

BEAUREGARD PARISH SHERIFF
DERIDDER, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2018

Table of Contents

	Statement	Page(s)
INDEPENDENT AUDITOR’S REPORT	-	1-3
BASIC FINANCIAL STATEMENTS:		
Statement of Net Position	A	5
Statement of Activities	B	6
Balance Sheet – Governmental Funds	C	7
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	D	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E	9-10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	F	11
Statement of Net Position – Proprietary Fund	G	12
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	H	13
Statement of Cash Flows – Proprietary Fund	I	14
Statement of Fiduciary Net Position – Agency Funds	J	15
Notes to the Financial Statements	-	17-37
	Schedule	Page(s)
Required Supplemental Information		
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	1	39
Special Revenue Fund – Sales Tax Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	2	40
Schedule of the Sheriff’s Proportionate Share of the Net Pension Liability	3	41
Schedule of the Sheriff’s Pension Contributions	4	42
Schedule of OPEB Expenses and Deferred Outflows and Deferred Inflows of Resources Related to OPEB	5	43
Other Supplemental Information		
Schedule of Cash on Hand, Taxes Collected for the Current Year and an Itemized Statement of All Taxes Assessed and Uncollected with Explanations of Uncollected Amounts by the Sheriff as the Ex-Officio Tax Collector for the Parish of Beauregard	6	45-46
Schedule of Compensation, Benefits and Other Payments to Agency Head	7	47
Other Reports		
Schedule of Prior Year Audit Findings	8	49
Schedule of Current Year Audit Findings and Management’s Response	9	50
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 <i>Government Auditing Standards</i>	-	51-52
Independent Accountant’s Report on Applying Agreed-Upon Procedures	-	53-59

Windham & Reed, L.L.C.

Certified Public Accountants

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Ricky L. Moses
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beauregard Parish Sheriff, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

The Honorable Ricky L. Moses
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish Sheriff, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the net OPEB liability and related ratios, schedule of the sheriff's proportionate share of the net pension liability, schedule of the sheriff's pension contributions, and other post-employment benefits (OPEB) funding schedule on pages 39 - 43 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 the 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 inquires 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beauregard Parish Sheriff's basic financial statements. The schedule of cash on hand, taxes collected for the current year and an itemized statement of all taxes assessed and uncollected with explanations of uncollected amounts by the Sheriff as the Ex-Officio Tax Collector for the Parish of Beauregard, and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule cash on hand, taxes collected for the current year and an itemized statement of all taxes assessed and uncollected with explanations of uncollected amounts by the Sheriff as the Ex-Officio Tax Collector for the Parish of Beauregard and schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of cash on hand, taxes collected for the current year and an itemized statement of all taxes assessed and uncollected with explanations of uncollected amounts by the Sheriff as the Ex-Officio Tax Collector for the Parish of Beauregard and schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Ricky L. Moses
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2018 on our consideration of the Beauregard Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Beauregard Parish Sheriff's internal control over financial reporting and compliance.



DeRidder, Louisiana
October 25, 2018

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,060,024	\$ 22,105	\$ 6,082,129
Receivables:			
Taxes			
Ad valorem taxes	8,143	-	8,143
Sales and use taxes	36,547	-	36,547
Occupational license	4,304	-	4,304
Accounts	84,369	1,839	86,208
Intergovernmental:			
Due from federal governments	26,989	-	26,989
Due from state governments	309,348	-	309,348
Due from other funds	17,598	4,919	22,517
Restricted cash and cash equivalents	317,785	-	317,785
Capital assets being depreciated, net	1,026,658	-	1,026,658
Total assets	<u>\$ 7,891,765</u>	<u>\$ 28,863</u>	<u>\$ 7,920,628</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows:			
Prepaid insurance	\$ 38,875	\$ -	\$ 38,875
Pensions	1,375,355	-	1,375,355
Total deferred outflows of resources	<u>\$ 1,414,230</u>	<u>\$ -</u>	<u>\$ 1,414,230</u>
Total assets and deferred outflows of resources	<u>\$ 9,305,995</u>	<u>\$ 28,863</u>	<u>\$ 9,334,858</u>
LIABILITIES			
Accounts payable	\$ 301,263	\$ 10,025	\$ 311,288
Payroll deductions payable	90	-	90
Long term liabilities:			
Net other post-employment benefits liability	7,792,594	-	7,792,594
Net pension liability	2,906,601	-	2,906,601
Total liabilities	<u>\$ 11,000,548</u>	<u>\$ 10,025</u>	<u>\$ 11,010,573</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	\$ 665,718	\$ -	\$ 665,718
Other post-employment benefits	158,952	-	158,952
Total deferred inflows of resources	<u>\$ 824,670</u>	<u>\$ -</u>	<u>\$ 824,670</u>
Total liabilities and deferred inflows of resources	<u>\$ 11,825,218</u>	<u>\$ 10,025</u>	<u>\$ 11,835,243</u>
NET POSITION			
Net investment in capital assets	\$ 1,026,658	\$ -	\$ 1,026,658
Unrestricted	(3,783,056)	18,838	(3,764,218)
Restricted	237,175	-	237,175
Total net position	<u>\$ (2,519,223)</u>	<u>\$ 18,838</u>	<u>\$ (2,500,385)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 9,305,995</u>	<u>\$ 28,863</u>	<u>\$ 9,334,858</u>

