

AVOUELLES PARISH SHERIFF

Marksville, Louisiana

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Douglas Anderson
Avoyelles Parish Sheriff
Marksville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Avoyelles Parish Sheriff (hereinafter, "Sheriff"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's contributions, schedule of employers' share of net position liability, schedule of changes in net OPEB liability and related ratios and applicable notes to RSI on pages 44 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Avoyelles Parish Sheriff has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers is to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Avoyelles Parish Sheriff's basic financial statements. The other supplementary information on pages 53 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The prior year comparative amounts on the comparative and combining statements were derived from the Avoyelles Parish Sheriff's 2018 financial statement, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the financial statements as a whole.

The budgetary comparison schedules and the affidavit on pages 44, 45 and 55 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the Avoyelles Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's 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 Avoyelles Parish Sheriff's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 12, 2019

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 1,587,331	\$ 57,109	\$ 1,644,440
Receivables	82,918	-	82,918
Due from other governmental units	629,519	-	629,519
Inventory	2,403	48,474	50,877
Other assets	<u>45,453</u>	<u>-</u>	<u>45,453</u>
Total current assets	<u>2,347,624</u>	<u>105,583</u>	<u>2,453,207</u>
Noncurrent assets:			
Restricted assets:			
Cash with paying agent	140,045	-	140,045
Other restricted cash	141,993	-	141,993
Capital assets:			
Land	174,400	-	174,400
Capital assets, net	<u>3,122,760</u>	<u>69,973</u>	<u>3,192,733</u>
Total noncurrent assets	<u>3,579,198</u>	<u>69,973</u>	<u>3,649,171</u>
Total assets	<u>5,926,822</u>	<u>175,556</u>	<u>6,102,378</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	762,786	5,904	768,690
Deferred outflows related to OPEB	<u>218,372</u>	<u>-</u>	<u>218,372</u>
Total deferred outflows of resources	<u>981,158</u>	<u>5,904</u>	<u>987,062</u>
LIABILITIES			
Current liabilities:			
Accounts and other accrued liabilities	346,368	33,341	379,709
Compensated absences payable	36,203	984	37,187
Bonds payable	135,000	-	135,000
Note payable	<u>37,753</u>	<u>-</u>	<u>37,753</u>
Total current liabilities	<u>555,324</u>	<u>34,325</u>	<u>589,649</u>
Noncurrent liabilities:			
Note payable	125,809	-	125,809
Net pension liability	1,545,970	5,303	1,551,273
OPEB obligation payable	<u>11,175,952</u>	<u>-</u>	<u>11,175,952</u>
Total noncurrent liabilities	<u>12,847,731</u>	<u>5,303</u>	<u>12,853,034</u>
Total liabilities	<u>13,403,055</u>	<u>39,628</u>	<u>13,442,683</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	1,351,184	9,053	1,360,237
Deferred inflows related to OPEB	<u>1,255,756</u>	<u>-</u>	<u>1,255,756</u>
Total deferred inflows of resources	<u>2,606,940</u>	<u>9,053</u>	<u>2,615,993</u>
NET POSITION			
Net investment in capital assets	3,297,160	69,973	3,367,133
Restricted	147,038	-	147,038
Unrestricted (deficit)	<u>(12,546,213)</u>	<u>62,806</u>	<u>(12,483,407)</u>
Total net position (deficit)	<u>\$ (9,102,015)</u>	<u>\$ 132,779</u>	<u>\$ (8,969,236)</u>

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Activities
For the Year Ended June 30, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Public safety	\$ 8,825,174	\$ 5,202,771	\$ 258,746	\$ -	\$ (3,363,657)	\$ -	\$ (3,363,657)
Interest expense	5,744	-	-	-	(5,744)	-	(5,744)
Total governmental activities	<u>8,830,918</u>	<u>5,202,771</u>	<u>258,746</u>	<u>-</u>	<u>(3,369,401)</u>	<u>-</u>	<u>(3,369,401)</u>
Business-type activities:							
Commissary	373,274	568,371	-	-	-	195,097	195,097
Total business-type activities	<u>373,274</u>	<u>568,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,097</u>	<u>195,097</u>
Total	<u>\$ 9,204,192</u>	<u>\$ 5,771,142</u>	<u>\$ 258,746</u>	<u>\$ -</u>	<u>\$ (3,369,401)</u>	<u>\$ 195,097</u>	<u>\$ (3,174,304)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					1,043,072	-	1,043,072
Sales and use taxes, levied for general purposes					2,227,988	-	2,227,988
State revenue sharing					127,300	-	127,300
Grants and contributions not restricted to specific programs -							
Federal sources					69,679	-	69,679
State sources					159,344	-	159,344
Interest and investment earnings					6,063	214	6,277
Miscellaneous					171,442	-	171,442
Nonemployer pension contributions					161,559	3,595	165,154
Transfers					214,000	(214,000)	-
Total general revenues and transfers					<u>4,180,447</u>	<u>(210,191)</u>	<u>3,970,256</u>
Change in net position					811,046	(15,094)	795,952
Net position (deficit) - June 30, 2018					<u>(9,913,061)</u>	<u>147,873</u>	<u>(9,765,188)</u>
Net position (deficit) - June 30, 2019					<u>\$ (9,102,015)</u>	<u>\$ 132,779</u>	<u>\$ (8,969,236)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

1994 Sales Tax Fund

To account for the receipt and use of proceeds of the Sheriff's 1994 one-half percent sales and use tax. These taxes are dedicated to the following purposes: establishing, acquiring, constructing, improving, maintaining, staffing and operating equipment and facilities necessary to provide enhanced 911 emergency telephone, ambulance, dispatch and other services for the benefit of the residents of the Parish.

Debt Service Fund

Sales Tax Bond Sinking and Reserve

To accumulate monies for repayment of the \$1,460,000 Sales Tax Bonds, Series 2004, interest due semi-annually at 4.0 to 6.5 percent and for repayment of the \$500,000 Certificates of Indebtedness, Series 2007, interest due semi-annually at 4.22%. Payments are derived from the one-half cent sales and use tax approved by the voters on November 19, 1992.

