

MADISON PARISH SHERIFF
Tallulah, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2017
With Supplemental Information Schedules

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

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Independent Auditor's Report

MADISON PARISH SHERIFF
Tallulah, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Madison Parish Sheriff, a component unit of the Madison Parish Police Jury, as of June 30, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report,
June 30, 2017

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison information on pages 44 through 45, the schedule of funding progress for the retiree healthcare plan on page 46, and the schedule of the Sheriff's proportionate share of the net pension liability on pages 47 through 48, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Sheriff's sworn statement presented on page 50 and the schedule of compensation, benefits, and other payments to agency head on page 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report,
June 30, 2017

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated September 1, 2017, on my consideration of the Madison Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana
September 1, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MADISON PARISH SHERIFF
Tallulah, Louisiana

Management's Discussion and Analysis
June 30, 2017

As management of the Madison Parish Sheriff, I offer readers of the Madison Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Madison Parish Sheriff for the fiscal year ended June 30, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

The *statement of net position* presents information on all of the Madison Parish Sheriff's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Madison Parish Sheriff is improving or deteriorating.

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

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

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

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

The Madison Parish Sheriff maintains 5 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

The Madison Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue funds. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Madison Parish Sheriff exceeded liabilities by \$5,482,752. Approximately 12% of the Madison Parish Sheriff's net position reflects its investment in capital assets (equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Madison Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets having been included in the statement of net position.

STATEMENT OF NET POSITION

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$9,352,117	\$9,456,727
Receivables	178,306	196,166
Prepays		15,808
Due from other funds	98	57
Capital assets (net of accumulated depreciation)	<u>631,048</u>	<u>472,212</u>
TOTAL ASSETS	<u>10,161,569</u>	<u>10,140,970</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>2,590,878</u>	<u>861,995</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$12,752,447</u>	<u>\$11,002,965</u>
LIABILITIES		
Accounts payable	\$26,356	\$17,793
Salaries payable	57,922	52,778
Long term liabilities:		
Net pension liability	1,489,312	1,068,271
Net OPEB Obligation	<u>2,272,510</u>	<u>2,091,706</u>
TOTAL LIABILITIES	<u>3,846,100</u>	<u>3,230,548</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	3,423,595	2,837,566
NET POSITION		
Invested in capital assets, net of related debt	631,048	472,212
Unrestricted	<u>4,851,704</u>	<u>4,462,639</u>
TOTAL NET POSITION	<u>5,482,752</u>	<u>4,934,851</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$12,752,447</u>	<u>\$11,002,965</u>

STATEMENT OF ACTIVITIES

	<u>2017</u>	<u>2016</u>
Public safety:		
Personal services	\$1,824,695	\$1,822,428
Operating services	287,247	256,751
Materials and supplies	303,437	199,182
Travel	19,102	20,754
Depreciation expense	220,781	182,955
Total Program Expenses	<u>2,655,262</u>	<u>2,482,070</u>
Program revenues:		
Commissions on license and taxes	74,570	75,271
Civil and criminal fees	136,087	138,434
Court attendance	4,216	4,488
Transportation of prisoners	16,847	18,166
Feeding and keeping prisoners	43,241	52,655
Tax notices	915	635
Other	424,787	409,026
Total program revenues	<u>700,663</u>	<u>698,675</u>
Net Program Expenses	<u>(1,954,599)</u>	<u>(1,783,395)</u>
General revenues:		
Taxes		
Ad valorem	932,464	934,551
Sales tax	692,327	646,170
Grants and contributions not restricted to specific programs:		
Federal sources	15,798	19,734
State sources		
State revenue sharing (net)	43,055	41,365
State supplemental pay	156,033	165,920
Other	493,718	518,739
Local sources	111,475	154,046
Use of money and property	52,330	44,693
Special items:		
Gain (loss) on sale/disposal of assets	<u>5,300</u>	
Change in Net Position	547,901	741,823
Net Position - Beginning of year	<u>4,934,851</u>	<u>4,193,028</u>
Net Position - End of year	<u>\$5,482,752</u>	<u>\$4,934,851</u>

Financial Analysis of the Government's Funds

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

As of June 30, 2017, combined governmental fund balances of \$9,446,243 showed a decrease of \$151,944 over June 30, 2016. The General Fund's portion of the unassigned, fund balance of \$9,438,876 shows a decrease (of approximately \$153,507) from the prior year amount.

General Fund and Major Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget for the General Fund were due primarily to an increase in operating services and materials and supplies and a decrease in personal services and benefits, travel and other charges, and capital outlay. The difference in revenues in the general fund were due to increases in anticipated state revenue sharing, state supplemental pay, civil and criminal fees, feeding and keeping of prisoners, use of money and property, other revenues and other financing source, disposal of assets and decreases in ad valorem tax, federal grants, local grants, and commissions on licenses and taxes.

Capital Asset and Debt Administration

Capital assets. The Madison Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$631,048 (net of accumulated depreciation). This investment includes buildings, furniture, and equipment. The increase in capital assets for the year was \$379,617. Deletions for the year were \$235,091.

Long-term debt. The Madison Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2017 is \$2,272,510. Net Pension liability obligation associated with the Pension Plan at June 30, 2017 is \$1,489,312.