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2018

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government and administration	\$ 355,931	\$ 775,167	\$ 1,645	\$ -	\$ 420,881	\$ -	\$ 420,881
Public safety	8,846,142	1,315,907	101,227	67,369	(7,361,639)	-	(7,361,639)
Total governmental activities	<u>\$ 9,202,073</u>	<u>\$ 2,091,074</u>	<u>\$ 102,872</u>	<u>\$ 67,369</u>	<u>\$ (6,940,758)</u>	<u>\$ -</u>	<u>\$ (6,940,758)</u>
Business-type activities:							
Commissary sales	\$ 164,931	\$ 214,582	\$ -	\$ -	\$ -	\$ 49,651	\$ 49,651
Total government	<u>\$ 9,367,004</u>	<u>\$ 2,305,656</u>	<u>\$ 102,872</u>	<u>\$ 67,369</u>	<u>\$ (6,940,758)</u>	<u>\$ 49,651</u>	<u>\$ (6,891,107)</u>
General revenues:							
Taxes:							
Ad valorem taxes					3,837,852	-	3,837,852
Sales taxes					2,695,677	-	2,695,677
State supplemental pay					325,265	-	325,265
Investment earnings					10,913	-	10,913
Sale of assets					3,329	-	3,329
Nonemployer pension contributions					266,445	-	266,445
Rental income					5,151	-	5,151
Transfers					100,082	(100,000)	82
Total general revenues and transfers					<u>7,244,714</u>	<u>(100,000)</u>	<u>7,144,714</u>
Change in net position					303,956	(50,349)	253,607
Net position at beginning of year					1,755,836	69,187	1,825,023
Prior period adjustment					(4,579,015)	-	(4,579,015)
Net position at end of year					<u>\$ (2,519,223)</u>	<u>\$ 18,838</u>	<u>\$ (2,500,385)</u>

The accompanying notes are an integral part of this statement.

Balance Sheet
Governmental Funds
June 30, 2018

ASSETS	Major Fund		Total Governmental Funds
	General	Sales Tax	
Cash and cash equivalents	\$ 6,060,024	\$ -	\$ 6,060,024
Receivables:			
Taxes			
Ad valorem taxes	8,143	-	8,143
Sales and use taxes	36,547	-	36,547
Occupational license	4,304	-	4,304
Accounts	84,369	-	84,369
Intergovernmental:			
Due from federal governments	26,989	-	26,989
Due from state governments	309,348	-	309,348
Due from other funds	17,598	-	17,598
Restricted cash and cash equivalents	-	317,785	317,785
Total assets	<u>\$ 6,547,322</u>	<u>\$ 317,785</u>	<u>\$ 6,865,107</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows:			
Prepaid insurance	<u>\$ 38,875</u>	<u>\$ -</u>	<u>\$ 38,875</u>
Total assets and deferred outflows of resources	<u>\$ 6,586,197</u>	<u>\$ 317,785</u>	<u>\$ 6,903,982</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 220,653	\$ 80,610	\$ 301,263
Payroll deductions payable	90	-	90
Total liabilities	<u>\$ 220,743</u>	<u>\$ 80,610</u>	<u>\$ 301,353</u>
Fund Balances:			
Unassigned	\$ 6,326,579	\$ -	\$ 6,326,579
Nonspendable			
Not in spendable form	38,875	-	38,875
Restricted	-	237,175	237,175
Total fund balances	<u>\$ 6,365,454</u>	<u>\$ 237,175</u>	<u>\$ 6,602,629</u>
Total liabilities and fund balances	<u>\$ 6,586,197</u>	<u>\$ 317,785</u>	<u>\$ 6,903,982</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2018

Total fund balance - total governmental funds	\$	6,602,629
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		1,026,658
Pension related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.		1,375,355
Pension related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.		(665,718)
Other post-employment benefit related changes in other post-employment benefit liability that are only reported in the statement of net position as deferred inflows.		(158,952)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other postemployment benefits	\$	(7,792,594)
Net pension liability		(2,906,601)
		(10,699,195)
Net position of governmental activities	\$	(2,519,223)

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Sales Tax</u>	
Revenues			
Taxes:			
Ad valorem	\$ 3,837,852	\$ -	\$ 3,837,852
Sales taxes	-	2,695,677	2,695,677
Intergovernmental:			
Federal grants	135,647	-	135,647
State grants	29,849	-	29,849
Local grants	4,745	-	4,745
State supplemental pay	325,265	-	325,265
Fees, charges and commissions for services	2,091,074	-	2,091,074
Investment income	7,799	3,114	10,913
Rental income	5,151	-	5,151
Total revenues	<u>\$ 6,437,382</u>	<u>\$ 2,698,791</u>	<u>\$ 9,136,173</u>
Expenditures			
General government			
Tax collector	\$ 338,612	\$ -	\$ 338,612
Public safety			
Administrative	732,726	-	732,726
Community services	95,095	-	95,095
Civil services	356,515	-	356,515
Criminal investigation	3,980,827	-	3,980,827
Custody of prisoners	2,306,527	-	2,306,527
Communications	540,058	-	540,058
Automotive services	436,170	-	436,170
Capital outlay	89,538	-	89,538
Total expenditures	<u>\$ 8,876,068</u>	<u>\$ -</u>	<u>\$ 8,876,068</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,438,686)</u>	<u>\$ 2,698,791</u>	<u>\$ 260,105</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Sales Tax</u>	
Other financing sources (uses)			
Transfers in	\$ 2,694,082	\$ -	\$ 2,694,082
Transfers out	-	(2,594,000)	(2,594,000)
Sale of assets	3,329	-	3,329
Total other financing sources (uses)	<u>\$ 2,697,411</u>	<u>\$ (2,594,000)</u>	<u>\$ 103,411</u>
Net change in fund balance	\$ 258,725	\$ 104,791	\$ 363,516
Fund balances at beginning of year	6,106,729	293,604	6,400,333
Prior period adjustment	<u>-</u>	<u>(161,220)</u>	<u>(161,220)</u>
Fund balances at end of year	<u><u>\$ 6,365,454</u></u>	<u><u>\$ 237,175</u></u>	<u><u>\$ 6,602,629</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2018

Net change in fund balances - total governmental funds	\$ 363,516
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the net amount of capital assets recorded in the current period.	89,538
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(263,255)
Governmental funds do not report net change in other postemployment benefits (OPEB) obligations. However, this obligation does appear in the Statement of Activities since the payable is reported on the Statement of Net Position	(219,012)
Pension expense is based on employer contributions in the government funds, but is an actuarially calculated expense on the Statement of Activities.	<u>333,169</u>
Change in net position of governmental activities	<u><u>\$ 303,956</u></u>

The accompanying notes are an integral part of this statement.