Enterprise Fund

Commissary Fund

To account for the provision of a commissary to the parish inmates housed by the Sheriff. All activities necessary to provide such services are accounted for in this fund.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Balance Sheet - Governmental Funds
June 30, 2019

	General	1994 Sales Tax	Sales Tax Bonds	Total
ASSETS				
Cash and interest-bearing deposits	\$ 1,239,926	\$ 341,179	\$ 6,226	\$ 1,587,331
Receivables:				
Due from other governmental agencies	419,101	210,418	-	629,519
Other	82,918	-	-	82,918
Inventory	2,403	-	-	2,403
Other assets	28,530	16,923	-	45,453
Cash with paying agent - restricted	-	-	140,045	140,045
Other restricted cash	-	-	141,993	141,993
Total assets	<u>\$ 1,772,878</u>	<u>\$568,520</u>	<u>\$288,264</u>	<u>\$ 2,629,662</u>
LIABILITIES AND FUND BALANCES				
Accounts and other payables	\$ 320,136	\$ 23,676	\$ -	\$ 343,812
Due to other governmental agencies	-	2,556	-	2,556
Total liabilities	<u>320,136</u>	<u>26,232</u>	<u>-</u>	<u>346,368</u>
Fund balances -				
Nonspendable	30,933	-	-	30,933
Restricted	-	542,288	288,264	830,552
Unassigned	1,421,809	-	-	1,421,809
Total fund balances	<u>1,452,742</u>	<u>542,288</u>	<u>288,264</u>	<u>2,283,294</u>
Total liabilities and fund balances	<u>\$ 1,772,878</u>	<u>\$568,520</u>	<u>\$288,264</u>	<u>\$ 2,629,662</u>

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances for governmental funds at June 30, 2019		\$ 2,283,294
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 174,400	
Buildings and improvements, net of \$2,289,763 accumulated depreciation	2,822,904	
Equipment and furniture, net of \$2,387,866 accumulated depreciation	263,816	
Vehicles, net of \$1,161,378 accumulated depreciation	<u>36,040</u>	3,297,160
The deferred outflows of expenditures for the LA Sheriff's Pension and Relief Fund are not a use of current resources and, therefore, are not reported in the funds.		
		762,786
General long-term debt of governmental activities is note payable from current resources and, therefore, not reported in the funds. This debt is:		
Sales tax bonds payable	(135,000)	
Compensated absences payable	(36,203)	
Note payable to Motorola Solutions	(163,562)	
Net pension liability payable	(1,545,970)	
Net OPEB obligation payable	<u>(11,175,952)</u>	(13,056,687)
The deferred inflows of contributions for the LA Sheriff's Pension and Relief Fund are not available resources and, therefore, are not reported in the funds.		
		(1,351,184)
The deferred inflows of contributions for post-employment benefit obligation are not available resources and, therefore, are not reported in the funds.		
		(1,255,756)
The deferred outflows of contributions for OPEB		
		<u>218,372</u>
Total net position (deficit) of governmental activities at June 30, 2019		<u>\$ (9,102,015)</u>

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2019

	<u>General</u>	<u>1994 Sales Tax</u>	<u>Sales Tax Bonds</u>	<u>Total</u>
Revenues:				
Ad valorem taxes	\$ 1,043,072	\$ -	\$ -	\$ 1,043,072
Sales taxes	-	2,143,988	84,000	2,227,988
Intergovernmental revenues -				
Federal grants	69,679	-	-	69,679
Local sources	151,551	-	-	151,551
State grants:				
State revenue sharing (net)	127,300	-	-	127,300
State supplemental pay	235,432	-	-	235,432
Other	67,616	115,042	-	182,658
Fees, charges, and commissions for services -				
Civil and criminal	843,652	-	-	843,652
Feeding and keeping prisoners	3,718,793	-	-	3,718,793
Inmate fund revenues	154,709	-	-	154,709
Work release program	334,066	-	-	334,066
Miscellaneous -				
Other	138,868	37,174	1,463	177,505
Total revenues	<u>6,884,738</u>	<u>2,296,204</u>	<u>85,463</u>	<u>9,266,405</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,275,719	520,191	-	4,795,910
Operating services	1,059,656	-	-	1,059,656
Operations and maintenance	2,584,396	228,841	-	2,813,237
Debt service	147,781	46,498	137,324	331,603
Capital outlay	43,249	210,060	-	253,309
Total expenditures	<u>8,110,801</u>	<u>1,005,590</u>	<u>137,324</u>	<u>9,253,715</u>
Excess (deficiency) of revenues over expenditures	<u>(1,226,063)</u>	<u>1,290,614</u>	<u>(51,861)</u>	<u>12,690</u>
Other financing sources (uses):				
Proceeds from capital lease	-	210,060	-	210,060
Transfers in	1,629,000	-	-	1,629,000
Transfers out	-	(1,415,000)	-	(1,415,000)
Total other financing sources (uses)	<u>1,629,000</u>	<u>(1,204,940)</u>	<u>-</u>	<u>424,060</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	402,937	85,674	(51,861)	436,750
Fund balances beginning	<u>1,049,805</u>	<u>456,614</u>	<u>340,125</u>	<u>1,846,544</u>
Fund balances, ending	<u>\$ 1,452,742</u>	<u>\$ 542,288</u>	<u>\$ 288,264</u>	<u>\$ 2,283,294</u>

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

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Total net changes in fund balances at June 30, 2019 per		
Statement of revenues, expenditures and changes in fund balances	\$	436,750
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$	253,309
Depreciation expense for the year ended June 30, 2019	<u>(225,085)</u>	28,224
The net effect of various transactions involving capital assets, such as sales and trade-ins is to decrease net position as a result of a loss on the disposal of capital assets.		(12,229)
Bond and debt principal retirement considered as an expenditure on statement of revenues, expenditures and changes in fund balances.		130,000
Proceeds from issuance of notes considered as an other financing source on Statement of Revenues, Expenditures and Changes in Fund Balances		(210,060)
Governmental funds report the issuance of debt as income. However, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, the repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of activities.		
Add: Principal paid on notes and loans expensed in governmental funds.		191,880
Decrease in compensated absences payable		11,852
Net OPEB obligation at June 30, 2019 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		(314,569)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on an accrual basis.		3,979
Nonemployer pension contributions to Louisiana Sheriff's Pension and Relief Fund		161,559
The effect of change in net pension liability, deferred outflows/inflows of resources, and net increase/decrease in pension expense.		165,288
The effect of change in OPEB liability, deferred outflows/inflows of resources, and net increase/decrease in pension expense.		<u>218,372</u>
Total change in net position at June 30, 2019 per statement of activities	\$	<u>811,046</u>

