

FRANKLIN PARISH SHERIFF
Winnsboro, Louisiana

Financial Statements
For the Year Ended June 30, 2019

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

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FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

The Honorable Kevin Cobb
Franklin Parish Sheriff
Winnsboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish 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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 6 and 31 through 38 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, on our consideration of the Franklin Parish Sheriff's internal control over financial reporting and 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 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 Franklin Parish Sheriff's internal control over financial reporting and compliance.

David M. Hunt, CPA (APAC)

West Monroe, Louisiana
December 6, 2019

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS



KEVIN W. COBB

FRANKLIN PARISH

SHERIFF AND EX-OFFICIO TAX COLLECTOR

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As Management of the Franklin Parish Sheriff's Department, I offer readers of the Franklin Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Sheriff's Office for the fiscal year ended June 30, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- Total revenues exceeded total expenses by \$605,295.
- Personnel and related benefit costs comprise 60.7% of total expenses.
- Cash and Cash Equivalents increased \$1,632,260 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an overview of the Sheriff's basic financial statements. The Statement of Net Position and the Statement of Activities (Governmental-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund tells how these services were financed in the short term as well as what remains for future spending. This report also contains other supplementary information in addition to the basic financial statements themselves. In the Independent Auditor's Report, the auditor assures that the Basic Financial Statements are fairly stated. This Independent Auditor's Report should be used to judge the level of assurances provided for each portion in the Financial Section.

Government - Wide Financial Statements. These financial statements are used to present a general over all look at the finances of the Franklin Parish Sheriff's Department similar to a private sector business.

Statement of Net Position. By determining the difference between the assets and liabilities of the Franklin Parish Sheriff, "Net Position" is determined. By comparing Statements of Net Position over a period of time, the overall financial trend of the sheriff can be monitored.

Statement of Activities. This statement shows changes in the sheriff's net position during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to affect cash flows in future fiscal years. The Statement of Activities reports all changes to net position as soon as the event affecting net position occurs.

Fund Financial Statements - To comply with finance related legal requirements, the Franklin Parish Sheriff groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

Government Funds - Information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near-term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a narrower focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long-range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds - These funds are used to manage monies and resources held by the Sheriff on behalf of others, such as inmate trust deposits, taxes, fines and bonds. Since these resources do not belong to the Sheriff and are not available to support the operations of the Sheriff, they are not reflected in the government-wide financial statements.

Notes to the Financial Statements - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

Other Information - This report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Franklin Parish Sheriff.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's net position as of June 30, 2019 was a surplus of \$14,549,896, an increase of \$605,295 from the previous year.

| | Sheriff's Net Position | |
|---|--------------------------------|--------------------|
| | <u>Governmental Activities</u> | |
| | <u>2019</u> | <u>2018</u> |
| Current & Other Assets | \$ 15,844,158 | \$15,044,7433 |
| Capital Assets | <u>4,317,341</u> | <u>4,462,767</u> |
| Total Assets | 20,161,499 | 19,507,510 |
| Deferred Outflows of Resources | <u>1,877,214</u> | <u>1,154,323</u> |
| Total Assets and Deferred Outflows of Resources | 22,038,713 | 20,661,833 |
| Current Liabilities | 492,527 | 584,567 |
| Long-Term, Liabilities | <u>6,181,508</u> | <u>5,638,809</u> |
| Total Liabilities | 6,674,035 | 6,223,376 |
| Deferred Inflows of Resources | <u>814,782</u> | <u>493,856</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>7,488,817</u> | <u>6,717,232</u> |
| Net Position | | |
| Net Investment in Capital Assets | 4,317,341 | 4,462,767 |
| Unrestricted | <u>10,232,555</u> | <u>9,481,834</u> |
| Total Net Position | <u>\$14,549,896</u> | <u>\$13,944,60</u> |

Governmental Activities

Expenses for the governmental activities increased 3% to approximately \$11.6 million.

Changes in Sheriff's Net Position

| | <u>Governmental Activities</u> | |
|------------------------------------|--------------------------------|-------------------------|
| | <u>2019</u> | <u>2018</u> |
| Revenues | | |
| Program Revenues | | |
| Fees, Charges and Commission | 9,405,464 | 10,311,392 |
| Operating Grants and Contributions | <u>193,174</u> | <u>176,143</u> |
| Total Program Revenues | 9,598,638 | 10,487,535 |
| Ad Valorem Taxes | 995,881 | 950,558 |
| Sales Taxes | 1,303,404 | 1,423,129 |
| Other General Revenues | <u>398,630</u> | <u>799,475</u> |
| Total General Revenues | <u>2,697,915</u> | <u>3,173,162</u> |
| General Government Expenses | <u>11,691,258</u> | <u>11,201,988</u> |
| Change in Net Position | <u><u>605,295</u></u> | <u><u>2,458,709</u></u> |

FINANCIAL ANALYSIS OF SHERIFF FUND

Fund accounting is used by the Franklin Parish Sheriff to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Franklin Parish Sheriff's combined governmental fund balances as of June 30, 2019 is a surplus of \$15,351,631. The June 30, 2018 combined governmental fund balance was \$14,608,059. This is an increase of \$743,572.

Budgetary Highlights

Revenues and expenses in the final budget exceeded projections in the original budget. The original budget was amended.

Capital Asset and Debt Administration

Capital Assets: The Franklin Parish Sheriff investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$4,317,341 (net of accumulated depreciation).

The following summarizes capital assets:

| Capital Assets: | <u>2019</u> | <u>2018</u> |
|--------------------------|-------------------------|-------------------------|
| Equipment | 2,277,390 | 2,221,878 |
| Buildings | 8,894,508 | 8,894,508 |
| Land | <u>90,000</u> | <u>90,000</u> |
| | 11,261,898 | 11,206,386 |
| Accumulated Depreciation | <u>(6,944,557)</u> | <u>(6,743,619)</u> |
| Capital Assets, net | <u><u>4,317,341</u></u> | <u><u>4,462,767</u></u> |

Long-term Debt: At June 30, 2019 and 2018, the Sheriff had the following long-term debt outstanding:

| <u>Governmental Activities</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------|---------------------------|---------------------------|
| Compensated Absences | 231,536 | 147,883 |
| Other Post-Employment Benefits | 3,561,784 | 3,119,906 |
| Net Pension Liability | <u>2,388,188</u> | <u>2,518,903</u> |
| | <u><u>\$6,181,508</u></u> | <u><u>\$5,786,692</u></u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Franklin Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental Revenues
- 3) Fees, Charges, and Commissions for Services

