Series 2016 Bonds      | <u>\$ -</u>      | <u>\$ 5,050,000</u> | <u>\$ (50,000)</u> | <u>\$ 5,000,000</u> | <u>\$ 435,000</u> | <u>\$ 4,565,000</u> |

The annual requirements to amortize the Series 2016-A Revenue Bonds, including interest payments of \$1,049,520, are as follows:

| <b>Fiscal Year</b>   |                     |                     |                     |
|----------------------|---------------------|---------------------|---------------------|
| <b>Ended June 30</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
| 2018                 | \$ 435,000          | \$ 191,300          | \$ 626,300          |
| 2019                 | 435,000             | 173,900             | 608,900             |
| 2020                 | 478,000             | 155,640             | 633,640             |
| 2021                 | 478,000             | 136,520             | 614,520             |
| 2022                 | 478,000             | 117,400             | 595,400             |
| 2023 to 2026         | 2,696,000           | 274,760             | 2,970,760           |
|                      | <u>\$ 5,000,000</u> | <u>\$ 1,049,520</u> | <u>\$ 6,049,520</u> |

Total interest incurred and recorded as an expense in the Statement of Activities was \$235,445 for the fiscal year ended June 30, 2017.

**Livingston Parish Sheriff  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2017**

**15. Tax Collector Account**

Cash on Hand at Fiscal Year End

The balance in the Tax Collector Account at June 30, 2017, consisted of the following:

|                                       |    |           |  |
|---------------------------------------|----|-----------|--|
| Tax Collector Operating Account       | \$ | -         |  |
| Tax Collector Protested Taxes Account |    | 31        |  |
| Cash Balance at Fiscal Year End       | \$ | <u>31</u> |  |

The total of \$31 within the Tax Collector Protested Taxes account at June 30, 2017, consisted of tax payments and accumulated interest income, for tax payments placed in escrow pending legal settlement.

Amounts in escrow at June 30, 2017, consisted of the following:

| Taxpayer                 | Accumulated<br>Interest<br>Income | Total Tax<br>Payments<br>Escrowed | Total Taxes<br>and Interest |
|--------------------------|-----------------------------------|-----------------------------------|-----------------------------|
| Library Maintenance      | \$ 31                             | \$ -                              | \$ 31                       |
| Total Taxes and Interest | <u>\$ 31</u>                      | <u>\$ -</u>                       | <u>\$ 31</u>                |

Louisiana Revised Statutes (R.S. 24:513B), as amended by Act 711 of the Louisiana Legislative Session, require that the audit report for parish sheriffs include footnote disclosures for the amount of taxes collected and disbursed per taxing entity. For the Livingston Parish Sheriff, this requires disclosure of current and prior year ad valorem tax collections and distributions, and disclosure of occupational license fees collected and disbursed. For ad valorem taxes, amounts collected vary to disbursements by tax refunds, fees, commissions, Louisiana Tax Commission (LTC) change orders, and other corrections. The amount of collections and disbursements are presented in the following sections.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The schedule of taxes assessed and settled is as follows for the fiscal year ending June 30, 2017:

| Taxing District                                        | Adjusted             |                     |                   |                   | Tax to be            |                      | Amount |
|--------------------------------------------------------|----------------------|---------------------|-------------------|-------------------|----------------------|----------------------|--------|
|                                                        | Tax Roll             | Adjudications       | Refunds           | Uncollected       | Collected            | Settled              |        |
| Livingston Parish Assessor                             | 4,149,648            | \$ (21,788)         | \$ 10,012         | \$ 18,594         | \$ 4,142,830         | \$ 4,142,830         |        |
| Livingston Gravity Drainage District No. 1             | 690,245              | (2,513)             | 1,356             | 7,027             | 684,375              | 684,375              |        |
| Livingston Fire Protection District No. 1              | 175,598              | (1,597)             | 198               | 126               | 176,871              | 176,871              |        |
| Livingston Fire Protection District No. 2              | 306,838              | (4,513)             | 1,350             | 498               | 309,503              | 309,503              |        |
| Livingston Fire Protection District No. 4              | 2,192,605            | (8,793)             | 5,650             | 4,775             | 2,190,973            | 2,190,973            |        |
| Livingston Fire Protection District No. 5              | 999,526              | (3,809)             | 2,018             | 9,216             | 992,101              | 992,101              |        |
| Livingston Fire Protection District No. 7              | 59,800               | (2,053)             | 215               | 24                | 61,614               | 61,614               |        |
| Livingston Fire Protection District No. 8              | 185,377              | (1,116)             | 764               | 32                | 185,697              | 185,697              |        |
| Livingston Fire Protection District No. 9              | 179,498              | (1,122)             | 553               | 171               | 179,896              | 179,896              |        |
| Livingston Fire Protection District No. 10             | 173,628              | (735)               | 161               | 276               | 173,926              | 173,926              |        |
| Livingston Fire Protection District No. 11             | 17,891               | (305)               | -                 | 79                | 18,117               | 18,117               |        |
| Livingston Fire Protection District No. 4 (User Fees)  | 722,048              | (10,336)            | 608               | 1,632             | 730,144              | 730,144              |        |
| Livingston Fire Protection District No. 7 (User Fees)  | 36,736               | (736)               | 96                | 96                | 37,280               | 37,280               |        |
| Livingston Fire Protection District No. 9 (User Fees)  | 68,032               | (1,376)             | 32                | 128               | 69,248               | 69,248               |        |
| Livingston Fire Protection District No. 11 (User Fees) | 16,192               | (512)               | -                 | 96                | 16,608               | 16,608               |        |
| Livingston Parish Library - LBM                        | 243,526              | (1,280)             | 587               | 1,091             | 243,128              | 243,128              |        |
| Livingston Parish Library - LIB Tax                    | 3,630,159            | (22,178)            | 9,961             | 12,706            | 3,629,670            | 3,629,670            |        |
| Livingston Parish Council - PTX                        | 2,226,395            | (8,933)             | 4,308             | 13,124            | 2,217,896            | 2,217,896            |        |
| Livingston Parish Council - Road Equip & Mtce          | 2,435,240            | (12,786)            | 5,876             | 10,912            | 2,431,238            | 2,431,238            |        |
| Livingston Parish Council - Health Unit                | 1,217,620            | (6,393)             | 2,938             | 5,456             | 1,215,619            | 1,215,619            |        |
| Livingston Recreation District No. 2                   | 963,622              | (2,101)             | 2,450             | 791               | 962,482              | 962,482              |        |
| Livingston Recreation District No. 3                   | 2,361,314            | (8,709)             | 4,700             | 24,348            | 2,340,975            | 2,340,975            |        |
| Livingston Recreation District No. 5                   | 326,763              | (1,957)             | 590               | 471               | 327,659              | 327,659              |        |
| Livingston Parish School Board - S01                   | 1,811,790            | (6,964)             | 4,549             | 15,649            | 1,798,556            | 1,798,556            |        |
| Livingston Parish School Board - S04                   | 1,011,782            | (4,714)             | 1,992             | 3,123             | 1,011,381            | 1,011,381            |        |
| Livingston Parish School Board - S04-1                 | 1,839,386            | (8,749)             | 3,615             | 5,815             | 1,838,705            | 1,838,705            |        |
| Livingston Parish School Board - S22                   | 1,167,733            | (2,545)             | 2,967             | 958               | 1,166,353            | 1,166,353            |        |
| Livingston Parish School Board - S33                   | 137,148              | (1,030)             | 232               | 88                | 137,858              | 137,858              |        |
| Livingston Parish School Board - Construction          | 1,602,388            | (8,413)             | 3,866             | 7,180             | 1,599,755            | 1,599,755            |        |
| Livingston Parish School Board - Special Mtce          | 3,409,336            | (17,901)            | 8,226             | 15,277            | 3,403,734            | 3,403,734            |        |
| Livingston Parish School Board - Additional Mtce       | 3,497,004            | (18,361)            | 8,437             | 15,670            | 3,491,258            | 3,491,258            |        |
| Livingston Parish School Board - District No. 5        | 2,435,240            | (12,786)            | 5,876             | 10,912            | 2,431,238            | 2,431,238            |        |
| Livingston Parish Law Enforcement                      | 5,411,103            | (28,411)            | 13,055            | 24,247            | 5,402,212            | 5,402,212            |        |
| Livingston Parish Law Enforcement - Special            | 5,138,377            | (26,979)            | 12,397            | 23,025            | 5,129,934            | 5,129,934            |        |
| Florida Parish Juvenile District                       | 1,339,387            | (7,033)             | 3,231             | 6,002             | 1,337,187            | 1,337,187            |        |
| City of Denham Springs                                 | 279,546              | (777)               | 223               | 2,438             | 277,662              | 277,662              |        |
| Comite River District                                  | 101,002              | (98)                | 261               | 291               | 100,548              | 100,548              |        |
| Carter Plantation Community Dev District - SMF         | 83,650               | (1,050)             | -                 | -                 | 84,700               | 84,700               |        |
| Livingston Parish Council on Aging                     | 974,097              | (5,115)             | 2,350             | 4,365             | 972,497              | 972,497              |        |
| Louisiana Tax Commission - BKN                         | 811                  | -                   | -                 | 64                | 747                  | 747                  |        |
| Louisiana Tax Commission - PBS                         | 17,100               | -                   | -                 | 1                 | 17,099               | 17,099               |        |
| Louisiana Forestry                                     | 21,048               | (35)                | 9                 | 1                 | 21,073               | 21,073               |        |
| Town of Albany                                         | 109                  | -                   | -                 | -                 | 109                  | 109                  |        |
| Rounding                                               | (1)                  | -                   | 1                 | (1)               | (1)                  | (1)                  |        |
| <b>Total Current Taxes</b>                             | <b>\$ 53,656,337</b> | <b>\$ (276,602)</b> | <b>\$ 125,710</b> | <b>\$ 246,774</b> | <b>\$ 53,560,455</b> | <b>\$ 53,560,455</b> |        |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The amount of Current Year taxes collected and disbursed is as follows for the fiscal year Ending June 30, 2017:

| <u>Taxing District</u>                                 | <u>Current Taxes<br/>Collected</u> | <u>Current Taxes<br/>Disbursed</u> |
|--------------------------------------------------------|------------------------------------|------------------------------------|
| Livingston Parish Assessor                             | \$ 4,142,830                       | \$ 4,142,830                       |
| Livingston Gravity Drainage District No. 1             | 684,375                            | 684,375                            |
| Livingston Fire Protection District No. 1              | 176,871                            | 176,871                            |
| Livingston Fire Protection District No. 2              | 309,503                            | 309,503                            |
| Livingston Fire Protection District No. 4              | 2,190,973                          | 2,190,973                          |
| Livingston Fire Protection District No. 5              | 992,101                            | 992,101                            |
| Livingston Fire Protection District No. 7              | 61,614                             | 61,614                             |
| Livingston Fire Protection District No. 8              | 185,697                            | 185,697                            |
| Livingston Fire Protection District No. 9              | 179,896                            | 179,896                            |
| Livingston Fire Protection District No. 10             | 173,926                            | 173,926                            |
| Livingston Fire Protection District No. 11             | 18,117                             | 18,117                             |
| Livingston Fire Protection District No. 4 (User Fees)  | 730,144                            | 730,144                            |
| Livingston Fire Protection District No. 7 (User Fees)  | 37,280                             | 37,280                             |
| Livingston Fire Protection District No. 9 (User Fees)  | 69,248                             | 69,248                             |
| Livingston Fire Protection District No. 11 (User Fees) | 16,608                             | 16,608                             |
| Livingston Parish Library - LBM                        | 243,128                            | 243,128                            |
| Livingston Parish Library - LIB Tax                    | 4,862,477                          | 4,862,477                          |
| Livingston Parish Council - PTX                        | 985,089                            | 985,089                            |
| Livingston Parish Council - Road Equip & Mtce          | 2,431,238                          | 2,431,238                          |
| Livingston Parish Council - Health Unit                | 1,215,619                          | 1,215,619                          |
| Livingston Recreation District No. 2                   | 962,482                            | 962,482                            |
| Livingston Recreation District No. 3                   | 2,340,975                          | 2,340,975                          |
| Livingston Recreation District No. 5                   | 327,659                            | 327,659                            |
| Livingston Parish School Board - S01                   | 1,798,556                          | 1,798,556                          |
| Livingston Parish School Board - S04                   | 1,011,381                          | 1,011,381                          |
| Livingston Parish School Board - S04-1                 | 1,838,705                          | 1,838,705                          |
| Livingston Parish School Board - S22                   | 1,166,353                          | 1,166,353                          |
| Livingston Parish School Board - S33                   | 137,858                            | 137,858                            |
| Livingston Parish School Board - Construction          | 1,599,755                          | 1,599,755                          |
| Livingston Parish School Board - Special Mtce          | 3,403,734                          | 3,403,734                          |
| Livingston Parish School Board - Additional Mtce       | 3,491,258                          | 3,491,258                          |
| Livingston Parish School Board - District No. 5        | 2,431,238                          | 2,431,238                          |
| Livingston Parish Law Enforcement                      | 5,402,212                          | 5,402,212                          |
| Livingston Parish Law Enforcement - Special            | 5,129,934                          | 5,129,934                          |
| Florida Parish Juvenile District                       | 1,337,187                          | 1,337,187                          |
| City of Denham Springs                                 | 277,662                            | 277,662                            |
| Comite River District                                  | 100,548                            | 100,548                            |
| Carter Plantation Community Development District - SMF | 84,700                             | 84,700                             |
| Livingston Parish Council on Aging                     | 972,497                            | 972,497                            |
| Louisiana Tax Commission - BKN                         | 747                                | 747                                |
| Louisiana Tax Commission - PBS                         | 17,099                             | 17,099                             |
| Louisiana Forestry                                     | 21,073                             | 21,073                             |
| Town of Albany                                         | 109                                | 109                                |
| Interest Collected on Taxes                            | 30,263                             | 30,263                             |
| <b>Total Current Taxes</b>                             | <b>\$ 53,590,719</b>               | <b>\$ 53,590,719</b>               |

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The amount of Prior Year advalorem taxes collected and disbursed is as follows for the fiscal year ending June 30, 2017:

| <u>Taxing District</u>                                | <u>Prior Year Taxes<br/>Collected</u> | <u>Prior Year Taxes<br/>Disbursed</u> |
|-------------------------------------------------------|---------------------------------------|---------------------------------------|
| Livingston Parish Assessor                            | \$ 11,386                             | \$ 11,386                             |
| Livingston Gravity Drainage District No. 1            | 1,681                                 | 1,681                                 |
| Livingston Fire Protection District No. 1             | 117                                   | 117                                   |
| Livingston Fire Protection District No. 2             | 713                                   | 713                                   |
| Livingston Fire Protection District No. 4             | 7,575                                 | 7,575                                 |
| Livingston Fire Protection District No. 5             | 2,737                                 | 2,737                                 |
| Livingston Fire Protection District No. 7             | 218                                   | 218                                   |
| Livingston Fire Protection District No. 8             | 167                                   | 167                                   |
| Livingston Fire Protection District No. 9             | 1,077                                 | 1,077                                 |
| Livingston Fire Protection District No. 4 (User Fees) | 2,911                                 | 2,911                                 |
| Livingston Fire Protection District No. 7 (User Fees) | 192                                   | 192                                   |
| Livingston Fire Protection District No. 9 (User Fees) | 1,056                                 | 1,056                                 |
| Livingston Parish Library - LBM                       | 1,510                                 | 1,510                                 |
| Livingston Parish Library - LIB Tax                   | 13,493                                | 13,493                                |
| Livingston Parish Council                             | 2,950                                 | 2,950                                 |
| Livingston Parish Council - Health Unit               | 5,179                                 | 5,179                                 |
| Livingston Parish Council - Road Equip & Maint        | 6,632                                 | 6,632                                 |
| Livingston Recreation District No. 2                  | 663                                   | 663                                   |
| Livingston Recreation District No. 3                  | 5,641                                 | 5,641                                 |
| Livingston Recreation District No. 5                  | 405                                   | 405                                   |
| Livingston Parish School Board - S01                  | 5,379                                 | 5,379                                 |
| Livingston Parish School Board - S04                  | 13,207                                | 13,207                                |
| Livingston Parish School Board - S22                  | 1,034                                 | 1,034                                 |
| Livingston Parish School Board - S24                  | 92                                    | 92                                    |
| Livingston Parish School Board - S26                  | 32                                    | 32                                    |
| Livingston Parish School Board -S27A                  | 90                                    | 90                                    |
| Livingston Parish School Board - S31                  | 144                                   | 144                                   |
| Livingston Parish School Board - S32A                 | 355                                   | 355                                   |
| Livingston Parish School Board - S33                  | 2,255                                 | 2,255                                 |
| Livingston Parish School Board - Construction         | 4,481                                 | 4,481                                 |
| Livingston Parish School Board - Special Maint        | 9,534                                 | 9,534                                 |
| Livingston Parish School Board - Additional Maint     | 9,779                                 | 9,779                                 |
| Livingston Parish School Board - District No. 5       | 6,779                                 | 6,779                                 |
| Livingston Parish Law Enforcement                     | 15,241                                | 15,241                                |
| Livingston Parish Law Enforcement - Special           | 14,502                                | 14,502                                |
| Florida Parish Juvenile District                      | 3,791                                 | 3,791                                 |
| City of Denham Springs                                | 487                                   | 487                                   |
| Comite River District                                 | 137                                   | 137                                   |
| Livingston Parish Council on Aging                    | 2,612                                 | 2,612                                 |
| Louisiana Forestry                                    | 208                                   | 208                                   |
| Filing Fees, Cost and Interest                        | 44,518                                | 44,518                                |
| <b>Total</b>                                          | <b>\$ 200,960</b>                     | <b>\$ 200,960</b>                     |

**Livingston Parish Sheriff  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2017**

Occupational License fees collected and disbursed are as follows for the fiscal year Ending June 30, 2017:

|                                                         |    |                  |
|---------------------------------------------------------|----|------------------|
| Gross Collections                                       | \$ | 1,220,857        |
| Less Refunds                                            |    | (970)            |
| Net Collections                                         |    | <u>1,219,887</u> |
| Less Distribution to Livingston Parish Council (at 85%) |    | (1,042,792)      |
| Less Commission to Livingston Parish Sheriff (at 15%)   |    | <u>(177,095)</u> |
| Balance Not Distributed                                 | \$ | <u><u>-</u></u>  |

There were no uncollected taxes at June 30, 2017, and all tax collections were disbursed to taxing districts at June 30, 2017, or held in escrow at fiscal year-end pending legal determination for distributions.

**16. Risk Management**

The Sheriff is exposed to various risks of loss related to law enforcement liabilities: torts, theft, damage or destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the Sheriff maintains commercial insurance policies covering automobile liability, general liability, commercial crime, law enforcement, public official's liability, worker's compensation and employer's liability. There have been no significant reductions in insurance coverage for the current year or in the three prior years.

**17. Contingent Liabilities**

At June 30, 2017, the Livingston Parish Sheriff is involved in several lawsuits and claims, which are either adequately covered by liability insurance or in the opinion of legal counsel, will not result in any liability to the Sheriff.

**18. Construction Commitments**

As of June 30, 2017, the Livingston Parish Sheriff does not have any construction in progress.

**19. Expenditures of the Sheriff's Office Paid by the Parish Council**

The Sheriff's administration offices are located in the parish courthouse building. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Livingston Parish Council. These costs are not included in the accompanying financial statements.

**20. On-Behalf Payments for Fringe Benefits and Salaries**

A portion of the salaries of the Sheriff's deputies are paid through a supplement from the State of Louisiana. These payments provide the deputies of the Sheriff with an additional \$500 per month, which is added to their base salary. For the fiscal year ended June 30, 2017, in accordance with GASB 24, the Sheriff recorded \$757,768, of on behalf payments as revenue and as an expenditure in the General Fund.

**Livingston Parish Sheriff**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**21. Subsequent Events**

Subsequent events have been evaluated by management through December 29, 2017, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2017.