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

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Net Position
Proprietary Fund
June 30, 2019

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 57,109
Inventory	<u>48,474</u>
Total current assets	<u>105,583</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>69,973</u>
Total assets	<u>175,556</u>

DEFERRED OUTFLOWS OF RESOURCES 5,904

LIABILITIES

Current liabilities:	
Accounts and other payables	<u>34,325</u>
Noncurrent liabilities:	
Net pension liability	<u>5,303</u>
Total liabilities	<u>39,628</u>

DEFERRED INFLOWS OF RESOURCES 9,053

NET POSITION

Net investment in capital assets	69,973
Unrestricted	<u>62,806</u>
Total net position	<u>\$ 132,779</u>

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2019

Sales	\$ 568,371
Cost of goods sold	<u>287,421</u>
Gross profit	<u>280,950</u>
Operating expenses:	
Personal services and related benefits	70,713
Operations and maintenance	11,708
Depreciation	<u>3,432</u>
Total operating expenses	<u>85,853</u>
Operating income	<u>195,097</u>
Nonoperating revenues:	
Interest income	214
Nonemployer pension contributions	<u>3,595</u>
Total nonoperating revenues	<u>3,809</u>
Income before transfers	198,906
Transfers out	<u>(214,000)</u>
Change in net position	(15,094)
Net position, beginning	<u>147,873</u>
Net position, ending	<u><u>\$ 132,779</u></u>

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Cash Flows
Proprietary Fund Type - Enterprise
For the Year Ended June 30, 2019

Cash flows from operating activities:	
Receipts from customers	\$ 568,371
Payments to suppliers	(292,908)
Payments to employees	<u>(70,713)</u>
Net cash provided by operating activities	<u>204,750</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	(214,000)
Nonemployer pension contributions	<u>(3,681)</u>
Net cash used by noncapital financing activities	<u>(217,681)</u>
Cash flows from investing activities:	
Interest earned	<u>214</u>
Net decrease in cash and cash equivalents	(12,716)
Cash and cash equivalents, beginning of period	<u>69,825</u>
Cash and cash equivalents, end of period	<u>\$ 57,109</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 195,097
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,432
Changes in current assets and liabilities -	
Increase in inventory	967
Increase in accounts payable	<u>5,254</u>
Net cash provided by operating activities	<u>\$ 204,750</u>

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

AVOUELLES PARISH SHERIFF
Marksville, Louisiana

Statement of Fiduciary Net Position
Agency Funds
June 30, 2019

ASSETS

Cash and interest-bearing deposits \$ 271,188

LIABILITIES

Due to taxing bodies, prisoners and others \$ 271,188

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

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

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Avoyelles Parish Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

The accompanying financial statements of the Avoyelles Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The following is a summary of certain significant accounting policies;

A. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, activities, et cetera that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Sheriff is fiscally independent. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Avoyelles Parish Sheriff (the primary government). There are no component units to be included in the Sheriff's reporting entity.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all non-fiduciary activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, and liabilities and deferred inflows or resources 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, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Sheriff reports the following major governmental funds:

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

Governmental Funds –

General Fund

The General Fund is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds.

1994 Sales Tax Special Revenue Fund

The Sales Tax Special Revenue Fund accounts for the proceeds of a one-half percent sales and use tax that is legally restricted to expenditures for specific purposes.

Debt Service Fund

The Sales Tax Bond Sinking and Reserve Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

Additionally, the Avoyelles Parish Sheriff reports the following fund types:

Proprietary Fund –

A proprietary fund is used to account for ongoing activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows. Operating revenues of the proprietary fund are revenues derived from user charges (commissary sales). Nonoperating revenues are those of an ancillary nature. The following is the Sheriff's proprietary fund type:

Enterprise fund

An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Sheriff applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund. The Sheriff's enterprise fund is the Commissary Fund.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Also, certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and Interest-bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. These deposits are stated at cost, which approximates market. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are charged against income as they become uncollectible. In the opinion of management, all receivables at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

Inventories

Inventory of the Sheriff's General Fund consists of food purchased by the Sheriff. Inventory of the Sheriff's Enterprise Fund consists of items purchased by the Sheriff for resale to prisoners. All inventory items are recorded as expenses when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items. The prepaid items that existed at June 30, 2019 were prepaid insurance, prepaid computer maintenance expenses, and prepaid operating leases.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

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 \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the statement of net position; depreciation is recorded in the statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	5-60
Equipment and furniture	7-20
Vehicles	5

Compensated Absences

Each full-time employee of the Sheriff's Office earns annual leave at a rate of 8 to 12 days per year, depending on their length of service. Annual leave begins accruing from the start of the employees full-time salaried status, and is accumulated bi-weekly throughout the year. Unused annual leave may be carried forward from year to year, not to exceed 2 days. Upon termination or resignation, employees are paid for unused annual leave at the employee's current rate of pay.

Each full-time employee of the Sheriff's Office earns 10 days of sick leave per year. Sick leave begins accruing from the start of the employees full-time salaried status, and is accumulated bi-weekly throughout the year. Unused sick leave may be carried forward from year to year, not to exceed 5 days. Upon termination or resignation, unused sick leave is forfeited.