Request for Information

This report may be used by all persons with an interest in the financial status of the Franklin Parish Sheriff. It is designed to help the reader gain a general over-all view of the sheriff's finances. Any question or request for additional information should be addressed to the Franklin Parish Sheriff's Office, 6556 Main Street, Winnsboro, Louisiana 71295.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

Statement of Net Position
June 30, 2019

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| <i>Assets</i> | |
| Cash and Cash Equivalents | \$ 15,073,198 |
| Accounts Receivable | 619,900 |
| Internal Balances | 59,371 |
| Inventory | 91,689 |
| Capital Assets: | |
| Depreciable | <u>4,317,341</u> |
| Total Assets | <u>20,161,499</u> |
| <i>Deferred Outflows of Resources</i> | |
| Resources Related to Pensions | 1,456,773 |
| OPEB Related | 420,441 |
| <i>Liabilities</i> | |
| Accounts Payable | 492,527 |
| Long-Term Liabilities | 231,536 |
| Net Post Employment Benefit Obligation | 3,561,784 |
| Net Pension Liability | <u>2,388,188</u> |
| Total Liabilities | 6,674,035 |
| <i>Deferred Inflows of Resources</i> | |
| Resources Related to Pensions | 814,782 |
| <i>Net Position</i> | |
| Net Investment in Capital Assets | 4,317,341 |
| Net Position - Unrestricted | <u>10,232,555</u> |
| Total Net Position | <u><u>\$ 14,549,896</u></u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2019

| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|-------------------------------|---------------|-------------------------|--|--|--|
| Governmental Activities: | | | | | |
| Public Safety | \$ 11,691,258 | \$ 9,405,464 | \$ 193,174 | \$ - | (2,092,620) |
| Total Governmental Activities | \$ 11,691,258 | \$ 9,405,464 | \$ 193,174 | \$ - | \$ (2,092,620) |

| | |
|---------------------------------------|---------------|
| General Revenues: | |
| Property tax levied for public safety | \$ 995,881 |
| Sales tax levied for public safety | 1,303,404 |
| State Revenue Sharing | 71,047 |
| Other | 174,571 |
| Interest Earned | 153,012 |
| Total General Revenues | 2,697,915 |
| Changes in Net Position | 605,295 |
| Net Position - Beginning | 13,944,601 |
| NET POSITION - ENDING | \$ 14,549,896 |

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

Balance Sheet, Governmental Funds
June 30, 2019

| | <u>General Fund</u> |
|---|-------------------------|
| <u>Assets</u> | |
| Cash and Cash Equivalents | \$ 15,073,198 |
| Accounts Receivable | 619,900 |
| Due from Other Funds | 59,371 |
| Inventories | 91,689 |
| <u>TOTAL ASSETS</u> | <u>\$ 15,844,158</u> |
| | |
| <u>LIABILITIES AND FUND BALANCE</u> | |
| | |
| <u>Liabilities</u> | |
| Accounts Payable | <u>\$ 492,527</u> |
| | |
| <u>Total Liabilities</u> | 492,527 |
| | |
| <u>Fund Balance</u> | |
| Nonspendable | 91,689 |
| Unassigned | 15,259,942 |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>\$ 15,844,158</u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
JUNE 30, 2019

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

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

| | |
|---|-----------------------------|
| Fund Balance, Governmental Funds: | \$ 15,351,631 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 4,317,341 |
| Net pension liability does not require the use of current financial resources and therefore is not reported in the funds. | (2,961,656) |
| Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements: | |
| Current Portion of Long Term Debt | (40,036) |
| Long term Portion of Long Term Debt | (236,190) |
| Net OPEB obligation | (3,561,784) |
| The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds. | <u>1,062,432</u> |
| Net Position of Governmental Activities | <u><u>\$ 14,549,896</u></u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

| | <u>General Fund</u> |
|--|-----------------------------|
| <u>Revenues</u> | |
| Ad Valorem Taxes | \$ 995,881 |
| Sales Taxes | 1,303,404 |
| Intergovernmental Revenue | |
| Federal | 151,438 |
| State | 21,336 |
| Local | 20,400 |
| State Revenue Sharing | 71,047 |
| Fees, Charges & Services | |
| Commissions | 23,619 |
| Civil & Criminal Fees | 230,941 |
| Housing Prisoners | 8,674,597 |
| State Supplemental Pay | 476,307 |
| Use of Money - Interest Earning | 153,012 |
| Other | <u>174,571</u> |
| TOTAL REVENUES | <u>12,296,553</u> |
| <u>Expenditures</u> | |
| Public Safety: | |
| Personal Services and Related Benefits | 7,009,260 |
| Operating Services | 3,001,286 |
| Materials and Supplies | 1,151,720 |
| Travel and Other Charges | 59,704 |
| Capital Outlay | <u>331,011</u> |
| TOTAL EXPENDITURES | <u>11,552,981</u> |
| <u>Excess (Deficiency) of Revenues Over</u> <u>Expenditures</u> | 743,572 |
| <u>Fund Balance - Beginning of the Year</u> | <u>14,608,059</u> |
| <u>FUND BALANCE - END OF THE YEAR</u> | <u><u>\$ 15,351,631</u></u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

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

| | | |
|---|------------------|--------------------------|
| Net change in fund balances - total governmental funds | | \$ 743,572 |
| Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. | | |
| Expenditures for capital assets | 331,011 | |
| Less current year depreciation | <u>(476,437)</u> | (145,426) |
| Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities: | | |
| Change in compensated absences payable | | (83,653) |
| Change in OPEB obligation | | (100,845) |
| Nonemployer contributions to pension plan | | 254,257 |
| Pension Expense | | <u>(62,610)</u> |
| Changes in net position of governmental activities | | <u><u>\$ 605,295</u></u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

Statement of Fiduciary Assets and Liabilities
June 30 , 2019

| | <u>License Fund</u> | <u>Criminal Fund</u> | <u>Civil Fund</u> |
|---------------------------|-------------------------|--------------------------|-------------------------|
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | \$ 116 | \$ 418,465 | \$ 18,145 |
| TOTAL ASSETS | <u>116</u> | <u>418,465</u> | <u>18,145</u> |
| <u>LIABILITIES</u> | | | |
| Internal Balances | - | - | - |
| Deposits Due Others | 116 | 418,465 | 18,145 |
| TOTAL LIABILITIES | <u>\$ 116</u> | <u>\$ 418,465</u> | <u>\$ 18,145</u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