Statement of Net Position
 Proprietary Fund
 June 30, 2018

	Business-type Activities Enterprise Fund
	<u>Commissary Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 22,105
Accounts receivable	1,839
Due from other funds	<u>4,919</u>
Total current assets	<u>\$ 28,863</u>
LIABILITIES	
Current Liabilities	
Accounts payable	<u>\$ 10,025</u>
NET POSITION	
Unrestricted	<u>\$ 18,838</u>
Total liabilities and net position	<u>\$ 28,863</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 For the Year Ended June 30, 2018

	Business-type Activities <u>Enterprise Fund</u> Commissary <u>Fund</u>
Operating revenues	
Sales to inmates	\$ 214,582
Operating expenses	
Purchases	\$ 146,634
Medical co-payments	15,528
Miscellaneous	2,769
Total operating expenses	<u>\$ 164,931</u>
Income (loss) from operations before transfers	\$ 49,651
Transfer out	<u>\$ (100,000)</u>
Change in net position	\$ (50,349)
Net position at beginning of year	<u>69,187</u>
Net position at end of year	<u><u>\$ 18,838</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	Business-type Activities <u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 215,702
Cash payments to suppliers for goods and services	(152,337)
Cash payments for inmate medical co-pay	(15,528)
Net cash provided by operating activities	<u>\$ 47,837</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	\$ 7,753
Transfer out	(100,000)
Net cash used by noncapital financing activities	<u>\$ (92,247)</u>
Net increase (decrease) in cash and cash investments	\$ (44,410)
Cash and Cash investments, July 1, 2017	66,515
Cash and Cash investments, June 30, 2018	<u>\$ 22,105</u>
Reconciliation of net operating income from operations to net cash provided by operating activities:	
Income from operations	\$ 49,651
Adjustments to reconcile net operating income from operations to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	\$ 1,120
Decrease in accounts payable	(2,934)
Net cash provided by operating activities	<u>\$ 47,837</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Agency Funds
June 30, 2018

	<u>Sheriff's Fund</u>	<u>Tax Collection Fund</u>	<u>Other Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 12,700	\$ 316,278	\$ 264,832	\$ 593,810
Accounts receivable	-	799,271	1,554	800,825
Due from other funds	-	-	2,008	2,008
Total assets	<u>\$ 12,700</u>	<u>\$ 1,115,549</u>	<u>\$ 268,394</u>	<u>\$ 1,396,643</u>
LIABILITIES				
Liabilities				
Held for others	\$ 12,700	\$ 903,614	\$ 261,383	\$ 1,177,697
Due to other funds	-	17,514	7,011	24,525
Total liabilities	<u>\$ 12,700</u>	<u>\$ 921,128</u>	<u>\$ 268,394</u>	<u>\$ 1,202,222</u>
DEFERRED INFLOWS OF RESOURCES				
Protested taxes	\$ -	\$ 194,421	\$ -	\$ 194,421
Total liabilities and deferred inflows of resources	<u>\$ 12,700</u>	<u>\$ 1,115,549</u>	<u>\$ 268,394</u>	<u>\$ 1,396,643</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Parish Sheriff

Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

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 the establishment of neighborhood watch programs, anti-drug abuse programs, and other services. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within the parish.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Beauregard 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 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. 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 parish official. As an independently elected parish official, the sheriff is solely responsible for the retention of employees, authority over budgeting, the responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff’s office that are paid by the parish police jury as required by Louisiana law, the sheriff’s office is financially independent. Accordingly, the sheriff is a separate governmental reporting entity. Certain units of local government over which the sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish sheriff.

C. FUND ACCOUNTING

The sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain sheriff functions and activities. A fund is defined as a separate fiscal accounting entity with a self-balancing set of accounts.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Governmental Funds

Governmental funds account for all or most of the sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the sheriff. The following are the sheriff's governmental funds:

General Fund – The primary operating fund of the sheriff and it accounts for all financial resources, except those in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the sheriff's policy.

Special Revenue Fund – The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The special revenue fund is used to deposit a parish wide one-half cent sales tax. The sales tax is to be used to increase beginning salary levels for deputies, to provide for future cost of living salary adjustments and benefits for deputies.

The sheriff has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the sheriff are agency funds. The agency funds account for assets held by the sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Proprietary Fund

Enterprise Fund – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the sheriff's proprietary fund is sales of commissary goods to inmates. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements C and E, 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 is then reconciled, through adjustment, to a government-wide view of sheriff operations.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

Revenues

State revenues sharing, which is based on population and homesteads in the parish, is recorded in the year the taxes are received.

Intergovernmental revenues are recorded when the sheriff is entitled to the funds.

Expenditures and Expenses

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflects 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*.

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

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

The financial administrator prepares the proposed budget and submits this to the sheriff for approval. Amended budgets are prepared in the same manner and submitted to the sheriff for approval when a variance greater than five percent exists between budgeted and actual amounts. The proposed budget for 2017-2018 was made available for inspection on June 13, 2017. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal ten days prior to the public hearing, which was held at the Beauregard Parish Sheriff's office on June 13, 2017, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the sheriff.

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

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and time deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected. These cash and cash equivalents are also used in the proprietary fund's statement of cash flows.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Under state law, the sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments, if their original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. At June 30, 2018 the sheriff had no investments.

H. INVENTORY

The sheriff had no inventory as of June 30, 2018.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

J. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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.