The employees of the Sheriff's Office had accumulated and vested leave benefits totaling \$37,187 at June 30, 2019.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified the same as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as follows:

- a. *Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. *Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. *Committed* – amounts than can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision making authority.
- d. *Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes by a formal decision of the Sheriff, which is the highest level of decision making authority.
- e. *Unassigned* – all other spendable amounts.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

When an expenditure is incurred, for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

As of June 30, 2019, fund balances are comprised of the following:

	General Fund	1994 Sales Tax	Sales Tax Bond	Total Governmental Funds
Nonspendable:				
Inventory	\$ 2,403	\$ -	\$ -	\$ 2,403
Prepaid items	28,530	-	-	28,530
Restricted:				
Other purposes	-	542,288	288,264	830,552
Unassigned:	1,421,809	-	-	1,421,809
Total fund balances	\$ 1,452,742	\$ 542,288	\$ 288,264	\$ 2,283,294

E. Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Sheriff's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

Sales taxes are considered as "measurable" when in the hands of the sales tax collector and are recognized as revenue at that time.

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

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are recorded as expenditures at the time purchased.

Grant Revenue

In general, grants received by the Sheriff are reimbursable type grants, and revenues are recognized as earned only when the expenditures to be reimbursed have been incurred.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest – Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the Sheriff had cash and interest-bearing deposits (book balances) as follows:

	Government-wide Statement of Net Position	Business-type Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and interest-bearing deposits	<u>\$1,869,369</u>	<u>\$ 57,109</u>	<u>\$ 271,188</u>	<u>\$ 2,197,666</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. 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 similar federal security 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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2019, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 2,425,397</u>
Federal Deposit Insurance	\$ 337,123
Uninsured and collateral held by custodial bank not in Sheriff's name	<u>2,088,274</u>
 Total	 <u>\$ 2,425,397</u>

Deposits in the amount of \$2,088,274 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Sheriff's name. The Sheriff does not have a policy for custodial credit risk.

(3) Restricted Assets

Restricted assets of \$282,038 at June 30, 2019 consisted of the following:

	Governmental Activities
Bond sinking fund	\$ 140,045
Bond reserve fund	<u>141,993</u>
Total	<u>\$ 282,038</u>

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are actually billed to the taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Avoyelles Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year for which levied and billed. For the year ended June 30, 2019 law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 6.41 mills on property with assessed valuations totaling \$162,725,741.

Total law enforcement taxes levied during 2019 were \$1,043,072. There were no taxes receivable in the General Fund at June 30, 2019.

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

(5) Due from Other Governmental Units

Amounts due from other governmental agencies totaling \$629,519 at June 30, 2019, consisted of the following:

	Governmental Activities		
	General	Special Revenue	Total
Department of Corrections	\$ 298,118	\$ -	\$ 298,118
Department of Treasury	8,960	-	8,960
Louisiana Department of Revenue	-	25,936	25,936
Avoyelles Parish School Board	15,000	148,110	163,110
Avoyelles Parish Clerk of Court	4,392	-	4,392
Avoyelles Parish Police Jury	2,728	-	2,728
Avoyelles Parish District Attorney	2,790	-	2,790
Various parishes and cities	77,346	-	77,346
Other	9,767	36,372	46,139
	\$ 419,101	\$ 210,418	\$ 629,519

(6) Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 174,400	\$ -	\$ -	\$ 174,400
Other capital assets:				
Buildings and improvements	5,081,367	31,300	-	5,112,667
Equipment and furniture	2,630,679	210,060	189,057	2,651,682
Vehicles	1,285,695	11,949	100,226	1,197,418
Totals	9,172,141	253,309	289,283	9,136,167
Less accumulated depreciation				
Buildings and improvements	2,188,144	101,619	-	2,289,763
Equipment and furniture	2,500,909	69,345	182,388	2,387,866
Vehicles	1,201,923	54,121	94,666	1,161,378
Total accumulated depreciation	5,890,976	225,085	277,054	5,839,007
Governmental activities, capital assets, net	\$ 3,281,165	\$ 28,224	\$ 12,229	\$ 3,297,160

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Basic Financial Statements (continued)

Business-type activities:

Other capital assets:

Buildings and improvements	\$ 101,868	\$ -	\$ -	\$ 101,868
Equipment and furniture	5,895	-	-	5,895
Vehicles	23,000	-	-	23,000
Totals	<u>130,763</u>	<u>-</u>	<u>-</u>	<u>130,763</u>

Less accumulated depreciation

Buildings and improvements	28,463	3,432	-	31,895
Equipment and furniture	5,895	-	-	5,895
Vehicles	23,000	-	-	23,000
Total accumulated depreciation	<u>57,358</u>	<u>3,432</u>	<u>-</u>	<u>60,790</u>

Business-type activities,
capital assets, net

	<u>\$ 73,405</u>	<u>\$ (3,432)</u>	<u>\$ -</u>	<u>\$ 69,973</u>
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Depreciation expense in the amount of \$225,085 was charged to governmental activities as public safety. Depreciation expense in the amount of \$3,432 was charged to business-type activities.

(7) Accounts and Other Accrued Payables

The accounts, salaries, and other payables at June 30, 2019 consisted of the following:

	Governmental Activities	Business-Type Activities
Accounts payable	\$ 266,213	\$ 32,167
Salaries	77,100	1,112
Payroll taxes and withholdings	3,055	62
Total	<u>\$ 346,368</u>	<u>\$ 33,341</u>

(8) Dedication of Proceeds and Flow of Funds – Sales and Use Tax

Proceeds of the one-half cent sales and use tax (2019 collections - \$2,227,988) approved by voters on November 19, 1992 and levied by the Sheriff beginning January 1, 1993 are dedicated to the following purposes:

Establishing, acquiring, constructing, improving, maintaining, staffing and operating equipment and facilities necessary to provide enhanced 911 emergency telephone, ambulance, dispatch and any other services for the benefit of the residents of the Parish.

Each month there will be set aside into a “Bond and Interest Sinking Fund”, also called the “Sinking Fund”, an amount consisting of 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers must be made on or before the 20th day of each

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

month to assure the prompt payment of principal and interest as they become due and may be used only for such payments.

During the year ended June 30, 2019, the Sheriff complied with the above requirements.

At June 30, 2019, \$210,418 of sales tax receivable is reflected on the Sales Tax Fund's balance sheet.