Statement of Fiduciary Assets and Liabilities (Continued)
June 30 , 2019

| Work Release Program Fund | Tax Collection Fund | Inmate Trust Fund | Total |
|---------------------------------|---------------------------|-------------------------|-------------------|
| \$ 38,493 | \$ 328,703 | \$ 116,443 | \$ 920,365 |
| <u>38,493</u> | <u>328,703</u> | <u>116,443</u> | <u>920,365</u> |
| 4,569 | - | 54,802 | 59,371 |
| 33,924 | 328,703 | 61,641 | 860,994 |
| <u>\$ 38,493</u> | <u>\$ 328,703</u> | <u>\$ 116,443</u> | <u>\$ 920,365</u> |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

INTRODUCTION

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Franklin Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Franklin Parish Sheriff is considered a primary government, since it is a special purpose government that has a separately elected official, is legally separate, and is fiscally independent of other state or local governments. As described in GASB Statement No. 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, account groups, and activities that are controlled by the Sheriff as an independently elected official. As such, 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. This report only includes all funds which are controlled by or dependent upon the Franklin Parish Sheriff.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

C. BASIC FINANCIAL STATEMENTS - GOVERNMENT - WIDE STATEMENTS

The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the Sheriff as a whole.

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

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

D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into two categories; governmental and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public. Fiduciary funds are used to account for assets held for others. The Sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the Sheriff are described as follows:

Government Fund Types

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

Fiduciary Fund Type - Agency Funds

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

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

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

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Franklin Parish Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Those revenues susceptible to accrual include ad valorem taxes, state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

F. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Franklin Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the Sheriff. All Budget appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

G. SALES AND USE TAX

The Franklin Parish Sheriff is authorized to collect a one percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collecting and administering the tax, are dedicated to constructing, maintaining and operating a jail facility and offices for the Franklin Parish Sheriff, including the payment of salaries for the operation of the jail facilities. The tax was approved for an indefinite time period; however, on March 10, 1993, the voters approved a referendum changing the indefinite expiration date to June 1, 2010. On July 21, 2007, the voters approved a one-half percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collection and administering the tax, are dedicated for general operations. This tax has been renewed for five years starting January 1, 2018 and expiring on December 31, 2022.

H. ENCUMBRANCES

Encumbrance accounting is not used in the Sheriff's operations.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

J. INVENTORY

Inventory at June 30, 2019, consists of commissary items purchased during preceding months. Inventory items are valued at unit prices established by purchase prices paid for purchased items. Amounts are recorded as expenditures under the consumption method using the First-In, First-Out (FIFO) cost flow assumption.

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

| <u>Depreciation</u> | <u>Estimated Lives</u> |
|----------------------|------------------------|
| Vehicles | 5 Years |
| Furniture & Fixtures | 10-20 Years |
| Buildings | 40 Years |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

L. RISK MANAGEMENT

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the Sheriff may join with other Sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Franklin Parish Sheriff has joined together with other Sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana Sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

M. COMPENSATORY TIME

Compensatory Time (K-time) represents a one and one-half credit for each hour of overtime worked. The maximum for law enforcement personnel (deputies, detectives and guards) is 480 K-time hours which represent not more than 320 hours of actual overtime worked. Employees may take K-time as compensated time-off. An employee shall upon termination be paid for the unused K-time at a rate of compensation not less than: a) the average regular rate received by such employee during the last three years of employment or b) the final regular rate, whichever is higher. All overtime work in excess of K-time limits must be paid in the period earned.

N. BAD DEBTS

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectable and no allowance for bad debts is necessary.

O. ESTIMATES

The preparation of the 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.

P. BUDGET PRACTICES

The proposed budget for the fiscal year ended June 30, 2019, was made available for public inspection on June 14, 2018. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal as required prior to the public hearing, which was held at the Franklin Parish Sheriff's office June 27, 2018 for comments from taxpayers. The budget was legally amended June 14, 2019, by the Sheriff.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

P. BUDGET PRACTICES - Continued

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

Q. INVESTMENTS

Under state law, the Sheriff may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The Sheriff reports United States Treasury bills and notes as investments.

R. VACATION AND SICK LEAVE

Employees earn two weeks of noncumulative vacation leave and one week of noncumulative sick leave each year. There are no accumulated or vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

S. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Sheriff reports three categories of net position, as follows:

- **Net Investment in capital assets** - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- **Restricted net position** - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Sheriff's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- **Unrestricted net position** - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Sheriff.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The Sheriff's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

T. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Restricted - represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority.

Assigned - represents balances that are constrained by the Sheriff's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

U. PENSION PLANS

The Franklin Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

V. OTHER POSTEMPLOYMENT BENEFITS

The sheriff follows GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which requires the accrual of other postemployment benefits for retired employees. The sheriff has recorded a liability for other postemployment benefits (see Note 7). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

NOTE 2 - LEVIED TAXES

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

| | <u>Expiration</u> | <u>Authorized Millage</u> | <u>Levied Millage</u> |
|--------------------------|-------------------|-------------------------------|---------------------------|
| Law Enforcement District | Indefinite | 9.23 | 9.23 |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3 - CASH AND CASH EQUIVALENTS

For the purpose of these financial statements, the Sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2019, the Sheriff has cash and cash equivalents (book balances) totaling \$16,002,026 as follows:

| | <u>Statement of Net Position</u> | <u>Statement of Fiduciary Asset & Liabilities</u> | <u>Total</u> |
|---------------------|--------------------------------------|---|-----------------------------|
| Petty Cash | \$ 1,800 | \$ - | \$ 1,800 |
| Demand Deposits | <u>15,071,398</u> | <u>920,365</u> | <u>15,991,763</u> |
| <u>TOTAL</u> | <u>\$ 15,073,198</u> | <u>\$ 920,365</u> | <u>\$ 15,993,563</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2019, the Sheriff has \$16,294,002 in deposits (collected bank balances). These deposits are secured from risk by \$810,833 of federal deposit insurance and \$15,287,375 was collateralized by securities by pledging banks in the Sheriff's name.