According to GASB 34 the Beauregard Parish Sheriff was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	40-50 years
Buildings and building improvements	40-50 years
Furniture and fixtures	5-15 years
Vehicles	5-10 years

L. COMPENSATED ABSENCES

The sheriff has the following policy relating to vacation and sick leave:

Sick Leave Policy

1. Sick leave is available only to full-time employees.
2. Sick leave is defined as absence from duty due to a full-time employee suffering from a bona fide illness or injury or other physical incapacity that prevents the performance of normal duties or being quarantined by health authorities and includes bona fide illness, injury or other incapacity of such employee's immediate family, which includes only the parents, spouse, siblings and children of the employee, as well as the employee's spouse's children, which would require the care of the employee.
3. Sick leave shall only be used for those reasons constituting the definition of Sick Leave hereinabove.
4. A maximum of ten (10) days of sick leave per calendar year will accrue at the rate of 0.833 days per month, subject to the following provisions: unused sick leave days may be carried over from one calendar year to the next, but at no time shall an employee be allowed to accumulate more than twenty (20) days of unused sick leave; therefore, once an employee accumulates a total of twenty (20) days of unused sick leave, that employee will not accrue additional sick leave until the month in which some of his/her days of accumulated sick leave is used.
5. If an employee uses six (6) or more consecutive days of sick leave, a certificate from a practicing physician explaining the nature of the qualifying reason for absence and confirming the need to use sick leave must be submitted to the employee's supervisor on behalf of the employee. This certificate will be routed to the Chief Deputy or the Fiscal Administrator and then be placed in the employee's personnel file.
6. Employees will not be paid for any accrued or accumulated unused sick leave remaining at the time of separation from employment.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

7. Once all accrued and accumulated sick leave has been exhausted, an employee may utilize any other accrued paid leave in the event of a qualifying reason for absence under sick leave.

M. RESTRICTED NET POSITION

For government-wide statement of net position, net positions are reported as restricted when constraints placed on net position use either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

N. EXTRAORDINARY AND SPECIAL ITEMS

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

O. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

P. SALES TAX

The Beauregard Parish Sheriff receives a parish wide one-half cent sales tax. The sales tax is to be used toward the payment of salaries and benefits of deputies. The sales tax is a ten year tax with an expiration date of October 1, 2024.

Q. ESTIMATES

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

R. FUND BALANCES

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. As for the Beauregard Parish Sheriff the nonspendable fund balance consist of prepaid amounts of insurance premiums.

Restricted Amounts that are restricted to specific purposes should be reported as *restricted fund balance*. Fund balance should be reported as restricted when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

S. PENSIONS

Financial reporting information pertaining to the Sheriff's participation in the Sheriff's Pension and Relief Fund is prepared in accordance with Governmental Accounting Standards Board "GASB" Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which have been adopted by the Sheriff for the fiscal year ended June 30, 2018.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of the Sheriff's Pension and Relief Fund have been determined on the same basis as they are reported by the Sheriff's Pension and Relief Fund. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Sheriff's Pension and Relief Fund. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Sheriff's proportionate share of the plans net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

T. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In June 2015, the Governmental Accounting Standards Board (GASB) approved Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits other than Pensions." GASB Statement No. 75 replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions." GASB Statement No. 75 improves accounting and financial reporting by state and local governments for post-employment benefits other than pensions. The provisions of GASB Statement No. 75 must be implemented by the Sheriff for the year ending June 30, 2018. The effect of implementation of this statement on the Sheriff's financial statements has not yet been determined.

In January 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 84, "Fiduciary Activities." GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASB No. 84 replaces *agency funds* with *custodial funds*, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the Sheriff for periods beginning after December 15, 2018, with earlier application encouraged. The effect of implementation of this statement on the Sheriff's financial statements has not yet been determined.

2. LEVIED TAXES

The sheriff levies taxes on real and business personal property located within the boundaries of the Parish. Property taxes are levied by the sheriff on property values assessed by the Beauregard Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Beauregard Parish Sheriff and Ex-Officio Tax Collector bills and collects property taxes for the sheriff. Collections are remitted to the sheriff monthly. The sheriff recognizes property tax revenues when levied.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Property Tax Calendar	
Assessment date	January 1, 2017
Levy date	June 30, 2017
Tax bills mailed	October 15, 2017
Total taxes are due	December 31, 2017
Penalties & interest due	January 31, 2018
Lien date	January 31, 2018
Tax sale	May 15, 2018

For the year ended June 30, 2018, taxes of 16.51 mills were levied on property with an assessed valuation totaling \$234,613,467, and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Law Enforcement	6.46	6.46	-
Law Enforcement	10.05	10.05	Dec. 31, 2019

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the local sheriff, if taxes are not paid, a sheriff's sale is held and the property is sold to satisfy the taxes due on that property. Due to this, the majority, if not all property taxes are collected, any allowance account would be immaterial; therefore one has not been established.

The following is the principal taxpayer and related ad valorem tax revenue for the sheriff:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for Sheriff
Boise Cascade Corporation	Forestry and paper mill	\$ 33,316,033	14.20%	\$ 517,028
Pintail WI, L.L.C.	Oil and gas	13,701,524	5.84%	226,212
		<u>\$ 47,017,557</u>	<u>20.04%</u>	<u>\$ 743,240</u>

3. CASH AND CASH EQUIVALENTS

At June 30, 2018, the sheriff has cash and cash equivalents (book balances) totaling \$6,993,724 as follows:

NOW accounts	\$ 4,867,385
Demand deposits	191,429
Petty cash	400
Money market investment accounts	501,270
Time deposits	1,433,240
Total	<u>\$ 6,993,724</u>

The cash and cash equivalents of the Beauregard Parish Sheriff are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

At June 30, 2018, the Sheriff has \$7,233,500 in deposits (collected bank balances). These deposits are secured from risk by \$941,430 of federal deposit insurance and \$6,292,070 of pledged securities held by an unaffiliated bank of the pledgor bank. These pledged securities are deemed by law to be under the control and possession and in the name of the Sheriff and deposits are therefore properly collateralized.