Requests for Information

This financial report is designed to provide a general overview of the Madison Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Madison Parish Sheriff, Courthouse Building, Tallulah LA 71282.

September 1, 2017

BASIC FINANCIAL STATEMENTS

MADISON PARISH SHERIFF
Tallulah, Louisiana

STATEMENT OF NET POSITION
June 30, 2017

ASSETS

Cash and cash equivalents	\$9,352,117
Receivables	178,306
Due from other funds	98
Capital assets (net of accumulated depreciation)	<u>631,048</u>
TOTAL ASSETS	<u>10,161,569</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>2,590,878</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$12,752,447</u>

LIABILITIES

Accounts payable	\$26,356
Salaries payable	57,922
Long term liabilities:	
Net pension liability	1,489,312
Net OPEB Obligation	<u>2,272,510</u>
TOTAL LIABILITIES	<u>3,846,100</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	3,423,595
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NET POSITION

Invested in capital assets, net of related debt	631,048
Unrestricted	<u>4,851,704</u>
TOTAL NET POSITION	<u>5,482,752</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$12,752,447</u>

The accompanying notes are an integral part of this statement.

Statement B

MADISON PARISH SHERIFF
Tallulah, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2017

Public safety:	
Personal service	\$1,824,695
Operating services	287,247
Materials and supplies	303,437
Travel	19,102
Depreciation expense	220,781
Total Program Expenses	<u>2,655,262</u>
Program revenues:	
Commissions on licenses and taxes	74,570
Civil and criminal fees	136,087
Court attendance	4,216
Transportation of prisoners	16,847
Feeding and keeping prisoners	43,241
Tax notices	915
Other	424,787
Total program revenues	<u>700,663</u>
Net Program Expenses	<u>(1,954,599)</u>
General revenues:	
Taxes	
Ad valorem	932,464
Sales tax	692,327
Grants and contributions not restricted to specific programs:	
Federal sources	15,798
State sources:	
State revenue sharing (net)	43,055
State supplemental pay	156,033
Other	493,718
Local sources	111,475
Use of money and property	52,330
Special item - gain of disposal of assets	5,300
Change in Net Position	<u>547,901</u>
NET POSITION	
Beginning of year - as restated	<u>4,934,851</u>
End of year	<u><u>\$5,482,752</u></u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2017

MAJOR FUND..... GENERAL FUNDNON MAJOR FUND..... GRANT FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$9,344,850	\$7,267	\$9,352,117
Receivables	178,206	100	178,306
Due from other funds	98		98
TOTAL ASSETS	<u>\$9,523,154</u>	<u>\$7,367</u>	<u>\$9,530,521</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$26,356		\$26,356
Salaries payable	57,922		57,922
Total Liabilities	<u>84,278</u>	<u>NONE</u>	<u>84,278</u>
Fund Equity - Fund Balances			
Assigned		\$7,367	7,367
Unassigned	9,438,876		9,438,876
Total Fund Equity	<u>9,438,876</u>	<u>7,367</u>	<u>9,446,243</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$9,523,154</u>	<u>\$7,367</u>	<u>\$9,530,521</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

For the Year Ended June 30, 2017

Total Fund Balances at June 30, 2017 - Governmental Funds (Statement C)		<u>\$9,446,243</u>
Deferred outflows of resources		2,590,878
Cost of capital assets at June 30, 2017	\$1,732,345	
Less: Accumulated depreciation as of June 30, 2017	<u>(1,101,297)</u>	631,048
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net OPEB obligation		(2,272,510)
Net pension liability		(1,489,312)
Deferred inflows of resources		<u>(3,423,595)</u>
Net Position at June 30, 2017 (Statement A)		<u><u>\$5,482,752</u></u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
GOVERNMENTAL FUND TYPES

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2017

MAJOR FUND.....		
	<u>GENERAL FUND</u>	<u>GRANT FUND</u>	<u>TOTAL</u>
REVENUES			
Taxes			
Ad valorem	\$932,464		\$932,464
Sales tax	692,327		692,327
Intergovernmental revenues:			
Federal grants	15,798		15,798
State grants:			
State revenue sharing (net)	43,055		43,055
State supplemental pay	156,033		156,033
Other	493,718		493,718
Local grants	109,680	\$1,795	111,475
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	74,570		74,570
Civil and criminal fees	136,087		136,087
Court attendance	4,216		4,216
Transportation of prisoners	16,847		16,847
Feeding and keeping of prisoners	43,241		43,241
Tax notices	915		915
Use of money and property	52,308	22	52,330
Other	333,389	246	333,635
Total revenues	<u>3,104,648</u>	<u>2,063</u>	<u>3,106,711</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	2,274,552		2,274,552
Operating services	287,247		287,247
Materials and supplies	302,937	500	303,437
Travel and other charges	19,102		19,102
Capital outlay	379,617		379,617
Total expenditures	<u>3,263,455</u>	<u>500</u>	<u>3,263,955</u>

(Continued)

Statement D

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 GOVERNMENTAL FUND TYPES
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance

MAJOR FUND.....		
	GENERAL FUND	GRANT FUND	TOTAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(158,807)	\$1,563	(\$157,244)
OTHER FINANCING SOURCE-			
Proceeds from disposal of assets	5,300		5,300
Total Other Financing Source	5,300	NONE	5,300
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(153,507)	1,563	(151,944)
FUND BALANCE AT BEGINNING OF YEAR	9,592,383	5,804	9,598,187
FUND BALANCE AT END OF YEAR	<u>\$9,438,876</u>	<u>\$7,367</u>	<u>\$9,446,243</u>

(Concluded)

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

For the Year Ended June 30, 2017

Total net change in fund balances - governmental funds (Statement D)	(S151,944)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period.	158,836
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(180,804)
Non-employer contributions to cost-sharing pension plan.	91,152
Pension expense	<u>630,661</u>
Change in net position of governmental activities (Statement B)	<u><u>S547,901</u></u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2017

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	SPECIAL ASSET FORFEITURE FUND	TOTAL
ASSETS					
Cash and cash equivalents	\$1,051	\$31,792	\$204,521	\$19,065	\$256,429
Investment	41,264				41,264
Total Assets	<u>\$42,315</u>	<u>\$31,792</u>	<u>\$204,521</u>	<u>\$19,065</u>	<u>\$297,693</u>
LIABILITIES					
Unsettled deposits due to:					
Other funds		\$39	\$59		\$98
Others	\$42,315	31,753	204,462	\$19,065	297,595
Total Liabilities	<u>\$42,315</u>	<u>\$31,792</u>	<u>\$204,521</u>	<u>\$19,065</u>	<u>\$297,693</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying financial statements of the Madison Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

A. REPORTING ENTITY

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

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Notes to the Financial Statements (Continued)

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

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

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all

MADISON PARISH SHERIFF

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Notes to the Financial Statements (Continued)

the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three

MADISON PARISH SHERIFF
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Notes to the Financial Statements (Continued)

categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Types

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

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources such as grants and state and parish funds for maintaining state and parish prisoners. Those revenues are restricted to expenditures for specified purposes.

Fiduciary Fund Type - Agency Funds

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

MADISON PARISH SHERIFF

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Notes to the Financial Statements (Continued)

2. Modified Accrual:

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

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

Revenues

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

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

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

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 Notes to the Financial Statements (Continued)

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the sheriff has cash and equivalents (book balances) totaling \$9,608,546 as follows:

Demand deposits	\$9,605,886
Petty cash	<u>2,660</u>
Total	<u>\$9,608,546</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2017, are secured as follows:

Bank balances	<u>\$9,700,778</u>
Federal deposit insurance	\$758,110
Pledged securities (uncollateralized)	<u>14,027,867</u>
Total	<u>\$14,785,977</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the

MADISON PARISH SHERIFF

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Notes to the Financial Statements (Continued)

pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

F. INVESTMENTS

Investments held at June 30, 2017 consist of \$41,264 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2017 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

MADISON PARISH SHERIFF
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 Notes to the Financial Statements (Continued)

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1000 for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

H. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2017.

I. VACATION AND SICK LEAVE

All employees are granted from one to two weeks of vacation leave each year, depending on length of service. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

J. PENSION PLANS

The Madison Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

2. RECEIVABLES

The receivables of \$178,306, at June 30, 2017, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Grant Fund</u>	<u>Total</u>
Intergovernmental revenues:			
Federal grants	\$14,222		\$14,222
State grants	97,563		97,563
Local funds	3,083	\$100	3,183
Fees, charges, and commissions for services:			
Commissions on licenses, taxes, etc.	8,761		8,761
Civil and criminal fees	39,553		39,553
Court attendance	816		816
Transportation of prisoners	4,014		4,014
Feeding and keeping prisoners	7,116		7,116
Miscellaneous	3,078		3,078
Total	<u>\$178,206</u>	<u>\$100</u>	<u>\$178,306</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2017, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General Fund				
Vehicles	\$806,723	\$338,720	(\$215,047)	\$930,396
Equipment	552,119	40,897	(20,044)	572,972

MADISON PARISH SHERIFF

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Notes to the Financial Statements (Continued)

Sub-total General Fund	<u>\$1,358,842</u>	<u>\$379,617</u>	<u>(\$235,091)</u>	<u>\$1,503,368</u>
Detention Center:				
Furniture and equipment	<u>228,977</u>	<u></u>	<u></u>	<u>228,977</u>
Sub-total Detention Center	<u>228,977</u>	<u>NONE</u>	<u>NONE</u>	<u>228,977</u>
Total assets	<u>\$1,587,819</u>	<u>\$379,617</u>	<u>(\$235,091)</u>	<u>\$1,732,345</u>

A summary of assets net of accumulated depreciation follows:

Total assets	<u>\$1,732,345</u>
Prior year accumulated depreciation	<u>(1,115,607)</u>
Current year depreciation	<u>(220,781)</u>
Depreciation on deletions	<u>235,091</u>
Net capital assets	<u>\$631,048</u>

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

The Sheriffs' Pension and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of the sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability.

Summary of Significant Accounting Policies.

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

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

MADISON PARISH SHERIFF
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Notes to the Financial Statements (Continued)

earnable compensation is attributed to the employer for which the member is employed as of June 30, 2016.

Plan Description.