(9) Pension Plan

Employees of the sheriff are provided with pensions through 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 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 fund issues a publicly available financial report that may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, by calling (225)219-0500, or on the Louisiana Legislative Auditor's Website at lla.state.la.gov.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriff's Pension and Relief Fund (Fund) and additions to / deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description:

Benefits Provided:

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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 three and one-third percent of member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. 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.

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

For members whose first employment making them 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 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 three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earning 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.

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.

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 the 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 of 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

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

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.

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 of 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's Benefits:

Survivor benefits of 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 the 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under 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 not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full-time student in good standing enrolled at a board approved or accredited school, college, or university.

Permanent Benefit Increases/ Cost-of-Living Adjustments:

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

Employer Contributions:

Contributions for all members are established by the Board of Trustees. The employee contribution rate for the year ended June 30, 2019 was 10.25%. Contributions are deducted from the member's salary and remitted monthly. Gross employer contributions are determined by actuarial

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

valuation, and are subject to change each year in accordance with R.S. 11:103. For the year ended June 30, 2019 the employers contributed 12.25% of the members' salaries with an additional 0.0% allocated from the Funding Deposit account.

In accordance with the state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenues in the amount of \$165,154 and excluded from pension expense for the year ended June 30, 2019.

Employer Allocations:

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required projected employer contributions are used to determine the proportionate relationship of each employer to all employers of Sheriffs' Pension and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the Fund during the fiscal year ended June 30, 2018 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2018.

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

As of June 30, 2019, the Sheriff reported a liability of \$1,551,273 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2018, the Sheriff's proportion was 0.404541% which was a decrease of .08321% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$136,050 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$2,157.

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

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Notes to Basic Financial Statements (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 435,467
Changes of assumptions	458,578	-
Net difference between projected and actual earnings on pension plan investments	-	92,088
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,890	832,682
Employer contributions subsequent to the measurement date	307,222	-
Total	\$ 768,690	\$ 1,360,237

Deferred outflows of resources of \$307,222 related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended			
6/30/2020		\$	(139,108)
6/30/2021			(189,361)
6/30/2022			(315,586)
6/30/2023			(170,817)
6/30/2024			(83,897)
Total		\$	(898,769)

Contributions- Proportionate Share:

Differences between contributions remitted to the Fund and employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Actuarial Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2018 - 6 years 2017 - 7 years 2016 - 7 years 2015 - 6 years 2014 - 6 years
Investment Rate of Return	7.25%, net investment expense
Projected Salary Increases	5.5% (2.60% inflation, 2.90% merit)
Inflation Rate	2.6% per annum
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants, and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be sustantively automatic.

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

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

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2018 were as follows:

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Notes to Basic Financial Statements (continued)

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

Discount Rate:

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

Sensitivity of the Sheriff's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Sheriff's proportionate share of the net pension liability using the discount rate of 7.25%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
Employer's proportionate share of the net pension liability	\$ 3,510,737	\$ 1,551,273	\$ 98,372

(10) Post-Retirement Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The Avoyelles Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Avoyelles Parish Sheriff's OPEB

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

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

Life insurance coverage is continued to retirees by election and based on a blended rate (active employees and retirees). The employer pays for \$10,000 of life insurance after retirement with the retiree paying the remainder, both based on the blended rate. Since GASB 74/75 requires the use of "unblended" rates, we have used the valuation 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. 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.

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

Inactive employees or beneficiaries currently receiving benefit payments	58
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>76</u>
Total	<u>134</u>

The Sheriff's total OPEB liability of \$11,175,952 was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary Increases	3.0% including inflation
Discount Rate	3.5% net OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

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

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

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

Changes in the Total OPEB Liability

Balance at June 30, 2018	<u>\$ 11,741,729</u>
Changes for the year:	
Service cost	191,987
Interest	414,320
Differences between expected and actual experience	(1,024,509)
Changes in assumptions	242,635
Benefit payments and net transfers	<u>(390,210)</u>
Net changes	<u>(565,777)</u>
Balance at June 30, 2019	<u><u>\$ 11,175,952</u></u>

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

	Changes in discount rate		
		Current	
	1.0% Decrease 2.5%	Discount Rate 3.5%	1.0% Increase 4.5%
Total OPEB liability	<u>\$ 12,955,002</u>	<u>\$ 11,175,952</u>	<u>\$ 9,749,935</u>

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

	Changes in healthcare cost trend rate		
		Current	
	1.0% Decrease 4.5%	Trend 5.5%	1.0% Increase 6.5%
Total OPEB liability	<u>\$ 9,846,996</u>	<u>\$ 11,175,952</u>	<u>\$ 12,811,291</u>

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

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

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$486,408. At June 30, 2019 the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	<u>\$ 218,372</u>	<u>\$ (1,255,756)</u>

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

Fiscal Year Ended	
6/30/2020	\$ (119,900)
6/30/2021	(119,900)
6/30/2022	(119,900)
6/30/2023	(119,900)
6/30/2024	(119,900)
Thereafter	<u>(437,884)</u>
	<u>\$ (1,037,384)</u>

(11) Changes in Agency Fund Balances

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

	Civil Fund	Bond Fund	Fines and Costs Fund	12th Judicial Court Fines Fund	Tax Collector Fund	Inmate Fund
Balances						
June 30, 2018	\$ 96,891	\$ 32,350	\$ 24,198	\$ -	\$ 11,012	\$ 104,748
Additions	966,471	13,093	433,903	810,020	12,475,490	1,117,698
Reductions	<u>966,471</u>	<u>15,293</u>	<u>433,903</u>	<u>810,020</u>	<u>12,471,301</u>	<u>1,117,698</u>
Balances						
June 30, 2019	<u>\$ 96,891</u>	<u>\$ 30,150</u>	<u>\$ 24,198</u>	<u>\$ -</u>	<u>\$ 15,201</u>	<u>\$ 104,748</u>

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

(12) Changes in Long-Term Debt

The Sheriff's long-term debt is attributable to governmental activities. The following is a summary of the long-term debt transactions for the year ended June 30, 2019:

	Governmental Funds				
	Balance	Additions	Reductions	Balance	Due Within
	06/30/18			06/30/19	One Year
Sales Tax Bonds	\$ 265,000	\$ -	\$ 130,000	\$ 135,000	\$ 135,000
Line of Credit	145,382	-	145,382	-	-
Note payable	-	210,060	46,498	163,562	37,753
Compensated absences payable	<u>48,055</u>	<u>-</u>	<u>11,852</u>	<u>36,203</u>	<u>36,203</u>
Total	<u>\$ 458,437</u>	<u>\$ 210,060</u>	<u>\$ 333,732</u>	<u>\$ 334,765</u>	<u>\$ 208,956</u>

	Business-Type Activities				
	Balance	Additions	Reductions	Balance	Due Within
	06/30/18			06/30/19	One Year
Compensated absences payable	<u>\$ 1,535</u>	<u>\$ -</u>	<u>\$ 551</u>	<u>\$ 984</u>	<u>\$ 984</u>

Debt outstanding at June 30, 2019 is comprised of the following issues:

\$1,460,000 Sales Tax Bonds dated September 1, 2004; due in annual installments of \$65,000 to \$135,000 through September 1, 2019; interest due semi-annually at 4.00 to 6.50 percent; secured by an irrevocable pledge and dedication of funds derived from a parishwide sales and use tax of 1/2 of one percent.	\$ 135,000
\$210,060 lease for emergency call works radio equipment for 911 call system with Motorola on July 25, 2018. For 5 years at an interest rate of 5.22%; \$46,498 due annually	<u>163,562</u>
Total	<u>\$ 298,562</u>

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Totals
2020	172,753	11,782	184,535
2021	39,772	6,727	46,499
2022	41,898	4,600	46,498
2023	<u>44,139</u>	<u>2,360</u>	<u>46,499</u>
	<u>\$ 298,562</u>	<u>\$ 25,469</u>	<u>\$ 324,031</u>

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

(13) Litigation and Claims

At June 30, 2019, the Sheriff is involved in several lawsuits claiming damages which are not covered by insurance. The Sheriff's legal advisor is unable to estimate the ultimate resolution of most of these matters because they are premature for estimation of possible loss.

(14) Risk Management

The Sheriff's office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff was unable to obtain law enforcement liability insurance at a cost it considered to be economically justifiable. Management believes it is more economical to manage its risk internally and set aside assets for claim settlement in its General Fund. As of June 30, 2019, no funds were designated for law enforcement liability claims and incidental costs. In October 2015 the Sheriff reduced insurance premiums by becoming self-insured for general and automobile liability.

(15) Compensation, Benefits and Other Payments to Agency Head

In accordance with ACT 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits and other payments paid to Sheriff Doug Anderson for the year ended June 30, 2019 are as follows:

Salary	\$ 160,338
Benefits - payroll taxes	2,325
Benefits - pension fund	20,443
Benefits - health/life insurance	9,433
Travel	323
Conference registration fee	<u>50</u>
Total	<u>\$ 192,912</u>

(16) Interfund Transactions

Transfers of \$1,629,000 in the General Fund consisted of amounts transferred from the Sales Tax Special Revenue Fund and the Enterprise Fund to the General Fund for reimbursement of personnel services and related benefits, and other expenditures.

(17) Wireless E911 Service

The Avoyelles Parish Sheriff does not collect service charges on emergency telephone services. All 911 services are funded with the proceeds of the one-half percent sales and use tax now being levied and collected pursuant to an election held on November 3, 1992, recorded as revenue in the Special Revenue Fund in these financial statements.

AVOYELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

(18) Ex-officio Tax Collector

The amount of cash on hand at the end of the year was \$15,201. The total unsettled balance includes taxes paid under protest, which have been held in an escrow account.

The amount of taxes collected for the current year by taxing authority was as follows:

Avoyelles Parish Police Jury	\$ 3,284,653
Avoyelles Parish School Board	3,552,770
Avoyelles Parish Assessor	862,644
Avoyelles Parish Sheriff	1,162,105
Hospital Service District No. 1	137,657
City of Marksville	216,743
City of Bunkie	359,827
Ward I Fire District	57,283
Fire Protection District No. 2	1,157,879
Red River Waterway District Treasurer	365,745
Southwest Water District	44,412
Red River, Atchafalaya, Bayou Boeuf - Levee District	403,871
Gravity Drainage District	15,056
Louisiana Forestry Commission	15,011
Louisiana Tax Commission	15,656
Pension funds	311,157
Redemptions	183,672
Refunds	<u>8,626</u>
Total	<u>\$ 12,154,767</u>

(19) Occupational Licenses

For the fiscal year ended June 30, 2019, the collection and distribution of occupational licenses was as follows:

	Total		
	Occupational	Police	Sheriff's
	Licenses	Jury	Office
Occupational Licenses	<u>\$ 316,534</u>	<u>\$ 269,054</u>	<u>\$ 47,480</u>

(20) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which time the property will be added to the local tax roll and taxed at the

AVOUELLES PARISH SHERIFF
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Notes to Basic Financial Statements (continued)

value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Sheriff's financial statements to record the exempt amounts. At June 30, 2019, the Sheriff's ad valorem reduction was immaterial.