## Required Supplemental Information (Part II)

**Livingston Parish Sheriff**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the year ended June 30, 2017**

|                                             | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance<br/>Favorable</u> |
|---------------------------------------------|-------------------------|---------------------|---------------------------|-------------------------------|
|                                             | <u>Original</u>         | <u>Final</u>        |                           |                               |
| <b>Revenues</b>                             |                         |                     |                           |                               |
| Taxes                                       |                         |                     |                           |                               |
| Ad valorem                                  | \$ 10,800,000           | \$ 10,800,000       | \$ 10,817,956             | \$ 17,956                     |
| Sales and Use                               | 9,000,000               | 10,700,000          | 10,932,230                | 232,230                       |
| Intergovernmental                           |                         |                     |                           |                               |
| Grants                                      | 200,000                 | 1,200,000           | 1,244,524                 | 44,524                        |
| Support of Prisoners                        | 2,100,000               | 2,900,000           | 3,223,692                 | 323,692                       |
| State Revenue Sharing                       | 645,000                 | 675,000             | 681,409                   | 6,409                         |
| Service Contract Revenue                    | 1,050,000               | 1,050,000           | 1,148,581                 | 98,581                        |
| Fines, Forfeitures and Other Fees           | 3,070,000               | 2,550,000           | 2,824,121                 | 274,121                       |
| Use of Money and Property                   | 45,000                  | 55,000              | 66,207                    | 11,207                        |
| Miscellaneous                               | 975,000                 | 1,500,000           | 1,671,417                 | 171,417                       |
| On Behalf Payments - State Supplemental Pay | 710,000                 | 750,000             | 757,768                   | 7,768                         |
| <b>Total Revenues</b>                       | <u>28,595,000</u>       | <u>32,180,000</u>   | <u>33,367,905</u>         | <u>1,187,905</u>              |
| <b>Expenditures</b>                         |                         |                     |                           |                               |
| Public Safety                               |                         |                     |                           |                               |
| Personal Services and Related Benefits      |                         |                     |                           |                               |
| Salaries                                    | 13,936,000              | 16,750,000          | 16,047,449                | 702,551                       |
| Employee Benefits                           | 7,750,000               | 8,000,000           | 7,735,970                 | 264,030                       |
| Travel & Training                           | 210,000                 | 200,000             | 144,877                   | 55,123                        |
| Operating Services                          | 5,800,000               | 6,600,000           | 3,621,090                 | 2,978,910                     |
| Professional Services                       | -                       | 1,450,000           | 1,291,989                 | 158,011                       |
| Materials and Supplies                      |                         |                     |                           |                               |
| General                                     | -                       | -                   | 575,632                   | (575,632)                     |
| Prisoners                                   | -                       | -                   | 1,583,200                 | (1,583,200)                   |
| Vehicles                                    | -                       | -                   | 29,565                    | (29,565)                      |
| Other Equipment (Non-Capitalized)           | 10,000                  | -                   | 2,375,588                 | (2,375,588)                   |
| Total Public Safety                         | <u>27,706,000</u>       | <u>33,000,000</u>   | <u>33,405,360</u>         | <u>(405,360)</u>              |
| Capital Outlays                             | 1,800,000               | 4,600,000           | 2,580,019                 | 2,019,981                     |
| Debt Service                                |                         |                     |                           |                               |
| Principal                                   | -                       | -                   | 330,000                   | (330,000)                     |
| Interest                                    | 380,800                 | 455,000             | 171,578                   | 283,422                       |
| Debt Issuance Cost                          | -                       | -                   | 48,750                    | (48,750)                      |
| <b>Total Expenditures</b>                   | <u>29,886,800</u>       | <u>38,055,000</u>   | <u>36,535,707</u>         | <u>1,519,293</u>              |
| <b>Excess Revenues (Expenditures)</b>       | <u>(1,291,800)</u>      | <u>(5,875,000)</u>  | <u>(3,167,802)</u>        | <u>2,707,198</u>              |
| <b>Other Financing Sources (Uses)</b>       |                         |                     |                           |                               |
| Operating Transfers In                      | -                       | -                   | 35                        | 35                            |
| Proceeds from Sale of Capital Assets        | -                       | 150,000             | 65,459                    | (84,541)                      |
| Proceeds from Debt                          | -                       | 5,050,000           | 5,050,000                 | -                             |
| <b>Total Other Financing Sources (Uses)</b> | <u>-</u>                | <u>5,200,000</u>    | <u>5,115,494</u>          | <u>(84,506)</u>               |
| <b>Net Change in Fund Balances</b>          | <u>\$ (1,291,800)</u>   | <u>\$ (675,000)</u> | <u>1,947,692</u>          | <u>\$ 2,622,692</u>           |
| <b>Fund Balances, Beginning</b>             |                         |                     | <u>6,698,734</u>          |                               |
| <b>Fund Balances, Ending</b>                |                         |                     | <u>\$ 8,646,426</u>       |                               |

See Independent Auditor's Report.

**Livingston Parish Sheriff**  
**Notes to Budget Comparison Schedules**  
**For the Year Ended June 30, 2017**

Budgetary procedures applicable to the Livingston Parish Sheriff are defined in state law, Louisiana Revised Statutes 39:1301-1315. The Sheriff uses the following budget practices:

Proposed budgets are prepared on the modified accrual basis of accounting and published in the official journal at least ten days prior to the public hearing. Public hearings are held at the Livingston Parish Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary. Budgets are established and controlled by the Sheriff at the object level of expenditures. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and one budget amendment. The Sheriff must adopt a budget each year for the general fund and each special revenue fund, if applicable. The Sheriff must prepare and submit the proposed budget for consideration not later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in the parish.

All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. Budgetary amendments involving the transfers of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Sheriff. The Sheriff adopts necessary budget amendments when actual operations are different from those anticipated in the original budget, and they are made available for public inspection.