NOTE 4 - RECEIVABLES

The receivables at June 30, 2019, are as follows:

| <u>Class of Receivable</u> | <u>General Fund</u> | <u>Agency Funds</u> | <u>Total</u> |
|---|--------------------------|-------------------------|--------------------------|
| Fees, Charges, and Commissions for Services | \$ 67,056 | \$ - | \$ 67,056 |
| Feeding and Keeping of Prisoners | <u>527,556</u> | <u>-</u> | <u>527,556</u> |
| <u>TOTAL</u> | <u>\$ 619,900</u> | <u>\$ -</u> | <u>\$ 619,900</u> |

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2019 follows:

| | <u>Balance June 30, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2019</u> |
|-----------------------|--------------------------------------|--------------------------|----------------------------|--------------------------------------|
| <u>Capital Assets</u> | | | | |
| Equipment | \$ 2,221,878 | \$ 331,011 | \$ (275,499) | \$ 2,277,390 |
| Buildings | 8,894,508 | - | - | 8,894,508 |
| Land | <u>90,000</u> | <u>-</u> | <u>-</u> | <u>90,000</u> |
| | <u>\$11,206,386</u> | <u>\$ 331,011</u> | <u>\$ (275,499)</u> | <u>\$11,261,898</u> |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5 - CAPITAL ASSETS – Continued

| | | | | |
|---------------------------------|---------------------|--------------------|--------------------|---------------------|
| <u>Accumulated Depreciation</u> | | | | |
| Equipment | \$ (1,680,614) | \$ (239,072) | \$ 260,499 | \$(1,659,187) |
| Buildings | <u>(5,063,005)</u> | <u>(222,365)</u> | <u>-</u> | <u>(5,285,370)</u> |
| | <u>(6,743,619)</u> | <u>(461,437)</u> | <u>260,499</u> | <u>(6,944,557)</u> |
| <u>Net Capital Assets</u> | <u>\$ 4,462,767</u> | <u>\$(130,426)</u> | <u>\$ (15,000)</u> | <u>\$ 4,317,341</u> |

NOTE 6 - PENSION PLAN

Substantially all employees of the Franklin Parish Sheriff's office are members of the Louisiana Sheriffs Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least \$800 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to percentage of their final-average salary for each year of credited service. Final - average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Franklin Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.25% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Franklin Parish Sheriff are established and may be amended by state statute.

As provided by Louisiana Revised Statue 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Sheriff's contributions to the System for the years ended June 30, 2017, 2018, and 2019 were \$533,853, \$546,529, and \$540,459, respectively, equal to the required contributions for each year.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

At June 30, 2019, the Sheriff reported a liability of \$2,388,188 for its proportionate share of the net pension liability of the system. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Sheriff's proportion was .622792% which was a decrease of .041096% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$62,610 representing its proportionate share of the system's net expense, including amortization of deferred amounts.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ (670,402) |
| Changes of assumptions | 705,982 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 141,770 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions - | 210,332 | (286,150) |
| Employer contributions subsequent to the measurement date | <u>540,459</u> | - |
| Total | <u>\$1,456,773</u> | <u>\$(814,782)</u> |

The Sheriff reported a total of \$540,459 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|------|------------------|
| Year | |
| 2019 | \$ 176,084 |
| 2020 | 61,817 |
| 2021 | (208,366) |
| 2022 | 14,506 |
| 2023 | <u>53,491</u> |
| | <u>\$ 97,532</u> |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Actuarial Assumptions

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

| | |
|---|--|
| Valuation Date | June 30, 2018 |
| Actuarial Cost Method | Entry Age Normal Method |
| Actuarial Assumptions: | |
| Investment Rate of Return | 7.25%, net of investment expense |
| Discount Rate | 7.25% |
| Projected Salary Increases | 5.5% (2.6% inflation, 2.9% merit) |
| Mortality | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries. |
| Expected Remaining Service Lives | 2018 - 6 years 2017 - 7 years 2016 - 7 years 2015 - 6 years |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. |
| Changes in Valuation Methods and Assumptions | The discount rate was lowered from 7.4% to 7.25% for the year ended June 30, 2018. |

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

| <u>Asset Class</u> | <u>Real Return Target Allocation</u> | <u>Long-Term Expected Arithmetic Basis</u> | <u>Real Rate of Return</u> |
|------------------------------------|--------------------------------------|--|----------------------------|
| Equity Securities | 62% | 6.9% | 4.30% |
| Bonds | 23% | 3.2% | 0.70% |
| Alternative Investments | <u>15%</u> | 4.5% | <u>0.70%</u> |
| Total | <u>100%</u> | | 5.70% |
| Inflation | | | <u>2.50%</u> |
| Expected Arithmetic Nominal Return | | | <u>8.20%</u> |

Mortality Rate

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.

Discount Rate

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

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

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

| | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|-------------------|----------------------|------------------------------|----------------------|
| LSPRF | | | |
| Rates | 6.25% | 7.25% | 8.25% |
| VPSO Share of NPL | \$5,404,790 | \$2,388,188 | \$(151,445) |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Change in Net Pension Liability

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the pension liability, changes of assumptions about future economic or demographic factors, and changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date 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 pensions through the pension plan.

NOTE 7 – DEFERRED COMPENSATION PLAN

The Sheriff offers its employees participation in the Louisiana Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission, and established in accordance with the Internal Revenue Code Section 457. Employees are eligible to participate in the Plan. The Plan allows employees to defer a portion of their salary until future years. The Sheriff makes matching contributions of employee's elective deferral. Contributions made by the Sheriff for the year ended June 30, 2019 were \$77,362.

NOTE 8 - CHANGES IN AGENCY FUNDS

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

| | Balance <u>June 30, 2018</u> | <u>Additions</u> | <u>Reductions</u> | Balance <u>June 30, 2019</u> |
|----------------------|---------------------------------|----------------------------|------------------------------|---------------------------------|
| Agency Funds: | | | | |
| License | \$ 36 | \$ 148,986 | \$(148,906) | \$ 116 |
| Criminal | 382,586 | 430,885 | (395,006) | 418,465 |
| Civil | 16,456 | 290,092 | 288,402 | 18,145 |
| Work Release Program | 30,050 | 355,682 | 347,239 | 38,493 |
| Tax Collection | 18,709 | 11,877,245 | (11,567,251) | 328,703 |
| Inmate Trust | <u>128,460</u> | <u>952,207</u> | <u>(964,224)</u> | <u>116,443</u> |
| <u>TOTAL</u> | <u>\$576,297</u> | <u>\$14,055,097</u> | <u>\$(12,439,746)</u> | <u>\$ 920,365</u> |

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

| | Balance <u>June 30, 2018</u> | <u>Additional</u> | <u>Reductions</u> | Balance <u>June 30, 2019</u> | Amounts Due Within Year |
|----------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|----------------------------------|
| Compensated Absences | 147,883 | 83,653 | - | 231,536 | - |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 12 years of service. Effective for retirements on or after December 31, 2012, the following schedule applies based on age and years of service at actual retirement for a retiree to receive employer paid retiree medical coverage: 100% for thirty or more years of service; 75% for attainment of age 55 and completion of twenty-seven years of service; or, 50% for attainment of age 55 and completion of twenty-three years of service.