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

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan Benefits

Retirement Benefits

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

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

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Notes to the Financial Statements (Continued)

payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

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

Disability Benefits

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

Survivor Benefits

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the members' final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if

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Notes to the Financial Statements (Continued)

there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits:

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

Back Deferred Retirement Option Plan (Back-DROP)

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

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Madison Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Madison Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statue 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 Madison Parish Sheriff's contributions to the System for the years ended June 30, 2017, 2016, and 2015 were \$198,189, \$220,352, and \$226,426, respectively, equal to the required contributions for each year.

MADISON PARISH SHERIFF
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Notes to the Financial Statements (Continued)

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

At June 30, 2016, the Sheriff reported a liability of \$1,489,312 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2016, the Sheriffs' proportion was .2347 percent, which was a decrease of .0050 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$198,189. At June 30, 2016, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$1,542,656	\$3,518,227
Change in system deferred outflows and inflows of resources	436,859	(94,812)
Changes in proportionate share	633,526	
Differences between Sheriff contributions and proportionate share of contributions		180
Contributions for measurement period	(220,352)	
Sheriff contributions subsequent to the measurement date	198,189	
Total	\$2,590,878	\$3,423,595

\$198,189 reported as deferred outflows of resources related to pensions resulting from the Madison Parish Sheriffs' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	(\$619,694)
2018	(619,694)
2019	(511,047)
2020	123,962

MADISON PARISH SHERIFF

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Notes to the Financial Statements (Continued)

2021	(S701)
2022	(696)
Total	(1,627,870)

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2016
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
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 rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	7 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The discounted rate used to measure the total pension liability was 7.5%. 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.

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

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

Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.5%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Sheriffs' proportionate share of the net pension liability	\$2,526,769	\$1,489,312	\$633,014

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Madison Parish Sheriff's Department's medical/dental and life insurance benefits are provided to employees upon actual retirement.

For employees who retire prior to July 1, 2009, the employer paid 100% of the cost of such benefits for the retiree (not dependents) provided the employee had one of the following: attainment of age 55 and completion of at least 15 years of service; or, completion of thirty years of service at any age.

Effective July 1, 2009, employees who retire on or after July 1, 2009 must have at least thirty years of continuous service with the Madison Parish Sheriff's Department to be eligible for medical/dental and life insurance benefits. For employees who had at least fifteen years of service as to June 30, 2009, the requirement is fifteen years of continuous service with the Madison Parish Sheriff's Department instead of thirty years (as of the valuation date, there were only six such employees). Since the last valuation, there has been a significant reduction in the active employee work force with the elimination of the detention center employees.

Life insurance coverage is continued to retirees by election. The employer pays for life insurance of \$10,000 after retirement for retirees and the retirees may elect to continue insurance amounts above \$10,000 after retirement. However, the rates for both are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates - Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2009, the Madison Parish Sheriff's Department recognized the cost of providing post-employment medical and life insurance benefits (the Madison Parish Sheriff's Department's portion of the retiree medical and life insurance 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. In 2017 and 2016, the Madison Parish Sheriff's Department's portion of health care and life insurance funding cost for retired employees totaled \$89,969 and \$83,305, respectively.

Effective July 1, 2009, the Madison Parish Sheriff's Department implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual required Contribution - The Madison Parish Sheriff's Department's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

Normal cost	\$83,186
30- year UAL amortization amount	<u>224,882</u>
Annual required contribution (ARC)	<u><u>\$308,068</u></u>

Net Post-Employment Benefit Obligation (Asset) - The table below shows the Madison Parish Sheriff's Department's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$2,091,706	\$1,912,900
Annual required contribution	308,068	296,219
Interest on net OPEB obligation	83,668	76,516
Adjustment to annual required contribution	<u>(120,963)</u>	<u>(110,624)</u>
Annual OPEB cost (expense)	270,773	262,111
Contributions made	<u>(89,969)</u>	<u>(83,305)</u>

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

Change in Net OPEB Obligation	\$180,804	\$178,806
Net OPEB obligation at end of year	<u>\$2,272,510</u>	<u>\$2,091,706</u>

The following table shows the Madison Parish Sheriff's Department's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$ 270,772	33.23%	\$2,272,510
June 30, 2016	\$ 262,112	31.78%	\$2,091,706

Funded Status and Funding Progress. In 2017 and 2016, the Madison Parish Sheriff's Department made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2017 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$4,044,169 which is defined as that portion, as determined by a particular actuarial cost method (the Madison Parish Sheriff's Department uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$4,044,169
Actuarial Value of Plan Assets (AVP)	NONE
Unfunded Act. Accrued Liability (UAAL)	\$4,044,169
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$1,535,135
UAAL as a percentage of covered payroll	263.44%

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 the Madison Parish Sheriff's Department and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Madison Parish Sheriff's Department 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 the Madison Parish Sheriff's Department and plan members in the

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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 Projected Unit Credit Cost Method. 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 - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

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 10%.

Investment Return Assumption (Discount Rate) - GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

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 ultimate annual rate of 5.0% 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 published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our 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. The employer pays 100% of the cost of the medical, dental and life insurance for the retirees only(not dependents). The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the "unblended" rates for as required by GASB Codification Section P50 for

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

valuation purposes to be 130% of the blended rate prior to Medicare eligibility and 80% of the blended rate after Medicare eligibility.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

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.

6. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2017, are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund:		
Civil Fund		\$59
Criminal Fund		39
Agency Funds:		
Civil Fund	\$59	
Criminal Fund	39	
Total	<u>\$98</u>	<u>\$98</u>

7. CHANGES IN AGENCY FUND BALANCES

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

	Tax Collector Fund	Civil Fund	Criminal Fund	Special Asset Forfeiture Fund	Total
Balance at June 30, 2016	\$47,715	\$33,892	\$176,495	\$18,999	\$277,101
Additions	12,425,899	271,473	1,090,142	66	13,787,580
Reductions	(12,431,299)	(273,612)	(1,062,175)	NONE	(13,767,086)
Balance at June 30, 2017	<u>\$42,315</u>	<u>\$31,753</u>	<u>\$204,462</u>	<u>\$19,065</u>	<u>\$297,595</u>

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

8. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2017, the tax collector has cash and equivalents (book balances) totaling \$42,315 as follows:

Licenses	\$1,024
Protest taxes	40,793
Interest on tax account	27
Interest on protest taxes	<u>471</u>
Total	<u>\$42,315</u>

9. AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2017, by taxing body as follows:

Louisiana Forestry Service	\$7,099
Fifth District Levee Board	427,725
Louisiana Tax Commission	27,601
Madison Parish Assessor	643,132
Madison Parish Police Jury	4,454,626
Madison Parish School Board	2,342,618
Madison Parish Sheriff	931,988
Madison Parish Library	590,216
Hospital Service District	1,359,640
Madison Parish Port Commission	301,542
Madison Parish 911	311,203
Madison Fire Protection District	214,624
Madison Parish Council on Aging	<u>104,091</u>
Total	<u>\$11,716,105</u>

10. TAX UNCOLLECTED AND UNSETTLED

The tax collector has collected and disbursed all the taxes for the year ended June 30, 2017.

11. LITIGATION AND CLAIMS

At June 30, 2017, the Madison Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

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

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

13. GRANT PROGRAMS

The Madison Parish Sheriff participates in various grant programs funded by the state and federal governments. The following schedule provides selected information on various grants for the year ended June 30, 2017:

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS THROUGH GRANT NUMBER	EXPENDITURES
FEDERAL PROGRAMS			
United States Department of the Interior			
Direct program - Payment in Lieu of Taxes	15.000	N/A	<u>\$14,222</u>
United States Department of Justice			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Criminal Justice Technology Upgrades	16.738	2014-DJ-01-2614	<u>1,576</u>
Total Federal Financial Assistance			<u><u>\$15,798</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

PART II

MADISON PARISH SHERIFF
Tallulah, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes				
Ad valorem	\$935,000	\$932,000	\$932,464	\$464
Sales tax	650,000	650,000	692,327	42,327
Intergovernmental revenues:				
Federal grants	18,000	12,576	15,798	3,222
State grants:				
State revenue sharing (net)	41,000	43,000	43,055	55
State supplemental pay	150,000	155,500	156,033	533
Other	366,000	366,000	493,718	127,718
Local grants	150,000	100,000	109,680	9,680
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	80,000	70,000	74,570	4,570
Civil and criminal fees	125,000	130,000	136,087	6,087
Court attendance	3,500	3,500	4,216	716
Transportation of prisoners	14,000	14,000	16,847	2,847
Feeding and keeping of prisoners	42,000	50,000	43,241	(6,759)
Tax notices	500	500	915	415
Use of money and property	37,000	39,000	52,308	13,308
Other	480,500	483,000	333,389	(149,611)
Total revenues	<u>3,092,500</u>	<u>3,049,076</u>	<u>3,104,648</u>	<u>55,572</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	2,491,226	2,298,336	2,274,552	23,784
Operating services	308,200	335,250	287,247	48,003
Materials and supplies	242,000	319,500	302,937	16,563
Travel and other charges	25,008	20,503	19,102	1,401
Capital outlay	415,000	412,500	379,617	32,883
Total expenditures	<u>3,481,434</u>	<u>3,386,089</u>	<u>3,263,455</u>	<u>122,634</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(388,934)</u>	<u>(337,013)</u>	<u>(158,807)</u>	<u>178,206</u>
OTHER FINANCING SOURCE				
Proceeds from disposal of assets		5,300	5,300	
Total other financing source	<u>NONE</u>	<u>5,300</u>	<u>5,300</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>(388,934)</u>	<u>(331,713)</u>	<u>(153,507)</u>	<u>178,206</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>9,542,737</u>	<u>9,592,383</u>	<u>9,592,383</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u>\$9,153,803</u>	<u>\$9,260,670</u>	<u>\$9,438,876</u>	<u>\$178,206</u>

MADISON PARISH SHERIFF
Tallulah, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2017

Proposed budgets, prepared on the modified accrual basis of accounting, for the General Fund is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Madison 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. The budgets are established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

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

**Madison Parish Sheriff
Retiree Healthcare Plan
June 30, 2017**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$3,715,240	\$3,715,240	0.00%	\$5,091,258	72.97%
June 30, 2012	\$0	\$3,207,673	\$3,207,673	0.00%	\$5,257,189	61.02%
June 30, 2013	\$0	\$3,339,142	\$3,339,142	0.00%	\$1,497,950	222.91%
June 30, 2015	\$0	\$3,888,624	\$3,888,624	0.00%	\$1,606,344	242.08%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Due to a significant change in number of employees, an undated valuation was done for the year ended June 30, 2013.