**REQUIRED
SUPPLEMENTARY INFORMATION**

AVOYELLES PARISH SHERIFF
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General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 998,000	\$ 1,015,273	\$ 1,043,072	\$ 27,799
Intergovernmental revenues -				
Federal grants	40,000	48,715	69,679	20,964
Local sources	125,000	130,795	151,551	20,756
State grants:				
State revenue sharing	127,000	126,721	127,300	579
State supplemental pay	244,000	238,584	235,432	(3,152)
Other	109,000	96,699	67,616	(29,083)
Fees, charges, and commissions for services -				
Civil and criminal and other charges	609,100	712,909	843,652	130,743
Feeding and keeping prisoners	4,495,000	3,616,931	3,718,793	101,862
Inmate fund revenues	165,000	146,014	154,709	8,695
Work release program	405,000	340,202	334,066	(6,136)
Miscellaneous -				
Other	141,000	122,708	138,868	16,160
Total revenues	<u>7,458,100</u>	<u>6,595,551</u>	<u>6,884,738</u>	<u>289,187</u>
Expenditures:				
Current -				
Public Safety:				
Personal services and related benefits	4,532,550	4,294,539	4,275,719	18,820
Operating services	1,145,500	1,056,389	1,059,656	(3,267)
Operations and maintenance	2,628,000	2,582,517	2,584,396	(1,879)
Debt service	130,000	147,781	147,781	-
Capital outlay	10,000	31,300	43,249	(11,949)
Total expenditures	<u>8,446,050</u>	<u>8,112,526</u>	<u>8,110,801</u>	<u>1,725</u>
Deficiency of revenues over expenditures	(987,950)	(1,516,975)	(1,226,063)	290,912
Other financing sources:				
Transfers in	1,495,000	1,629,000	1,629,000	-
Excess of revenues and other financing sources over expenditures	507,050	112,025	402,937	290,912
Fund balance, beginning	<u>1,049,805</u>	<u>1,049,805</u>	<u>1,049,805</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,556,855</u>	<u>\$ 1,161,830</u>	<u>\$ 1,452,742</u>	<u>\$ 290,912</u>

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Special Revenue Fund - 1994 Sales Tax Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$2,030,000	\$2,095,673	\$2,143,988	\$ 48,315
Intergovernmental revenues	125,000	115,523	115,042	(481)
Miscellaneous -				
Other	<u>30,000</u>	<u>33,152</u>	<u>37,174</u>	<u>4,022</u>
Total revenues	<u>2,185,000</u>	<u>2,244,348</u>	<u>2,296,204</u>	<u>51,856</u>
Expenditures:				
Current -				
Public safety:				
Personnel services and related benefits	558,000	515,020	520,191	(5,171)
Operations and maintenance	291,500	238,553	228,841	9,712
Debt service	-	46,498	46,498	-
Capital outlay	<u>-</u>	<u>210,060</u>	<u>210,060</u>	<u>-</u>
Total expenditures	<u>849,500</u>	<u>1,010,131</u>	<u>1,005,590</u>	<u>4,541</u>
Excess of revenues over expenditures	1,335,500	1,234,217	1,290,614	56,397
Other financing (uses):				
Proceeds from capital lease	-	210,060	210,060	-
Transfers out	<u>(1,260,000)</u>	<u>(1,415,000)</u>	<u>(1,415,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,260,000)</u>	<u>(1,204,940)</u>	<u>(1,204,940)</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses	75,500	29,277	85,674	56,397
Fund balance, beginning	<u>456,614</u>	<u>456,614</u>	<u>456,614</u>	<u>-</u>
Fund balance, ending	<u>\$ 532,114</u>	<u>\$ 485,891</u>	<u>\$ 542,288</u>	<u>\$ 56,397</u>

AVOYELLES PARISH SHERIFF
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Schedule of Employer Contributions
For the Year Ended June 30, 2019

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 573,467	\$ 573,467	\$ -	\$ 4,024,330	14.25%
2016	\$ 546,402	\$ 546,402	\$ -	\$ 3,973,835	13.75%
2017	\$ 471,919	\$ 471,919	\$ -	\$ 3,561,653	13.25%
2018	\$ 447,289	\$ 447,289	\$ -	\$ 3,508,149	12.75%
2019	\$ 382,621	\$ 382,621	\$ -	\$ 3,123,437	12.25%

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Then Ended June 30, 2019*

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.662090%	\$ 2,621,880	\$4,188,610	62.60%	87.34%
2016	0.615129%	\$ 2,741,948	\$4,024,330	68.13%	86.61%
2017	0.532920%	\$ 3,382,387	\$3,973,835	85.12%	82.10%
2018	0.487751%	\$ 2,112,095	\$3,561,653	59.30%	88.49%
2019	0.404541%	\$ 1,551,273	\$3,508,149	44.22%	90.41%

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

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 191,987	\$ 241,133
Interest	414,320	403,774
Changes to benefit terms	-	-
Differences between expected and actual experience	(1,024,509)	(417,122)
Changes of assumptions	242,635	-
Benefit payments	<u>(390,210)</u>	<u>(44,910)</u>
Net change in total OPEB liability	(565,777)	182,875
Total OPEB liability - beginning	<u>11,741,729</u>	<u>11,558,854</u>
Total OPEB liability - ending	<u>\$ 11,175,952</u>	<u>\$ 11,741,729</u>
Covered-employee payroll	\$ 2,244,748	\$ 2,878,693
Net OPEB liability as a percentage of covered-employee payroll	498.87%	407.88%

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

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2019

(1) Budget and Budgetary Accounting

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

- a. The Chief Financial officer prepares the proposed budget for the general fund, the special revenue fund and the debt service fund on the modified accrual basis of accounting and submits it to the Sheriff and Chief Deputy for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budgets are published and the public is notified that the proposed budgets are available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budgets at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all actions necessary to finalize and implement the budgets, the budgets are legally adopted prior to the commencement of the financial year for which the budgets are being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff.

(2) Excess Expenditures Over Appropriations

For the year ended June 30, 2019, the General Fund had actual expenditures over appropriations as follows:

	<u>Final</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Public Safety:			
Operating services	\$ 1,056,389	\$ 1,059,656	\$ (3,267)
Operations and maintenance	2,582,517	2,584,396	(1,879)
Capital Outlay	31,300	43,249	(11,949)

(3) Pension Plan

Changes of Assumptions- Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2019

(4) Other Post-Employment Benefits

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

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

OTHER SUPPLEMENTARY INFORMATION

AVOUELLES PARISH SHERIFF
Marksville, Louisiana
General Fund

Schedule of Expenditures
Amended Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018