Life insurance coverage is continued to retirees in the same amount as while active. The retiree pays 100% of the "cost" of life insurance after retirement, but it is based on the blended active/retired rate and there is thus an implied subsidy. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

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

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 18 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | <u>96</u> |
| | <u><u>114</u></u> |

Total OPEB Liability

The Sheriff’s total OPEB liability of \$3,561,784 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

| | |
|-----------------------------|---------------------------|
| Inflation | 2.5% |
| Salary increases | 3.0%, including inflation |
| Prior Discount rate | 3.62% |
| Discount rate | 3.50% |
| Healthcare cost trend rates | Flat 5.5% annually |

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

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

The actuarial assumptions used in the June 30, 2019 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 | \$ 3,119,906 |
| Changes for the year: | |
| Service cost | 44,992 |
| Interest | 113,755 |
| Differences between expected and actual experience | 298,131 |
| Changes in assumptions | 66,260 |
| Benefit payments and net transfers | (81,260) |
| Net changes | 441,878 |
| Balance at June 30, 2019 | \$ 3,561,784 |

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 (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

| | 1.0% Decrease (2.50%) | Current Discount Rate (3.50%) | 1.0% Increase (4.50%) |
|----------------------|----------------------------------|--|----------------------------------|
| Total OPEB liability | \$ 4,269,921 | \$ 3,561,784 | \$ 3,013,546 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would 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:

| | 1.0% Decrease (4.5%) | Current Trend (5.5%) | 1.0% Increase (6.5%) |
|----------------------|---------------------------------|---------------------------------|---------------------------------|
| Total OPEB liability | \$ 3,015,244 | \$ 3,561,784 | \$ 4,259,486 |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

**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 \$182,105. 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 | \$ 357,669 | \$ - |
| Changes in assumption | 62,773 | |
| Total | \$ 420,441 | \$ - |

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

| <u>Years ending June 30:</u> | |
|------------------------------|------------|
| 2020 | \$ 23,358 |
| 2021 | 23,358 |
| 2022 | 23,358 |
| 2023 | 23,358 |
| 2024 | 23,358 |
| Thereafter | \$ 303,652 |

NOTE 11 - STEWARDSHIP AND ACCOUNTABILITY

The General Fund had actual revenues which were less than budgeted revenues for the year ended June 30, 2019:

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> | Unfavorable |
|--------------------------|---------------------|---------------|-----------------|-------------|
| Local Revenues | \$ 25,500 | \$ 20,400 | \$ (5,100) | |
| Other Revenue | 190,098 | 174,571 | (15,527) | |
| Travel and Other Expense | 54,420 | 59,704 | (5,284) | |
| Capital Outlay | 149,200 | 331,011 | (181,811) | |

NOTE 12 - TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due, with interest at the rate of 2 percent per annum from the date the funds were received by the tax collector. The following is a summary of changes in the taxes paid under protest as recorded in the Tax Collector Agency Fund:

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 - TAXES PAID UNDER PROTEST - Continued

| | |
|---|---------------------|
| Balance, June 30, 2018 | \$ 18,709 |
| Additions: | |
| Taxes | 11,876,316 |
| Interest | 929 |
| Settlements to Taxing Bodies and Others | <u>(11,567,251)</u> |
| Balance, June 30, 2019 | <u>\$ 328,703</u> |

NOTE 13 - ON - BEHALF PAYMENTS

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Franklin Parish Police Jury, except for the jail as set forth in the intergovernmental agreement discussed in Note 14.

NOTE 14 - INTERGOVERNMENTAL AGREEMENT

As provided by Louisiana Revised Statute 33:1324, the Franklin Parish Sheriff has entered into an intergovernmental agreement with the Franklin Parish Police Jury to assume all liabilities and responsibilities of the jail operations within Franklin Parish effective May 1, 1989, and perpetually thereafter, so long as the Franklin Parish Law Enforcement District sales tax remains in force and in effect. The liabilities assumed by the Sheriff include utilities, maintenance and upkeep, feeding and keeping of prisoners, salaries and cost of jail operations, and construction of a new jail. The intergovernmental agreement also states that the parish of Franklin relinquishes, transfers, and assigns to the Franklin Parish Sheriff and the Law Enforcement District of Franklin Parish all jurisdiction, responsibility, and control over the present and any future jail within Franklin Parish.

NOTE 15 - LITIGATION AND CLAIMS

At June 30, 2019, the sheriff has no pending or threatened litigation which would adversely affect the financial status of the Franklin Parish Sheriff's office.

NOTE 16 - RELATED PARTY TRANSACTIONS

There were no related party transactions that came to our attention.

NOTE 17 - EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at June 30, 2019 was \$328,703. The unsettled balances of the Tax Collector Fund at June 30, 2019 consist of:

| | |
|---|------------------|
| Collection of current and prior year taxes not yet settled | \$ 7,039 |
| Protested Taxes | <u>321,664</u> |
| | <u>\$328,703</u> |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 17 - EX-OFFICIO TAX COLLECTOR - Continued

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

| <u>Taxing Authority</u> | <u>Taxes Collected</u> |
|--|------------------------|
| Franklin Parish Police Jury | 3,593,658 |
| Franklin Parish Sheriff | 1,069,641 |
| Franklin Parish School Board | 2,579,612 |
| Franklin Parish Tax Assessor | 768,582 |
| La Agriculture & Forestry Commission | 5,593 |
| Louisiana Tax Commission | 12,490 |
| Tensas Basin Levee District | 221,849 |
| Franklin Parish Fire District I | 113,852 |
| Franklin Parish Fire District II | 210,779 |
| Franklin Parish Fire District III | 53,187 |
| Franklin Parish Fire District IV | 86,644 |
| Franklin Parish Fire District V | 147,434 |
| Franklin Parish Library | 814,500 |
| Franklin Parish Council on Aging | 209,281 |
| Franklin Parish Clerk of Court Retirement | 29,891 |
| Franklin Parish District Attorney Retirement | 23,913 |
| Municipal Employees | 29,891 |
| Parochial Employees | 29,891 |
| Franklin Parish Registrar of Voters | 7,474 |
| Franklin Medical Center | 1,314,333 |
| Assessor's Retirement Fund | 37,786 |
| Sheriff's Pension and Relief Fund | 59,783 |
| Teacher's Retirement Fund | 119,564 |
| | <u>11,539,628</u> |