**Livingston Parish Sheriff**  
**Schedule of Funding Progress for the Retiree Benefits**  
**June 30, 2017**

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Assets (a)</b> | <b>Actuarial Accrued<br/>Liability (AAL) -<br/>Entry Age (b)</b> | <b>Unfunded<br/>AAL<br/>(UAAL)<br/>(b-a)</b> | <b>Funded<br/>Ratio<br/>(a/b)</b> | <b>Covered Payroll<br/>(c)</b> | <b>UAAL as a<br/>Percentage of<br/>Covered Payroll<br/>((b-a)/c)</b> |
|-----------------------------------------|----------------------------------------------|------------------------------------------------------------------|----------------------------------------------|-----------------------------------|--------------------------------|----------------------------------------------------------------------|
| 7/1/2010                                | \$ 6,082,861                                 | \$ 12,002,327                                                    | \$ 5,919,466                                 | 50.68%                            | \$ 9,772,241                   | 60.57%                                                               |
| 7/1/2012                                | \$ 7,151,790                                 | \$ 8,904,335                                                     | \$ 1,752,545                                 | 80.32%                            | \$ 12,099,643                  | 14.48%                                                               |
| 7/1/2014                                | \$ 7,278,172                                 | \$ 14,773,661                                                    | \$ 7,495,489                                 | 49.26%                            | \$ 12,393,673                  | 60.48%                                                               |
| 7/1/2016                                | \$ 7,937,849                                 | \$ 15,331,083                                                    | \$ 7,393,234                                 | 51.78%                            | \$ 14,611,670                  | 50.60%                                                               |

See Independent Auditor's Report.

**Livingston Parish Sheriff**  
**Schedule of the Sheriff's Proportionate Share of the Net Pension Liability**  
**For the year ended June 30, 2017**

Louisiana Sheriff's Pension and Relief Fund:

|                                                                                                                        | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   |
|------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Employer's Proportion of the Net Pension Liability (Assets)                                                            | 1.8873507%    | 1.757640%     | 1.759819%     |
| Employer's Proportionate Share of the Net Pension Liability (Asset)                                                    | \$ 11,977,873 | \$ 7,834,711  | \$ 6,968,892  |
| Employer's Covered-Employee Payroll                                                                                    | \$ 14,611,670 | \$ 12,889,810 | \$ 11,652,728 |
| Employer's Proportionate Share of the Net Pension Liability (Asset)<br>as a Percentage of its Covered-Employee Payroll | 81.9747%      | 60.7822%      | 59.8048%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                             | 87.34470%     | 86.60652%     | 87.34472%     |

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

See Independent Auditor's Report.

**Livingston Parish Sheriff**  
**Schedule of the Sheriff's Contributions**  
**For the year ended June 30, 2017**

Louisiana Sheriff's Pension and Relief Fund:

|                                                                   | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      |
|-------------------------------------------------------------------|------------------|------------------|------------------|
| Contractually required contribution                               | \$ 1,772,349     | \$ 1,772,117     | \$ 1,660,514     |
| Contributions in relation to contractually required contributions | <u>1,772,349</u> | <u>1,772,117</u> | <u>1,660,514</u> |
| Contribution deficiency (excess)                                  | -                | -                | -                |
| Employer's Covered Employee Payroll                               | 12,889,810       | 12,889,810       | 11,652,728       |
| Contributions as a % of Covered Employee Payroll                  | 13.7500%         | 13.7482%         | 14.2500%         |

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

See Independent Auditor's Report.

## Other Supplemental Information (Part III)

**Tax Collector Account Affidavit**

**Schedule 5**

**STATE OF LOUISIANA, PARISH OF LIVINGSTON**

**AFFIDAVIT**

**JASON ARD, SHERIFF AND TAX COLLECTOR, OF LIVINGSTON PARISH, LOUISIANA**

**BEFORE ME**, the undersigned authority, personally came and appeared, **JASON ARD**, the sheriff of LIVINGSTON PARISH, State of Louisiana, who after being duly sworn, deposed and said:

**The following information is true and correct:**

**\$30.97 is the amount of cash on hand in the tax collector account on JUNE 30, 2017;**

He further deposed and said:

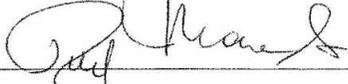
**All itemized statements of the amount of taxes collected for tax year 2016, by taxing authority, are true and correct.**

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



Signature  
Sheriff of Livingston Parish

**SWORN** to and subscribed before me, Notary, this 14<sup>th</sup> day of NOVEMBER 2017, in my office in the Parish of Livingston, Town of Livingston, Louisiana.



(Signature)

RONALD J. MORSE, SR. (Print), # \_\_\_\_\_  
NOTARY PUBLIC #42632,  
PARISH OF LIVINGSTON (Commission)  
MY COMMISSION IS FOR LIFE

See Independent Auditor's Report.

**Livingston Parish Sheriff**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the Year Ended June 30, 2017**

**Agency Head Name: Jason Ard, Sheriff**

| <u>Purpose</u>               | <u>Amount</u>     |
|------------------------------|-------------------|
| Salary                       | \$ 159,540        |
| Benefits-Insurance           | 22,008            |
| Benefits-Retirement          | 22,298            |
| Employer Paid Payroll Taxes  | 2,453             |
| Travel-Per Diem              | 2,375             |
| Travel-Lodging               | 2,454             |
| Travel-Airfare               | 3,015             |
| Conference Registration Fees | 1,070             |
|                              | <u>\$ 215,213</u> |

See Independent Auditor's Report.