	2019		Variance - Positive (Negative)	2018 Actual
	Amended Budget	Actual		
Public safety:				
Personal services and related benefits -				
Sheriff salary	\$ 160,332	\$ 160,338	\$ (6)	\$ 160,322
Deputies salaries	3,656,518	3,610,810	45,708	3,855,134
Pension, payroll taxes and other benefits	<u>477,689</u>	<u>504,571</u>	<u>(26,882)</u>	<u>566,352</u>
Total personal services and related benefits	<u>4,294,539</u>	<u>4,275,719</u>	<u>18,820</u>	<u>4,581,808</u>
Operating services -				
Property insurance	23,191	22,608	583	15,064
Hospitalization insurance	1,027,940	1,031,734	(3,794)	1,104,265
Auto insurance	4,035	3,970	65	7,219
Other insurance	<u>1,223</u>	<u>1,344</u>	<u>(121)</u>	<u>1,323</u>
Total operating services	<u>1,056,389</u>	<u>1,059,656</u>	<u>(3,267)</u>	<u>1,127,871</u>
Operations and maintenance -				
Auto maintenance and fuel	248,418	247,328	1,090	276,697
Bail bonds and booking fee distributions	107,351	104,969	2,382	81,691
Bank charges and fees	60,000	60,000	-	60,000
Computers and maintenance	84,303	81,325	2,978	91,462
Dues and subscriptions	26,028	25,268	760	25,184
Jail expenses	108,611	109,076	(465)	115,305
Operating leases and rentals	95,002	93,875	1,127	89,914
Medical expenses of offenders	155,919	157,585	(1,666)	192,808
Office supplies and expenses	228,733	245,362	(16,629)	235,173
Prisoner feeding and maintenance	611,568	642,409	(30,841)	682,400
Professional fees	130,643	133,862	(3,219)	178,621
Repairs and maintenance	97,993	96,371	1,622	94,281
Telephone expense	54,504	54,085	419	46,428
Supplies	24,159	18,473	5,686	21,883
Utilities	413,277	413,829	(552)	394,002
Other	<u>136,008</u>	<u>100,579</u>	<u>35,429</u>	<u>186,578</u>
Total operations and maintenance	<u>2,582,517</u>	<u>2,584,396</u>	<u>(1,879)</u>	<u>2,772,427</u>

(continued)

AVOYELLES PARISH SHERIFF
 Marksville, Louisiana
 General Fund

Schedule of Expenditures
 Amended Budget (GAAP Basis) and Actual (Continued)
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for Year Ended June 30, 2018

	2019		Variance - Positive (Negative)	2018 Actual
	Amended Budget	Actual		
Debt service -				
Principal	145,138	145,138	-	292,900
Interest	<u>2,643</u>	<u>2,643</u>	-	<u>17,100</u>
Total debt service	<u>147,781</u>	<u>147,781</u>	-	<u>310,000</u>
Capital outlay -				
Autos	-	11,949	(11,949)	11,295
Equipment	-	-	-	-
Buildings	<u>31,300</u>	<u>31,300</u>	-	<u>6,064</u>
Total capital outlay	<u>31,300</u>	<u>43,249</u>	(11,949)	<u>17,359</u>
 Total expenditures	 <u>\$ 8,112,526</u>	 <u>\$ 8,110,801</u>	 <u>\$ 1,725</u>	 <u>\$ 8,809,465</u>

STATE OF LOUISIANA, PARISH OF AVOYELLES

AFFIDAVIT

Doug Anderson, Sheriff of Avoyelles Parish

BEFORE ME, the undersigned authority, personally came and appeared, Doug Anderson, the sheriff of Avoyelles Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$15,201.27 is the amount of cash on hand in the tax collector account on June 30, 2019;

He further deposed and said:

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

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

Doug Anderson

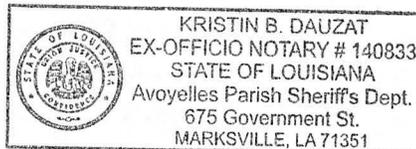
Signature
Sheriff of Avoyelles Parish

SWORN to and subscribed before me, Notary, this 27 day of September 2019, in my office in Marksville, Louisiana.

Kristin B. Dauzat (Signature)

Kristin B. Dauzat (Print), # 140833
Notary Public

2/25/20 (Commission)



**INTERNAL CONTROL, COMPLIANCE AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Douglas Anderson
Avoyelles Parish Sheriff
Marksville, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Avoyelles Parish Sheriff (hereinafter, "Sheriff") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 12, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes. Although the intended use of this report may be limited, Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 12, 2019

AVOYELLES PARISH SHERIFF
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

There are no findings.

B. Compliance

There are no findings.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

There are no findings.

B. Compliance:

There are no findings.

Avoyelles Parish Sheriff Office
Marksville, Louisiana

Agreed-Upon Procedures Report

Period Ended June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Doug Anderson, Sheriff
and the Avoyelles Parish Sheriff Office, and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Avoyelles Parish Sheriff Office (the specified party) on the control and compliance (C/C) areas identified in the Statewide Agreed-Upon Procedures (SAUPs) of the Louisiana Legislative Auditor (LLA) for the fiscal period as of June 30, 2019. The sufficiency of these procedures is solely the responsibility of Avoyelles Parish Sheriff Office. Consequently, we make no representation regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

(Testing was not performed due to no exceptions in the prior year.)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those*

~~entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.~~

- c) For governmental entities, obtain the prior year audit report and observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

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

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (we selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
- a) ~~We~~ Observed that receipts are sequentially pre-numbered.
 - b) ~~We~~ Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) ~~We~~ Traced the deposit slip total to the actual deposit per the bank statement.
 - d) ~~We~~ Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) ~~We~~ Traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

(Testing was not performed due to no exceptions in the prior year.)

- 8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]]

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

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

(Testing was not performed due to no exceptions in the prior year.)

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

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

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

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

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

(Testing was not performed due to no exceptions in the prior year.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(Testing was not performed due to no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(Testing was not performed due to no exceptions in the prior year.)

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

Debt Service

(Testing was not performed due to no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspected debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

(Testing was not performed due to no exceptions in the prior year.)

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions:

No exceptions were found as a result of applying procedures listed above except:

Written Policies:

1. Avoyelles Parish Sheriff Office does not have written policies and procedures addressing Disaster Recovery/ Business Continuity.

Bank Reconciliations:

2. Avoyelles Parish Sheriff Office did not have management review on one of the bank reconciliations tested.

Management's Response:

Management of Avoyelles Parish Sheriff Office concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Avoyelles Parish Sheriff Office and is not intended to be and should not be used by anyone other than this specified party. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 12, 2019