4. RECEIVABLES

The receivables of \$1,272,364 at June 30, 2018, are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 8,143	\$ -	\$ -	\$ 8,143
Sales and use	36,547	-	-	36,547
Intergovernmental - grants:				
Federal	26,989	-	-	26,989
State	309,348	-	-	309,348
Accounts	84,369	1,839	800,825	887,033
Occupational license	4,304	-	-	4,304
Total	<u>\$ 469,700</u>	<u>\$ 1,839</u>	<u>\$ 800,825</u>	<u>\$ 1,272,364</u>

5. PAYABLES

The payables of \$311,378 at June 30, 2018 are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts	\$ 220,653	\$ 80,610	\$ 10,025	\$ 311,288
Payroll deductions payable	90	-	-	90
Total	<u>\$ 220,743</u>	<u>\$ 80,610</u>	<u>\$ 10,025</u>	<u>\$ 311,378</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2018, for the primary government is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets being depreciated				
Appliances	\$ 30,983	\$ -	\$ -	\$ 30,983
Buildings	869,587	-	-	869,587
Communications	661,613	-	-	661,613
Computers	831,471	19,495	-	850,966
Criminal equipment	343,196	-	-	343,196
Firearms	63,812	-	-	63,812
Furniture	154,849	-	-	154,849
Office equipment	46,309	-	-	46,309
Photography	75,184	-	-	75,184
Vehicles	1,966,934	70,043	42,349	1,994,628
Total capital assets being depreciated	<u>\$ 5,043,938</u>	<u>\$ 89,538</u>	<u>\$ 42,349</u>	<u>\$ 5,091,127</u>
Less accumulated depreciation for:				
Appliances	\$ 30,983	\$ -	\$ -	\$ 30,983
Buildings	549,971	23,656	-	573,627
Communications	646,030	7,700	-	653,730
Computers	512,754	53,036	-	565,790
Criminal equipment	317,464	7,289	-	324,753
Firearms	63,127	190	-	63,317
Furniture	154,849	-	-	154,849
Office equipment	46,309	-	-	46,309
Photography	72,552	1,019	-	73,571
Vehicles	1,449,524	170,365	42,349	1,577,540
Total accumulated depreciation	<u>\$ 3,843,563</u>	<u>\$ 263,255</u>	<u>\$ 42,349</u>	<u>\$ 4,064,469</u>
Total capital assets being depreciated, net	<u>\$ 1,200,375</u>	<u>\$ (173,717)</u>	<u>\$ -</u>	<u>\$ 1,026,658</u>

Depreciation expense of \$263,255 for the year ended June 30, 2018, was charged to the following governmental functions:

Public safety	\$ 256,101
General administration	7,154
Total	<u>\$ 263,255</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

7. INTERFUND RECEIVABLES/PAYABLES

The following due to/from balances exists due to payments made out of one fund that relate to the other fund. The balance in each respective due to/from account is expected to be paid within the current year.

	<u>Due from</u>	<u>Due to</u>
General fund	\$ 17,598	\$ -
Proprietary fund	4,919	-
Agency fund	2,008	24,525
Total	<u>\$ 24,525</u>	<u>\$ 24,525</u>

8. INTERFUND TRANSFERS

	<u>Transfer in</u>	<u>Transfer out</u>
Sales tax fund	\$ -	\$ 2,594,000
General fund	2,694,082	-
Agency fund	-	82
Proprietary fund	-	100,000
Total	<u>\$ 2,694,082</u>	<u>\$ 2,694,082</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in other funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

9. PENSION PLAN

Sheriff's Pension and Relief Fund

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

The System issues an annual publicly available financial statement and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, PO Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Accounting

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Fund Employees

The Fund is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the Fund's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Pension Amount Netting

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

PLAN DESCRIPTION

The Sheriffs' Pension and Relief Fund (Fund) is a cost-sharing, multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association, and the Sheriffs' Pension and Relief Fund's office.

Retirement Benefits

For members who become eligible for membership on or before December 31, 2011, members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012, members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

sixty consecutive months or joined months is service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

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

Disability Benefits

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

Survivor Benefits

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic Option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving Option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits

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

Back Deferred Retirement Option Plan (Back-DROP)

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Cost-of-Living Adjustments

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

Funding Policy - Plan members are required by statute to contribute 10.25 percent of their annual covered salary and the Beauregard Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Beauregard Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 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 Beauregard Parish Sheriff's contributions to the System for the years ending June 30, 2018, 2017, and 2016 were \$633,319, \$616,026, and \$592,135, respectively, equal to the required contributions for each year.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

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

At June 30, 2018, the Sheriff reported a liability of \$2,906,601 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating Sheriffs, actuarially determined. At June 30, 2017 the Sheriff's proportion was .671228%, which was an increase of .040666% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$300,150. At June 30, 2018, the Sheriff recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 505,972
Changes of assumptions	511,432	-
Net difference between projected and actual earnings on pension plan investments	-	41,719
Changes in proportion and differences between Sheriff's contributions and proportionate share of contributions	230,604	118,027
Sheriff's contributions subsequent to the measurement date	633,319	-
Total	<u>\$ 1,375,355</u>	<u>\$ 665,718</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

The \$633,319 reported as deferred outflows of resources related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ (80,097)
2019	230,691
2020	74,484
2021	(214,675)
2022	25,531
2023	40,384
Total	<u>\$ 76,318</u>

Actuarial Methods and Assumptions

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

The components of the net pension liability of the Sheriff as of June 30, 2017 are as follows:

Total Pension Liability	\$ 25,247,532
Plan Fiduciary Net Position	22,340,931
Total Net Pension Liability	<u>\$ 2,906,601</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.50%, net of investment expense
Discount Rate	7.40%
Projected Salary Increases	5.50% (2.775% Inflation, 2.725% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries
	RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected Remaining Service Lives	2017 – 7 years 2016 – 7 years 2015 – 6 years 2014 – 6 years

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. The 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 set back of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2017, are summarized in the following table:

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60%	7.40%	4.40%
Bonds	25%	2.60%	0.70%
Alternative Investments	15%	4.20%	0.60%
Totals	100%		5.70%
Inflation			2.60%
Expected Arithmetic Nominal Return			8.30%

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the Sheriff calculated using the discount rate of 7.40%, as well as what the Sheriff's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.40%, or one percentage point higher 8.40% than the current rate as of June 30, 2017:

	Changes in Discount Rate:		
	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Net Pension Liability	\$ 5,988,364	\$ 2,906,601	\$ 313,717

State of Louisiana, Public Employees Deferred Compensation Plan

The Sheriff offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, \$20 per month, and contribute up to 100% of taxable compensation, not to exceed \$18,000 and \$18,500 per calendar years for 2017 and 2018, respectively. Additionally if age 50 or older an additional amount may be deferred (up to \$6,000 and \$6,000 per calendar years 2017 and 2018 respectively) above the annual deferral limit.