There were no taxes uncollected due to bankruptcies. The amount of collection on behalf of other taxing authorities is as follows:

| <u>Taxing Authority</u> | Franklin Parish Police Jury | Commission paid to Franklin Parish Sheriff | Final Distribution |
|-------------------------|--------------------------------------|---|-----------------------|
| Occupational License | <u>\$ 170,971</u> | <u>\$ 30,171</u> | <u>\$ 201,142</u> |

The Franklin Parish Sheriff's Office does not collect sales tax, hotel/motel tax, tax incremental finance district, public utility insurance premiums or any other taxes other than ad valorem tax and occupational licenses for tax authorities.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 18 - FEDERAL FINANCIAL ASSISTANCE

The Sheriff participated in the following federal assistance programs during the year ended June 30, 2019:

| Federal Grantor/Pass-Through Grantor Program Name: | <u>CFDA Number</u> | <u>Expenditures</u> |
|--|------------------------|---------------------|
| Homeland Security and Emergency Preparedness SHSP/EMPG | 97.067/97.042 | 84,878 |
| U.S. Dept. of Justice Passed through Louisiana Division of Administration through Louisiana Commission on Law Enforcement Administration: Victim of Crime Act | 16.575 | 59,518 |
| U.S. Dept. of Justice Passed through Louisiana Division of Administration through Louisiana Commission on Law Enforcement Administration of Criminal Justice – Street Sales Disruption | 16.738 | <u>7,042</u> |
| Total | | <u>\$151,438</u> |

NOTE 19 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, December 6, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
General Fund
For the Year Ended June 30, 2019

Schedule 1

| | <u>Budgeted Amounts</u> | | Actual Amounts Budgetary Basis | Variance With Final Budget Over(Under) |
|--|-------------------------|----------------------|-----------------------------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| <u>Operating Revenue</u> | | | | |
| Ad Valorem Taxed | 1,000,000 | 1,000,000 | \$ 995,881 | \$ (4,119) |
| Sales Taxes | 1,200,000 | 1,290,000 | 1,303,404 | 13,404 |
| <u>Intergovernmental Revenue</u> | | | | |
| Federal | 60,000 | 89,084 | 151,438 | 62,354 |
| State | 21,000 | 21,336 | 21,336 | - |
| Local | 25,000 | 25,500 | 20,400 | (5,100) |
| State Revenue Sharing | 70,000 | 71,050 | 71,047 | (3) |
| <u>Fees, Charges, & Services</u> | | | | |
| Commissions | 20,000 | 22,800 | 23,619 | 819 |
| Civil and Criminal Fees | 200,000 | 219,320 | 230,941 | 11,621 |
| Housing Prisoners | 8,027,891 | 8,597,500 | 8,674,597 | 77,097 |
| State Supplemental Pay | 444,000 | 440,000 | 476,307 | 36,307 |
| Use of Money - Interest Earning | 60,000 | 110,000 | 153,012 | 43,012 |
| Other | 128,485 | 190,098 | 174,571 | (15,527) |
| Total Operating Revenues | <u>\$11,256,376</u> | <u>\$12,076,688</u> | <u>\$12,296,553</u> | <u>\$219,865</u> |
| <u>Operating Expenditures</u> | | | | |
| <u>General Government</u> | | | | |
| Personnel Services | 7,177,879 | 7,035,030 | 7,009,260 | 25,770 |
| Operating Services | 2,687,305 | 3,018,095 | 3,001,286 | 16,809 |
| Materials and Supplies | 1,103,500 | 1,144,100 | 1,151,720 | (7,620) |
| Travel and Other Charges | 64,300 | 54,420 | 59,704 | (5,284) |
| Capital Outlay | 218,500 | 149,200 | 331,011 | (181,811) |
| Total Expenditures | <u>11,251,484</u> | <u>11,400,845</u> | <u>11,552,981</u> | <u>(152,136)</u> |
| <u>Excess (Deficiency) of Revenues Over Expenditures</u> | | | | |
| | \$4,892 | \$675,843 | \$743,572 | \$372,001 |
| <u>Fund Balance - Beginning of the Year</u> | <u>14,608,059</u> | <u>14,608,059</u> | <u>14,608,059</u> | <u>-</u> |
| <u>FUND BALANCE - END OF THE YEAR</u> | <u>\$ 14,612,951</u> | <u>\$ 15,283,902</u> | <u>\$ 15,351,631</u> | <u>\$ 372,001</u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2019

A. BUDGETS

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

B. UNFAVORABLE BUDGET VARIANCES

Actual expenditures greater than budgeted expenditures:

| | <u>Final Budget</u> | <u>Actual</u> | <u>Unfavorable Variance</u> |
|--------------------------|---------------------|---------------|---------------------------------|
| Local Revenues | \$ 25,500 | \$ 20,400 | \$ (5,100) |
| Other Revenue | 190,098 | 174,571 | (15,527) |
| Travel and Other Expense | 54,420 | 59,704 | (5,284) |
| Capital Outlay | 149,200 | 331,011 | (181,811) |

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule 2

| | 2018 | 2019 |
|---|----------------------------|----------------------------|
| Total OPEB Liability | | |
| Service cost | \$ 60,309 | \$ 44,992 |
| Interest | 108,766 | 113,755 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | 83,587 | 298,131 |
| Changes of assumptions | - | 66,260 |
| Benefit payments | <u>(77,024)</u> | <u>(81,260)</u> |
| Net change in total OPEB liability | <u>175,638</u> | <u>441,878</u> |
| Total OPEB liability - beginning | <u>2,944,268</u> | <u>3,119,906</u> |
| Total OPEB liability - ending (a) | <u><u>\$ 3,119,906</u></u> | <u><u>\$ 3,561,784</u></u> |
| | | |
| Covered-employee payroll | \$ 3,764,743 | \$ 3,877,685 |
| Net OPEB liability as a percentage of covered-employee payroll | 82.87% | 91.85% |
| Notes to Schedule: | | |
| <i>Benefit Changes:</i> | None | None |
| <i>Changes of Assumptions:</i> | | |
| <i>Discount Rate:</i> | 3.62% | 3.50% |