**Livingston Parish Sheriff**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2017**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>               | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass Through Entity<br/>Identifying Number</u> | <u>Federal<br/>Expenditures</u> |
|-------------------------------------------------------------------------|------------------------------------|---------------------------------------------------|---------------------------------|
| <u>U.S. Department of Transportation:</u>                               |                                    |                                                   |                                 |
| Passed through Louisiana Highway Safety Commission                      |                                    |                                                   |                                 |
| State and Community Highway Safety                                      | 20.600                             | 2017-30-31                                        | \$ 5,355                        |
| Repeat Offender Funds LHSC                                              | 20.608                             | 2017-30-31                                        | 10,418                          |
| State and Community Highway Safety                                      | 20.600                             | 2017-30-37                                        | 37,058                          |
| Repeat Offender Funds LHSC                                              | 20.608                             | 2017-30-37                                        | 40,163                          |
| Total U.S. Department of Transportation                                 |                                    |                                                   | 92,994                          |
| <u>U.S. Department of Justice:</u>                                      |                                    |                                                   |                                 |
| Bureau of Justice Assistance                                            |                                    |                                                   |                                 |
| Edward Byrne Memorial Justice Assistance Grant Program                  |                                    |                                                   |                                 |
| Livingston Parish Gun Violence Initiative                               | 16.738                             | 2015-DJ-BX-0625                                   | 7,380                           |
| Livingston Parish Gun Violence Initiative                               | 16.738                             | 2015-DJ-BX-0030                                   | 13,046                          |
| Passed through Louisiana Commission on Law Enforcement                  |                                    |                                                   |                                 |
| Edward Byrne Memorial Justice Assistance Grant Program                  |                                    |                                                   |                                 |
| Criminal Patrols                                                        | 16.738                             | 2014-DJ-01-2628                                   | 6,476                           |
| Criminal Patrols                                                        | 16.738                             | 2015-DJ-01-3108                                   | 443                             |
| Violence Against Women Office                                           |                                    |                                                   |                                 |
| Passed through Louisiana Commission on Law Enforcement                  |                                    |                                                   |                                 |
| Violence Against Women Formula Grant                                    | 16.588                             | 2015-WF-01-3045                                   | 3,078                           |
| Total U.S. Department of Justice                                        |                                    |                                                   | 30,423                          |
| <u>U.S. Department of Homeland Security:</u>                            |                                    |                                                   |                                 |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) |                                    |                                                   |                                 |
| Passed through Governor's Office of Homeland Security (GOHSEP)          |                                    |                                                   |                                 |
| March 2016 Flood - FEMA 4263                                            | 97.036                             | 063-UQFK9-00                                      | 281,987                         |
| August 2016 Flood - FEMA 4277                                           | 97.036                             | 063-UQFK9-00                                      | 2,061,337                       |
| Total U.S. Department of Justice                                        |                                    |                                                   | 2,343,324                       |
| <b>Total Expenditures of Federal Awards</b>                             |                                    |                                                   | <b>\$ 2,466,741</b>             |

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal loan and grant activity of the Livingston Parish Sheriff and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Uniform Guidance.

See Independent Auditor's Report.

Livingston Parish Sheriff

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

Section I Summary of Auditor's Results

*Financial Statements*

a. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified  Qualified   
Disclaimer  Adverse

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

Internal Control:

Material Weaknesses  Yes  No Significant Deficiencies  Yes  No

Compliance:

Noncompliance Material to Financial Statements  Yes  No

*Federal Awards*

Internal Control over major federal Programs:

Material Weaknesses  Yes  No Significant Deficiencies  Yes  No

Type of auditor's report issued on compliance for major federal programs:

Unmodified  Qualified   
Disclaimer  Adverse

Are there findings required to be reported in accordance with 2 CFR 200.516(a)

Yes  No

Was a management letter issued?

Yes  No

Identification of Major Programs:

| CFDA Number (s) | Name of Federal Program (or Cluster)                                    |
|-----------------|-------------------------------------------------------------------------|
| 97.036          | Disaster Grants – Public Assistance (Presidentially Declared Disasters) |
|                 |                                                                         |
|                 |                                                                         |
|                 |                                                                         |

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?  Yes  No

**Livingston Parish Sheriff**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2017**

**Section II Financial Statement Findings**

None

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

None

Livingston Parish Sheriff  
Livingston, Louisiana

Schedule of Prior Year Findings and Responses  
For the Year Ended June 30, 2017

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

None

**Section II Internal Control and Compliance Material to Federal Awards**

N/A

**Section III Management Letter**

N/A

This schedule was prepared by management.

Bruce C. Harrell, CPA

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Kristi U. Bergeron, CPA  
Jessica H. Jones, CPA  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To Livingston Parish Sheriff  
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Sheriff, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Livingston Parish Sheriff's basic financial statements, and have issued our report thereon dated December 29, 2017.