A special “catch-up” provision may be used to invest up to \$15,000 per year for three years prior to retirement. Any amount excluded from gross income through salary reduction under a 403(b) annuity, a 401(k) profit-sharing plan or a Simplified Employee Pension (SEP) is to be treated as amounts deferred under this deferred compensation plan. Participants joining the Plan may choose the amount to contribute and the investment option(s). They may revise their choice at any time, transfer monies to other available investment options and may increase, decrease or stop deferrals any time. The Plan offers both a guaranteed option and variable investment options, from which participants may select a fund or combination of funds to satisfy their personal investment objectives. Each of the funds has independent investment objectives and utilizes different investment strategies. With the exception of the Great-West Guaranteed Fund, the remaining investment options are variable in nature. Values of the variable options are not guaranteed as to a fixed dollar amount and may increase or decrease according to the investment experience of the underlying portfolio. The expense to administer the Plan is borne by all participants. The administrative fee is .85% and is assessed on each of the options selected. The variable options also have investment management fees that vary based upon the option chosen. Both the administrative and investment management fees are calculated and deducted daily on a pro-rata basis. There are no annual contract charges or transaction charges. At retirement, 100% of the account value will be applied to any of the following settlement options chosen. These options include among others:

- Periodic payment
- Payments over your lifetime
- Payments for a specific time or amount
- Joint and survivor benefits
- Lump-sum payment
- Any combination of the above options

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway Suite 702; Baton Rouge, LA 70808; (800) 937-7604 or (225) 926-8086.

10. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Beauregard Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Beauregard Parish Sheriff’s Office’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 only (not dependents). Employees are covered by a

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

retirement system whose retirement eligibility (D.R.O.P. entry) age is the earlier of completion of 30 years of service or attainment of 55 with 15 years of service.

Life insurance coverage is continued to retirees by election and is based on a blended rate for active and retired employees. The employer pays for \$10,000 of life insurance after retirement for retirees, but 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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	34
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	102
	<u>136</u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$7,792,594 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount Rate	3.62%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index 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, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017	<u>\$ 7,732,534</u>
Changes for the year:	
Service cost	201,646
Interest	287,217
Differences between expected and actual experience	(166,899)
Benefit payments and net transfers	(261,904)
Net changes	<u>\$ 60,060</u>
Balance at June 30, 2018	<u>\$ 7,792,594</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

	1.0% Decrease (2.62%)	Current Discount Rate (3.62%)	1.0% Increase (4.62%)
Total OPEB liability	\$ 9,130,299	\$ 7,792,594	\$ 6,730,810

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	\$ 6,742,260	\$ 7,792,594	\$ 9,100,544

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$480,916. At June 30, 2018, 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	\$ -	\$ (158,952)
Total	-	(158,952)

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

Year ended June 30:	
2019	\$ (7,948)
2020	(7,948)
2021	(7,948)
2022	(7,948)
2023	(7,948)
Thereafter	<u>(119,214)</u>

11. TAXES PAID UNDER PROTEST

The net position held for others in the agency funds at June 30, 2018, as reflected on Statement J, include \$194,421 of taxes paid under protest along with interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collection Agency Fund.

12. RESTRICTED FUND BALANCES

The sales tax fund had \$237,175 of restricted fund balance as of June 30, 2018. The fund balance is restricted by a ten year sales tax proposition passed by the voters of the parish with an expiration date of October 1, 2024.

13. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at year end was \$316,278. The unsettled balances of the Tax Collector Fund at June 30, 2018 consist of the following:

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Ad valorem taxes	\$	207,870
Refunds		9,238
Sales taxes		99,170
Total	<u>\$</u>	<u>316,278</u>

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

Beauregard Parish School Board	\$	12,705,742
Beauregard Parish Police Jury		6,079,055
Beauregard Parish Library		1,823,725
Beauregard Parish Assessor		1,078,921
Beauregard Parish Sheriff		3,830,750
Louisiana Department of Agriculture and Forestry		46,636
Beauregard Parish Waterworks District No. 2		646,865
Beauregard Parish Fire District No. 3		234,687
Beauregard Parish Fire District No. 1		476,750
City of DeRidder		814,672
Town of Merryville		20,949
Beauregard Parish Waterworks District No. 5		100,042
Beauregard Parish Waterworks District No. 6		46,650
Total	<u>\$</u>	<u>27,905,444</u>

For the fiscal year ended June 30, 2018, the ad valorem taxes assessed and uncollected were due to movable property and the amounts are as follows:

	<u>Uncollectible</u>	<u>Bankruptcy</u>	<u>Pending Payment</u>	<u>Total</u>
Beauregard Parish Police Jury	\$ 2,221	\$ 15,149	\$ 20	\$ 17,390
Beauregard Parish School Board	9,971	17,899	69	27,939
Beauregard Parish Assessor	1,254	2,253	9	3,516
Beauregard Parish Library	2,120	3,806	15	5,941
Beauregard Parish Sheriff	9,256	16,615	64	25,935
Waterworks District No. 6	-	3,957	-	3,957
Beauregard Parish Fire District No. 1	1,586	1,451	-	3,037
Beauregard Parish Fire District No. 3	60	-	-	60
City of DeRidder	-	-	19	19
Beauregard Parish Waterworks District No. 2	4,612	-	-	4,612
Total	<u>\$ 31,080</u>	<u>\$ 61,130</u>	<u>\$ 196</u>	<u>\$ 92,406</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Concluded)