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

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
SCHEDULE OF VERNON PARISH SHERIFF'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule 3

| Fiscal Year | (a) Statutorily required contribution | (b) Contributions in relation to the statutorily required contribution | (a-b) Contribution deficiency | Agency's covered payroll | Contributions as a percentage of covered payroll |
|----------------|--|--|-------------------------------------|--------------------------------|--|
| 2015 | \$ 531,592 | \$ 531,592 | \$ - | \$ 3,731,059 | 14.25% |
| 2016 | \$ 531,940 | \$ 531,940 | \$ - | \$ 3,868,737 | 13.75% |
| 2017 | \$ 533,853 | \$ 533,853 | \$ - | \$ 4,029,123 | 13.25% |
| 2018 | \$ 546,629 | \$ 546,629 | \$ - | \$ 4,286,378 | 12.75% |
| 2019 | \$ 540,459 | \$ 540,459 | \$ - | \$ 4,411,703 | 12.25% |

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

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

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
SCHEDULE OF SHERIFF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

Schedule 4

| <u>Fiscal Year</u> | <u>Agency's proportion of the net pension liability (asset)</u> | <u>Agency's proportionate share of the net pension liability (asset)</u> | <u>Agency's covered payroll</u> | <u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total pension liability</u> |
|--------------------|---|--|---------------------------------|---|---|
| 2015 | 56.0699% | \$ 2,220,371 | \$ 3,731,059 | 59.5105% | 87.3447% |
| 2016 | 56.5756% | \$ 2,521,867 | \$ 3,868,737 | 65.1858% | 86.6065% |
| 2017 | 56.5824% | \$ 3,591,225 | \$ 4,029,123 | 89.1317% | 82.0969% |
| 2018 | 58.1696% | \$ 2,518,903 | \$ 4,286,378 | 58.7653% | 88.4876% |
| 2019 | 62.2792% | \$ 2,388,188 | \$ 4,411,703 | 54.1330% | 90.4106% |

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

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

OTHER SUPPLEMENTAL INFORMATION

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
FIDUCIARY FUND TYPE – AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

FIDUCIARY FUND TYPE - AGENCY FUNDS

These funds account for assets held by the sheriff department in a trust or agency capacity.

LICENSE FUND

The License Fund is a depository for occupational licenses. Payments are made from the fund to the Sheriff's General Fund and the Franklin Parish Police Jury.

CRIMINAL FUND

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, Police Jury, District Attorney, Clerk of Court, and other recipients in accordance with applicable laws.

CIVIL FUND

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

WORK RELEASE PROGRAM FUND

The Work Release Program Fund accounts for funds paid to the Sheriff's office for the Work Release Program. The funds are then disbursed to the inmates or the Inmate Trust Fund and the Sheriff's General Fund.

TAX COLLECTION FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collection Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

INMATE TRUST FUND

The Inmate Trust Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
FIDUCIARY FUND TYPES - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>License</u> <u>Fund</u> | <u>Criminal</u> <u>Fund</u> | <u>Civil</u> <u>Fund</u> | <u>Work Release</u> <u>Program</u> <u>Fund</u> |
|---|-------------------------------|--------------------------------|-----------------------------|--|
| <u>BALANCES AT BEGINNING OF YEAR</u> | \$ 36 | \$ 382,586 | \$ 16,456 | \$ 30,050 |
| <u>ADDITIONS</u> | | | | |
| Deposits: | | | | |
| Licenses | 148,906 | - | - | - |
| Fines and Costs | - | 428,722 | - | - |
| Sheriff's Sales | - | - | 253,053 | - |
| Garnishments | - | - | 37,012 | - |
| Other Deposits | - | - | - | - |
| Taxes, Fees, Etc. paid to Tax Collector | - | - | - | - |
| Work Release Income | - | - | - | 355,635 |
| Interest Earned | 80 | 2,163 | 26 | 47 |
| Inmate Deposits | - | - | - | - |
| <u>TOTAL ADDITIONS</u> | <u>148,986</u> | <u>430,885</u> | <u>290,092</u> | <u>355,682</u> |
| | | | | |
| <u>TOTAL AVAILABLE</u> | <u>149,022</u> | <u>813,471</u> | <u>306,548</u> | <u>385,732</u> |
| <u>REDUCTIONS</u> | | | | |
| Taxes, Fees, Etc. Distributed | - | - | - | - |
| Deposits Settled To: | | | | |
| Sheriff's General Fund | 22,415 | 57,640 | 71,740 | 220,707 |
| Police Jury | 126,491 | 4,083 | - | - |
| District Attorney | - | 124,062 | - | - |
| Clerk of Court | - | 17,544 | 21,703 | - |
| Indigent Defender Board | - | 39,927 | - | - |
| Attorneys, Appraisers, Etc. | - | - | 185,203 | - |
| Other Settlements | - | 151,750 | 9,756 | - |
| Withdrawals by/for Inmates | - | - | - | 126,532 |
| <u>TOTAL REDUCTIONS</u> | <u>148,906</u> | <u>395,006</u> | <u>288,402</u> | <u>347,239</u> |
| | | | | |
| <u>BALANCE AT END OF YEAR</u> | <u>\$ 116</u> | <u>\$ 418,465</u> | <u>\$ 18,145</u> | <u>\$ 38,493</u> |

The accompanying notes are an integral part of this financial statement.