Madison Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2017

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	0.214797%	\$850,601	\$1,588,954	53.53%	87.34%
June 30, 2015	0.239656%	\$1,068,271	\$1,602,557	66.66%	86.61%
June 30, 2016	0.234652%	\$1,489,312	\$1,495,767	99.57%	82.09%

Note: - Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**Madison Parish Sheriff
Schedule of Employer Contributions
June 30, 2017**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$226,426	\$226,426	\$0	\$1,588,954	14.25%
June 30, 2015	\$220,352	\$220,352	\$0	\$1,602,557	13.75%
June 30, 2016	\$198,189	\$198,189	\$0	\$1,495,767	13.25%

Note: - Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

PART III

STATE OF LOUISIANA

PARISH OF MADISON

**AFFIDAVIT
LARRY G. COX, SHERIFF OF MADISON PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, LARRY G. COX, SHERIFF OF MADISON PARISH, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$42,315 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 the 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.



LARRY G. COX, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 1st day of September, 2017, in my office in Madison, Louisiana.



LISA BYRD, NOTARY PUBLIC #033958
MADISON PARISH, LOUISIANA

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

LARRY COX, SHERIFF

PURPOSE	AMOUNT
Salary	\$145,036
Expense allowance	14,504
Benefits-insurance	9,599
Benefits-retirement	41,335
Benefits-medicare	2,575
Per diem	211
Registration fees	385
Cellphone	780
Housing and lodging	646
Membership dues - Sheriff's Association	12,086
Other benefits paid on behalf of sheriff	158

MADISON PARISH SHERIFF
Tallulah, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2017

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

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

CIVIL FUND

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

CRIMINAL FUND

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

SPECIAL ASSET FORFEITURE FUND

The Special Asset Forfeiture Fund was established in compliance with Louisiana Revised Statute 40:2616 and consists of seized property and controlled substances that, if not rightfully claimed, is subject to forfeiture to law enforcement agencies that participated in the seizing process.

MADISON PARISH SHERIFF
Tallulah, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2017

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	SPECIAL ASSET FORFEITURE FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	\$47,715	\$33,892	\$176,495	\$18,999	\$277,101
ADDITIONS					
Deposits :					
Fines, bond forfeitures and costs			1,090,142		1,090,142
Suits and seizures		152,493			152,493
Garnishments		118,980			118,980
Taxes, fees, etc. paid to tax collector	12,425,899				12,425,899
Interest earnings				66	66
Total additions	12,425,899	271,473	1,090,142	66	13,787,580
Total	12,473,614	305,365	1,266,637	19,065	14,064,681
REDUCTIONS					
Deposits, taxes, fees, etc. settled to:					
Madison Parish:					
Sheriff's General Fund	991,938	54,233	134,641		1,180,812
Clerk of Court	270	7,778	84,568		92,616
Police jury	4,611,557		291,895		4,903,452
School board	2,380,103				2,380,103
Assessor	660,538				660,538
Louisiana Department of Agriculture	7,112				7,112
Louisiana Tax Commission	27,602				27,602
Levee district	442,928				442,928
District Attorney			152,556		152,556
Indigent defender board			174,932		174,932
Judicial Expense fund			16,942		16,942
Hospital service district	1,374,703				1,374,703
Library	598,661				598,661
Port commission	312,598				312,598
Communications district	311,392				311,392
Council of Aging	104,154				104,154
Pension funds	340,862				340,862
Attorneys, appraisers, etc.		2,450			2,450
Litigants		198,680			198,680

(Continued)

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS
 Combining Schedule of Changes in Balances
 Due to Taxing Bodies and Others, 2017

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	SPECIAL ASSET FORFEITURE FUND	TOTAL
REDUCTIONS (CONTD.)					
Deposits settled to (contd.):					
Northwest Louisiana Crime Lab			\$104,295		\$104,295
Commission on Law Enforcement			8,936		8,936
Dept. Of Public Safety - LSP			497		497
Delta Recovery			400		400
Division A Judicial Expense Fund			325		325
Supreme Court Judicial ADM-CM			10,115		10,115
Louisiana Head/Spinal Injury			14,180		14,180
Fire Protection District	\$214,754				214,754
Refunds	1,249	\$6,814	58,150		66,213
Other reductions	50,878	3,657	9,743		64,278
Total reductions	<u>12,431,299</u>	<u>273,612</u>	<u>1,062,175</u>	<u>NONE</u>	<u>13,767,086</u>
UNSETTLED BALANCES					
DUE TO TAXING BODIES					
AND OTHERS AT END OF YEAR					
	<u>\$42,315</u>	<u>\$31,753</u>	<u>\$204,462</u>	<u>\$19,065</u>	<u>\$297,595</u>

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

**Independent Auditor's Report Required
by *Government Auditing Standards***

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

**Independent Auditors Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

MADISON PARISH SHERIFF
Tallulah, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison Parish Sheriff, a component unit of the Madison Parish Police Jury as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Madison Parish Sheriff's basic financial statements, and have issued my report thereon dated September 1, 2017.