The Beauregard Parish Sheriff collects and distributes sales taxes for the following governments:

	Total Collections	Collection Cost	Final Distribution
Beauregard Parish School Board (Outside all corporate limits 2.00%) (Inside DeRidder city limits 2.00%) (Inside Merryville city limits 1.00%)	\$ 11,253,362	\$ 37,779	\$ 11,215,583
Beauregard Parish Policy Jury (Outside all corporate limits 2.25%) (Inside DeRidder city limits .25%) (Inside Merryville city limits .25%)	6,737,039	40,380	6,696,659
Beauregard Parish Sheriff (.50%)	2,804,986	9,509	2,795,477
City of DeRidder (2.25%)	6,518,780	2,917	6,515,863
Town of Merryville (3.00%)	346,786	-	346,786
Total	<u>\$ 27,660,953</u>	<u>\$ 90,585</u>	<u>\$ 27,570,368</u>

The Beauregard Parish Sheriff collects and distributes occupational licenses for the following governments:

	Total Collections
Beauregard Parish Policy Jury	\$ 243,241
City of DeRidder	532,722
Town of Merryville	36,812
Total	<u>\$ 812,775</u>

14. PRIOR PERIOD ADJUSTMENTS

Fund Financial Statements

Sales Tax Fund – A sales tax audit of the Packaging Corporation of America resulted in an overpayment of prior year sales taxes of \$161,220 collected by the Sheriff. This amount is currently being repaid by the Sheriff to the Packaging Corporation of America.

Government Wide Financial Statements

General Fund – Net Position as of June 30, 2017 has been restated as follows for the implementation of GASB Statements No. 74/75, other post-employment benefits:

Governmental funds net position as previously reported at June 30, 2017	\$ 1,755,836
Prior Period Adjustment:	
Post-employment benefit adjustment	(4,417,795)
Overpayment of prior year sales taxes	(161,220)
Total prior period adjustments	<u>\$ (4,579,015)</u>
Governmental funds net position as restated, June 30, 2017	<u>\$ (2,823,179)</u>

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 3,700,000	\$ 3,846,000	\$ 3,837,852	\$ (8,148)
Intergovernmental:				
Federal grants	260,000	225,400	135,647	(89,753)
State grants	53,000	26,330	29,849	3,519
Local grants	55,000	52,180	4,745	(47,435)
State supplemental pay	325,000	325,265	325,265	-
Fees, charges and commissions for services	1,889,500	1,973,500	2,091,074	117,574
Investment income	13,000	12,800	7,799	(5,001)
Rental income	-	-	5,151	5,151
Other revenue	500	1,600	-	(1,600)
Total revenues	<u>\$ 6,296,000</u>	<u>\$ 6,463,075</u>	<u>\$ 6,437,382</u>	<u>\$ (25,693)</u>
Expenditures				
General government				
Tax collector	\$ 325,000	\$ 340,000	\$ 338,612	\$ 1,388
Public Safety				
Administrative	695,000	730,000	732,726	(2,726)
Community services	81,000	97,500	95,095	2,405
Civil services	358,000	358,000	356,515	1,485
Criminal investigation	4,009,000	4,070,000	3,980,827	89,173
Custody of prisoners	2,400,000	2,336,000	2,306,527	29,473
Communications	486,000	604,500	540,058	64,442
Automotive services	545,000	460,000	436,170	23,830
Capital outlay	100,000	89,500	89,538	(38)
Total expenditures	<u>\$ 8,999,000</u>	<u>\$ 9,085,500</u>	<u>\$ 8,876,068</u>	<u>\$ 209,432</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,703,000)</u>	<u>\$ (2,622,425)</u>	<u>\$ (2,438,686)</u>	<u>\$ 183,739</u>
Other financing sources (uses):				
Transfers in	\$ 2,701,000	\$ 2,694,000	\$ 2,694,082	\$ 82
Sale of assets	2,000	3,300	3,329	29
Total other financing sources (uses)	<u>\$ 2,703,000</u>	<u>\$ 2,697,300</u>	<u>\$ 2,697,411</u>	<u>\$ 111</u>
Net change in fund balance	\$ -	\$ 74,875	\$ 258,725	\$ 183,850
Fund balances at beginning of year	<u>6,100,000</u>	<u>6,106,729</u>	<u>6,106,729</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 6,100,000</u></u>	<u><u>\$ 6,181,604</u></u>	<u><u>\$ 6,365,454</u></u>	<u><u>\$ 183,850</u></u>

Special Revenue Fund
Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 2,600,000	\$ 2,594,000	\$ 2,695,677	\$ 101,677
Investment income	1,000	2,800	3,114	314
Total revenues	<u>\$ 2,601,000</u>	<u>\$ 2,596,800</u>	<u>\$ 2,698,791</u>	<u>\$ 101,991</u>
Expenditures				
Refunds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,601,000</u>	<u>\$ 2,596,800</u>	<u>\$ 2,698,791</u>	<u>\$ 101,991</u>
Other financing sources (uses):				
Transfers out	<u>\$ (2,601,000)</u>	<u>\$ (2,594,000)</u>	<u>\$ (2,594,000)</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ 2,800	\$ 104,791	\$ 101,991
Fund balances at beginning of year	284,102	284,102	293,604	9,502
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(161,220)</u>	<u>(161,220)</u>
Fund balances at end of year	<u>\$ 284,102</u>	<u>\$ 286,902</u>	<u>\$ 237,175</u>	<u>\$ (49,727)</u>

Schedule of the Sheriff's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2018