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
FIDUCIARY FUND TYPES - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN BALANCES - Continued
DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2019

| Tax Collection Fund | Inmate Trust Fund | Total |
|---------------------------|-------------------------|-------------------|
| \$ 18,709 | \$ 128,460 | \$ 576,297 |
| - | - | 148,906 |
| - | - | 428,722 |
| - | - | 253,053 |
| - | - | 37,012 |
| - | - | - |
| 11,876,316 | - | 11,876,316 |
| - | - | 355,635 |
| 929 | 160 | 3,405 |
| - | 952,047 | 952,047 |
| <u>11,877,245</u> | <u>952,207</u> | <u>14,055,097</u> |
| 11,895,954 | 1,080,667 | 14,631,394 |
| 11,567,251 | - | 11,567,251 |
| - | 964,224 | 1,336,726 |
| - | - | 130,574 |
| - | - | 124,062 |
| - | - | 39,247 |
| - | - | 39,927 |
| - | - | 185,203 |
| - | - | 161,506 |
| - | - | 126,532 |
| <u>11,567,251</u> | <u>964,224</u> | <u>13,711,028</u> |
| <u>\$ 328,703</u> | <u>\$ 116,443</u> | <u>\$ 920,365</u> |



KEVIN W. COBB

FRANKLIN PARISH

SHERIFF AND EX-OFFICIO TAX COLLECTOR

6556 MAIN STREET . WINNSBORO, LOUISIANA 71295 . TELEPHONE (318) 435-4505 . FACSIMILE (318) 435-5810

STATE OF LOUISIANA, PARISH OF FRANKLIN

AFFADAVIT

KEVIN W. COBB, Sheriff of Franklin Parish

BEFORE ME, the undersigned authority, personally came and appeared Kevin W. Cobb, the sheriff of Franklin Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$328,703 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.

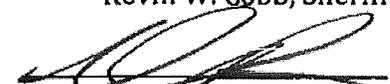
All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.


Notary
Signature

**Sheriff of FRANKLIN
(Parish)**

SWORN to and subscribed before me, Notary, this 17th day of December, 2019, in my office in Winnsboro, Louisiana.
(City/Town)


Kevin W. Cobb, Sheriff


David Wm. Rigdon, Bar Roll No. 32228
Commission Expires on Death

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2019

Agency Head: Kevin Cobb, Sheriff

| <u>Purpose</u> | <u>Amount</u> |
|--|--------------------------|
| Salary | \$ 160,000 |
| Benefits - Insurance | 18,827 |
| Travel, Registrations and Related Expenses | <u>6,801</u> |
| Total | <u><u>\$ 185,628</u></u> |

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

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

To the Honorable Kevin Cobb
Franklin Parish Sheriff
Winnsboro, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Franklin Parish 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 my report thereon dated December 6, 2019.

Internal Control Over Financial Reporting

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

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

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

To the Honorable Kevin Cobb
Franklin Parish Sheriff
Winnsboro, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Parish Sheriff's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 19-1.

Purpose of this Report

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

This report is intended for the use of management of Franklin Parish Sheriff and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Hart, CPA (APAC)

West Monroe, Louisiana
December 6, 2019

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

To the Honorable Kevin Cobb
 Franklin Parish Sheriff
 Winnsboro, Louisiana

I have audited the financial statements of Franklin Parish Sheriff as of and for the year ended June 30, 2019, and have issued my report thereon dated December 6, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2019, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements X yes ___ no

B. Federal Awards – N/A

Material Weakness Identified ___yes ___no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ___ Qualified ___

Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Section II- Financial Statement Findings

19-1 Bank Deposits Undercollateralized

Condition:

At June 30, 2019, one of the financial institutions that the Sheriff keeps funds on deposit, let the amount of pledged securities lapse that were insuring the deposits on hand above the FDIC limit of \$250,000. The bank recognized this lapse subsequent to year end and pledged the proper amount of securities to cover the funds.

Criteria:

Louisiana Revised Statute 39:1225 requires each government to insure its cash balances from loss against custodial credit risk. A certain amount of a government's cash is insured from custodial credit risk through FDIC insurance. Often, however, a government's cash balances exceed the amount covered by FDIC insurance. When that occurs, state law requires that the government have an agreement with the bank for the bank to insure these excess balances from loss by pledging securities as collateral equal to or exceeding the amount of the excess balances. The bank may hold these securities themselves or give them to a third party to hold for them. If the bank fails, state law requires the financial institution holding these securities to advertise and sell the pledged securities within ten days of being notified by the government that the bank has failed to pay deposited funds upon request.

Effect:

Cash deposits are exposed to custodial credit risk when adequate collateral is not held as security.

Recommendation:

I recommend that the Sheriff check their pledged security statement every month so any shortfall in pledged securities can be adjusted immediately. This is most important during certain months when large tax collection deposits are made.

Response:

The Sheriff has already discussed this issue with our bank and we are assured that they will do their best to not let this happen again in the future.

Section III- Federal Award Findings and Question Costs- N/A

FRANKLIN PARISH SHERIFF
WINNSBORO, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

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

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Franklin Parish Sheriff and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Franklin Parish Sheriff (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The exceptions obtained are described in the attachment to this report.

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

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

David M. Hartt, CPA (SPAC)

West Monroe, Louisiana
December 6, 2019

Written Policies and Procedures

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

Exceptions

Written policies and procedures were obtained and address each function above.

Board or Finance Committee

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.¹ *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 observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

Exceptions

The Sheriff does not have a board or finance committee and is not required to maintain minutes. However, a meeting does take place each month, and a budget to actual comparison takes place at that meeting.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); 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.

Exceptions

No exceptions were noted as a result of this procedure.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

All cash/checks/money order (cash) collections are done at two locations, detention center and the Sheriff's main office. There is one shared cash drawer, but each person has a separate login for their specific collections. The computer reports are reconciled daily to the cash drawer. Employees collecting cash are not responsible for preparing bank deposits or entering amounts into the general ledger. All employees that have access to cash are covered by bond or insurance policy. Sequentially numbered receipts are used.

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

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

Exceptions

No exceptions were noted as a result of these procedures.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
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 (or electronically approved), 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. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Exceptions

No exceptions were noted as a result of these procedures.

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

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, agree 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.

Exceptions

Per diem rates established by the State of Louisiana are used. No exceptions were noted as a result of these procedures.

Contracts

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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* 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.

Exceptions

No exceptions were noted as a result of these procedures.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management’s termination payment calculations, agree the hours to the employee/officials’ cumulate leave records, and agree the pay rates to the employee/officials’ authorized pay rates in the employee/officials’ personnel files.
- 19. Obtain 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.

Exceptions

No exceptions were noted as a result of these procedures.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above², 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.

Exceptions

All employees received the required ethics training. Inquired as to any alleged ethics violations being reported to them and there were none.

Debt Service

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, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Exceptions

This is not applicable for this entity.

Other

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

Inquired of management whether the Franklin Parish Sheriff's office had any misappropriations of public funds or assets and there was none. The required notices are posted on the entity's premises and website.