Internal Control Over Financial Reporting

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

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

MADISON PARISH SHERIFF

Tallulah, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2017

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

Compliance and Other Matters

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

Purpose of this Report

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



West Monroe, Louisiana

September 1, 2017

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

MADISON PARISH SHERIFF
Tallulah, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

There were no audit findings reported in the audit for the year ended June 30, 2016.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

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

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Madison Parish Sheriff
100 N. Cedar
Tallulah, LA 71282

To the Madison Parish Sheriff's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Madison Parish Sheriff's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. Management of Madison Parish Sheriff's Office is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. The Madison Parish Sheriff has no written policies and procedures for the test period.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

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

BANK RECONCILIATIONS

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

The agency provided me with a certified list of all bank accounts.

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:

The agency had a total of 9 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

A) Bank reconciliations have been prepared;

For the 5 bank accounts selected above, all were reconciled each month for the period tested.

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;

For the 5 bank accounts selected above, it was determined that the bank reconciliations are performed by the chief civil deputy, and no one reviews them.

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

For the 5 bank accounts selected above, 3 of the 5 accounts had no outstanding reconciling items over six months. Two accounts had checks over 6 months old.

COLLECTIONS

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

Agency provided me with a certified list of collection locations and I verified that it was 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:**

The agency has 2 collection locations. They were both selected for testing for the following:

- 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.

All employees of the sheriff's office are covered by a commercial crime insurance policy, that does not cover theft. The sheriff and the deputy tax collector have surety bond coverage. All collection payments are posted to the funds when received by the deputies and all deputies work out of the same cash drawer. A different deputy reconciles the cash drawer and makes the deposit. Bank reconciliations are prepared by the chief civil deputy.

- 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.

The cash drawer is reconciled and deposits are made daily. The deposit is made by an employee that is different from the employee that is reconciling the general ledger for that particular fund.

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

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was December 26, 2016 thru December 30, 2016, which was tested for the following:

- ▶ 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.

The 9 funds were tested for deposits of collections. For the week tested, all of the 9 funds made daily deposits.

- ▶ 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.

The 9 funds were tested for deposits of collections. All collections for the week tested had proper 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.

The agency has no written policies or procedures to determine completeness of collections or revenue sources.

DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT 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.

Agency provided a complete year to date general ledger for every fund and represented that the general ledgers were complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/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.

Of the disbursements selected to be tested, all tested had purchase order or requisitions.

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

Of the 25 disbursements selected to test, all were approved by the person that initiated the purchase.

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

Of the 25 disbursements selected to be tested, all were processed with all of the required support.

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.

Madison sheriff uses GFA software which does not allow them to restrict any user from adding vendors.

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.

The chief civil deputy signs checks and reconciles all of the bank accounts.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those person 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.

The unused checks are stored in a secure location, but are not restricted to the employees without signatory authority.

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.

The Madison sheriff's office does not use a signature check stamp.

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.

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

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.

From the list in #14, 10 credit/fuel cards were randomly selected to test the following:

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.]]

The accounts payable clerk reviews all credit card and fuel card statements, if any irregularities are found she researches it and reports it to the chief civil deputy.

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

For the 10 cards tested, a service charge was noted for 1 month. There was also interest paid during the test period.

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)

All of the transactions tested had the original itemized receipts. Fuel card does not provide receipts, mileage is traced on fuel purchases.

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

The transactions tested appear to be for business purposes.

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

There is no other documentation required for credit card purchases.

- 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.

There were no transactions on the credit cards that required compliance with the public bid law. The agency had no written policies or procedures concerning purchases/disbursements during the test period.

- 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.

For the 10 cards selected there was no evidence of Article 7, Section 14 violations.

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.

The agency provided me with a certified list of employees who received travel or related expense reimbursements during the testing period.

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

Agency provided its policies and procedures for mileage and per diem, but none for any other travel, which was compared to the U.S. General Services Administration policies. None of the agencies rates exceeded the 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 expense selected:

The 3 employees with the most travel costs during the test period were selected and tested for the following:

- 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.

The agency has written policies or procedures for per diem and mileage, but not other travel, so amounts selected were compared to the GSA 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.]

All travel reimbursements tested had original itemized receipts.

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

All travel reimbursements tested were determined to be for business purposes.

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

No other documentation is required by the agency for travel reimbursements.

- 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 violations of Article 7 Section 14 were noted during testing.

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

Travel reimbursements were approved by a supervisor, chief civil deputy or the sheriff.

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.

Agency provided a certified list of all contracts in effect during the test period.

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:

The contracts that were paid the most money was selected from the list of contracts from #20 and tested for the following:

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

Agency has a formal/written contract for all selected to be tested.

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

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

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

For the contracts tested, none of them required compliance with the public bid law. The agency did solicit quotes to get the best deal for the sheriff's office.

- 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.

None of the contracts selected were amended.

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

The contract payments that were tested were in compliance with the contract terms and conditions.

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

This is not applicable to the Sheriff.

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:

Agency provided a certified list of all employees with their authorized salaries. Five employees were selected to test the following:

- 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.

The 5 employees chosen were paid in accordance with the terms and conditions of their employment.

- 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.