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Sheriff's proportion of the net pension liability (asset)	.659117%	.661954%	.630562%	.671228%
Sheriff's proportionate share of the net pension liability (asset)	\$ 2,610,107	\$ 2,950,671	\$ 4,002,111	\$ 2,906,601
Sheriff's covered-employee payroll	\$ 4,356,995	\$ 4,306,436	\$ 4,649,258	\$ 4,966,629
Sheriff's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	59.91%	68.52%	86.08%	58.52%
Plan fiduciary net position as a percentage of the total pension liability	87.34%	86.60%	82.10%	88.48%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the Sheriff's Pension Contributions
For the Year Ended June 30, 2018

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Contractually required contribution	\$ 625,413	\$ 592,135	\$ 616,026	\$ 633,319
Contributions in relation to the contractually required contribution	<u>625,413</u>	<u>592,135</u>	<u>616,026</u>	<u>633,319</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Sheriff's covered-payroll	\$ 4,356,995	\$ 4,306,436	\$ 4,649,258	\$ 4,966,629
Contributions as a percentage of covered-employee payroll	14.25%	13.75%	13.25%	12.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

	June 30, 2018
Total OPEB Liability	
Service cost	\$ 201,646
Interest	287,217
Changes of benefit terms	-
Differences between expected and actual experience	(166,899)
Changes of assumptions	-
Benefit payments	(261,904)
Net change in total OPEB liability	<u>\$ 60,060</u>
 Total OPEB liability - beginning	 <u>\$ 7,732,534</u>
 Total OPEB liability - ending	 <u><u>\$ 7,792,594</u></u>
 Covered-employee payroll	 \$ 3,954,761
 Net OPEB liability as a percentage of covered-employee payroll	 197.04%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2018.

Changes of Assumptions. There were no changes of assumptions for the year ended June 30, 2018.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

Schedule of Cash on Hand, Taxes Collected for the Current Year
and an Itemized Statement of All Taxes Assessed and Uncollected
with Explanations of Uncollected Amounts by the Sheriff as the
Ex-Officio Tax Collector for the Parish of Beauregard
For the Year Ended June 30, 2018

Taxes collected as of June 30, 2018

<u>Type of Taxes</u>	<u>Amount</u>
Ad valorem taxes	\$ 27,905,444
Interest on delinquent taxes	19,089
Tax notices/adv/cost	39,188
La Tax Commission Assessment fees	19,278
Prior year taxes	4,311
Payments in lieu of taxes	18,150
State revenue sharing	727,250
Redemptions received	20,432
Sales taxes	27,660,953
Occupational licenses	812,775

Uncollected ad valorem taxes as of June 30, 2017

<u>Parcel Number</u>	<u>Assessed Amount</u>	<u>Reason for failure to collect</u>
0403318206A	\$ 44	Uncollectible
1101065717	7,793	Uncollectible
1201931084	891	Bankruptcy
1337705219B	196	Pending payment
0805660840B	178	Uncollectible
0805715990	183	Uncollectible
1101025550	15,916	Uncollectible
1101025550D	6,968	Uncollectible
1201929950A	15,084	Bankruptcy
1201929950B	13,333	Bankruptcy
1604760000E	31,820	Bankruptcy

STATE OF LOUISIANA, PARISH OF BEAUREGARD

AFFIDAVIT

Ricky L. Moses, Sheriff of Beauregard Parish

BEFORE ME, the undersigned authority, personally came and appeared, Ricky L. Moses, the sheriff of Beauregard Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 316,278 is the amount of cash on hand in the tax collector account on June 30, 2018;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2017, 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.

Ricky L. Moses

Signature
Sheriff of Beauregard

SWORN to and subscribed before me, Notary, this 31st day of October 2018, in my office DeRidder, Louisiana.

Sara Franks (Signature)

Sara Franks, # 153101

Notary Public
At Death (Commission)

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended June 30, 2018

Agency Head Name - Ricky L. Moses, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 160,338
Benefits - insurance	10,247
Benefits - retirement	43,791
Deferred compensation	12,359
Benefits - other	2,768
Car allowance	-
Vehicle provided by government	Yes
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	3,170
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

OTHER REPORTS

Schedule of Prior Year Audit Findings
Year Ended June 30, 2018

There were no prior year audit findings reported as of June 30, 2017.

Schedule of Current Year Audit Findings and Management's Response
Year Ended June 30, 2018

There were no current year audit findings reported as of June 30, 2018.

Windham & Reed, L.L.C.

A Professional Corporation

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

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

The Honorable Ricky L. Moses
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beauregard Parish Sheriff as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Beauregard Parish Sheriff's basic financial statements, and have issued our report thereon dated October 25, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

The Honorable Ricky L. Moses
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

Purpose of this Report

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

Handwritten signature of J. M. Windham, CPA in black ink.

DeRidder, Louisiana
October 25, 2018

Windham & Reed, L.L.C.

A Professional Corporation

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Ricky L. Moses
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

We have performed the procedures enumerated below, which were agreed to by Beauregard 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, 2017 through June 30, 2018. 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures - Not Applicable

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.

Board or Finance Committee - Not Applicable

- 2. Obtain and inspect the board/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. *Alternatively, 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 unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations - Not Applicable

- 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.

Collections - Not Applicable

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 on 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). *Alternatively, 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.

Non-Payroll Disbursements (excluding credit card purchases/payments, travel reimbursements, and petty cash purchases) - Not Applicable

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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards - Not Applicable

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and/or late fees were 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).

Travel and Travel-Related Expense Reimbursements (excluding card transactions) - Not Applicable

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 reimbursement, 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 and original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts - Not Applicable

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. *Alternatively, 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.

Payroll and Personnel - Not Applicable

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' cumulative 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.

Ethics - Not Applicable

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

Debt Service - Not Applicable

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.

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.

Not applicable.

The Honorable Ricky L. Moses
Sheriff and Ex-Officio Tax Collector
Beauregard Parish Sheriff
DeRidder, Louisiana

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.

Appropriately posted on premises and website.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on 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.

Windham & Reed CPA, L.L.C.
DeRidder, Louisiana
October 25, 2018