**Internal Control Over Financial Reporting**

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

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

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

**BRUCE HARRELL & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

To Livingston Parish Sheriff

Livingston, Louisiana

Page 2

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
Kentwood, Louisiana

December 29, 2017

Bruce C. Harrell, CPA

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To Livingston Parish Sheriff  
Livingston, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the Livingston Parish Sheriff's (the "Sheriff") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Sheriff's major federal programs for the year ended June 30, 2017. The Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Sheriff's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Sheriff's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, Livingston Parish Sheriff, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## **BRUCE HARRELL & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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To Livingston Parish Sheriff

Livingston, Louisiana

Page 2

### **Report on Internal Control over Compliance**

Management of the Livingston Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Sheriff's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
Kentwood, Louisiana

December 29, 2017

Livingston Parish Sheriff

Statewide Agreed-Upon Procedures

As of and for the Year Then Ended June 30, 2017



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## Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Jason Ard  
Livingston Parish Sheriff,

We have performed the procedures enumerated below, which were agreed to by the Livingston Parish Sheriff (Entity) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

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

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

*Written policies and procedures were obtained and address the functions noted above, except how vendors are added to the vendor list and how purchase orders are approved. These procedures were found to be in place during the audit, but not included in written procedures.*

- c) **Disbursements**, including processing, reviewing, and approving  
*Written policies and procedures were obtained and address the functions noted above.*
- d) **Receipts**, including receiving, recording, and preparing deposits  
*Written policies and procedures were obtained and address the functions noted above, except for procedures related to cash handling of receipts. These procedures were found to be in place during the audit, but not included in the written policies and procedures.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*Written policies and procedures did not include the actual payroll processing or overtime, other functions noted above were addressed.*
- 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  
*Written policies and procedures were obtained and address the functions noted above.*
- 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  
*Written policies and procedures were obtained and address the functions noted above.*
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers  
*Written policies and procedures were obtained and address the functions noted above.*
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.  
*Written policies and procedures were obtained, but do not address the specific functions noted above.*
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*Written policies and procedures were obtained and address the functions noted above.*

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

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.  
*The Sheriff's Office does not maintain minutes; therefore, this is not applicable.*
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).  
*The Sheriff's Office does not maintain minutes; therefore, this is not applicable.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*The Sheriff's Office does not maintain minutes; therefore, this is not applicable.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*The Sheriff's Office does not maintain minutes; therefore, this is not applicable.*

### ***Bank Reconciliations***

---

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

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

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

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months in which a bank statement was produced by the bank.*

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

*The bank reconciliations for all accounts had evidence of management review.*

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

*Obtained bank statements and reconciliations for all months in the fiscal period noting that while there were some outstanding checks for more than six months, these included documentation reflecting research of these outstanding checks.*

### ***Collections***

---

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

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

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis

(if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

*In both locations, the employees responsible for collecting cash are bonded. There are no employees that are responsible for collecting cash that are depositing the cash, recording the related transactions, or reconciling the related bank account. Employees are not required to share the same cash drawer with another employee.*

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

*Written documentation was obtained and addresses the functions noted above.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*For both locations, deposits were made within one day of collections.*

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

*Daily cash collections are completely supported by collection documentation.*

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

*Written documentation was obtained and addresses the functions noted above.*

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

---

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

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

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

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

*Examined supporting documentation for each of the 25 disbursements selected and found that purchase orders are not required on these disbursements as a matter of policy. However, all disbursements did include proper supporting documentation. Initiation and approval functions are separate.*

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

*Examined supporting documentation for each of the 25 disbursements selected and found that purchase orders are not required on these disbursements as a matter of policy. However, all disbursements did include proper supporting documentation. Initiation and approval functions are separate.*

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

*Examined supporting documentation for each of the 25 disbursements selected and found that purchase orders are not required on these disbursements as a matter of policy. However, all disbursements did include proper supporting documentation. Initiation and approval functions are separate. Invoices are approved in list form before checks are issued for payment. Invoices served as receiving reports in the supporting documentation for these disbursements. Receiving reports are not required as a matter of policy.*

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

*Written documentation was obtained and addresses the functions noted above.*

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

*Written documentation was obtained and addresses the functions noted above.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank

check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*Inquiry and observation noted no exceptions*

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

*Inquiry noted no exceptions.*

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

---

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

*Listing of all active credit cards, bank cards, and fuel cards, including the card numbers and name of person who maintain possession of cards, and management's representation that the listing is complete was obtained.*

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

*Listing was obtained and randomly selected 10 cards.*

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

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

*Monthly statements were obtained and supporting documentation was approved by someone other than the authorized card holder.*

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

*No finance charges or late fees were noted.*

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

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

- An original itemized receipt (i.e., identifies precisely what was purchased)

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

---

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

*Listing of all travel and expense reimbursements by person and management's representation that the listing is complete was obtained.*

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

*Policies were obtained. No amounts listed exceed GSA rates.*

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

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

*No exceptions noted.*

- b) Report whether each expense is supported by:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### ***Contracts***

---

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

*Listing of all contracts in effect and management's representation that the listing is complete was obtained.*

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

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

*No exceptions noted.*

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

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

*Not applicable.*

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

*Not applicable.*

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

*No amendments noted.*

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

*No noncompliance noted.*

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

*Not applicable.*

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

---

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

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

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

*No exceptions noted.*

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

*Management asserted that they have received no allegations during the fiscal period.*

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

---

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*Not applicable.*

### ***Other***

---

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported

the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

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

*Required notice was posed on the entity's premises and website.*

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

*No exceptions noted.*

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

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



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
Kentwood, Louisiana

December 29, 2017