All changes to the salaries of the 5 employees chosen were approved by the sheriff in writing.

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/official 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.)

Of the 25 employees selected, all employees that are eligible to earn leave time documented their daily attendance. The agency tracks leave time earned and used, to make sure no excess leave time is taken.

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

Of the 25 employees that were selected, supervisors approved the employees attendance and leave time.

- 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.

The agency prepares an annual schedule of leave time earned and used through the payroll software.

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.

Agency provided a list of employees terminated during the testing period. The agency certified that it was complete. The employees terminated with the largest payments were selected and tested to determine that their termination payments were in accordance with the policy - 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.

During testing of the agency it was determined that the Madison Sheriff's office is submitting payroll tax, retirement contributions and required forms by the required deadlines.

ETHICS (EXCLUDING NONPROFITS)

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.

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

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.

There were no ethics violations reported to the sheriff's office during the test period.

DEBT SERVICE (EXCLUDING NONPROFIT)

The Sheriff has no debt outstanding, therefore this section is not applicable.

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

The Madison Parish Sheriff had no debt outstanding during the test period that required bond commission approval.

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.

The Madison Parish Sheriff has no debt outstanding during the test period.

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.

The Madison Parish Sheriff has no debt outstanding, therefore, this does not apply.

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.

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

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.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises and a link to the notice was posted on the 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.

There were no other exceptions noted during procedures.

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

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



Mary Jo Finley, CPA
November 27, 2017



*MADISON PARISH
SHERIFF'S DEPARTMENT*

LARRY G. COX, SHERIFF & EX-OFFICIO TAX COLLECTOR

**Response to Independent Accountant's Report
On Applying Agreed-Upon Procedures
Fiscal Year Ending June 30, 2017**

WRITTEN POLICIES AND PROCEDURES

1. Written policies and procedures as required by the SAUP were not in place during this audit period. We have now implemented new policies and procedures in accordance with SAUP.

BOARD OR FINANCE COMMITTEE

2. Not Applicable

BANK RECONCILIATIONS

3. No Response Needed
4.
 - A. No Response Needed
 - B. We have changed our procedure to have the Sheriff review the bank reconciliations each month after the Chief Civil Deputy prepares them. Our department does not have enough personnel to have the bank reconciliations prepared by an employee with no involvement in the transactions associated with the bank accounts.
 - C. We are in the process of researching reconciled items that have been outstanding for more than 6 months.

COLLECTIONS

5. No Response Needed
6.
 - A. We are reviewing our current insurance policy and will research the options to insure or obtain surety bond coverage for the employees that collect and deposit funds.
 - B. No Response Needed.
 - C. We have made a greater effort to make all deposits daily for each fund.
7. Written policies and procedures have been developed to determine completeness of collections and revenue sources.

DISBURSEMENTS – GENERAL

8. No Response Needed
9.
 - A. No Response Needed
 - B. No Response Needed
 - C. No Response Needed

10. While our software does not allow us to restrict users from adding vendors, all payments made to vendors are reviewed and approved by the Sheriff and Chief Civil Deputy.
11. It is not cost effective for this department to employ enough personnel for a complete segregation of duties. The Sheriff and Chief Civil Deputy do give the final approval and authorization of all payments but are not usually involved in the initiation of the payments.
12. We have no location available to securely store unused checks which is restricted to only those employees with no signatory authority.
13. No Response Needed

CREDIT CARDS/FUEL CARDS

14. No Response Needed
15.
 - A. The Sheriff and Chief Civil Deputy do give the final authorization for payments made for all credit card and fuel card statements. The initial review and reconciliation is made by a deputy assigned to accounts payable that is not an authorized card holder.
 - B. More attention will be paid to the timely payment of invoices to ensure there are no late fees or interest charged.
16.
 - A. No Response Needed
 - B. Written policies and procedures have been developed for purchases and disbursements.
 - C. No Response Needed

TRAVEL AND EXPENSE REIMBURSEMENTS

17. No Response Needed
18. No Response Needed
19.
 - A. Written policies and procedures have been modified to include all travel expense.
 - B. No Response Needed
 - C. No Response Needed
 - D. No Response Needed

CONTRACTS

20. No Response Needed
21.
 - A. No Response Needed
 - B. No Response Needed
 - C. No Response Needed
 - D. No Response Needed
 - E. Not applicable

PAYROLL AND PERSONNEL

22.
 - A. No Response Needed
 - B. No Response Needed
23.
 - A. No Response Needed
 - B. No Response Needed

- C. No Response Needed
- 24. No Response Needed
- 25. No Response Needed

ETHICS

- 26. No Response Needed
- 27. No Response Needed

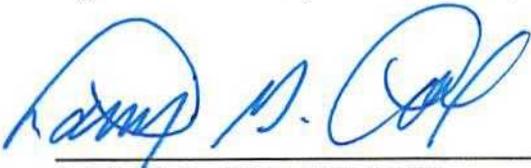
DEBT SERVICES

- 28. No Response Needed
- 29. No Response Needed
- 30. No Response Needed

OTHER

- 31. No Response Needed
- 32. No Response Needed
- 33. No Response Needed

Signed this 28th day of November, 2017.



LARRY G. COX, SHERIFF
MADISON PARISH, LA