

OUACHITA PARISH SHERIFF

Monroe, Louisiana

Annual Financial Report

As of and for the Year Ended June 30, 2017



**Ouachita Parish Sheriff
Monroe, Louisiana**

**Financial Report
As of and for the Year Ended June 30, 2017**

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**Ouachita Parish Sheriff
Monroe, Louisiana**

**Financial Report
As of and for the Year Ended June 30, 2017**

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INDEPENDENT AUDITORS' REPORT

**The Honorable Jay Russell
Ouachita Parish Sheriff
Monroe, Louisiana**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Ouachita Parish Sheriff
Monroe, Louisiana

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Ouachita Parish Sheriff as of June 30, 2017, and the respective changes in financial position 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 on pages 5 through 10, the Budgetary Comparison Schedule on page 47, the Schedule of Funding Progress for the Retiree Healthcare Plan on page 48, Schedule of Proportionate Share of Net Pension Liability on page 49, and the Schedule of Contributions on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 52 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ouachita Parish Sheriff
Monroe, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 15, 2017

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

Management's Discussion and Analysis (Unaudited)

Within this section of the Ouachita Parish Sheriff (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2017. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's net position decreased by \$746,915.

The Sheriff's governmental fund - General Fund reported total ending fund balance of \$16,256,945 this year. This compares to the prior year ending fund balance of \$15,913,719 representing an increase of \$343,226 for the current year.

Total net position of governmental activities is \$(6,696,509). This results primarily from the requirements per GASB 68 *Accounting and Financial Reporting for Pensions* which requires recognizing the actuarial determined pension liability of \$19,117,800. Another liability is required to be reported as required by GASB 45 *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (OPEB) of \$13,397,907.

Overall, the Sheriff continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall financial health of the Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 12 - 13 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff has one governmental fund, the General Fund.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 15 - 18 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff reports four agency funds.

The agency fund financial statement is presented on page 19 of this report.

Notes to the basic financial statements:

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. A budgetary comparison schedule is included as "required supplemental information" for the General Fund. This schedule demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found beginning on page 47 of this report.

In addition, details of the individual agency funds are presented as other supplemental information beginning on page 52 of this report.

FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's net position decreased between fiscal years 2016 and 2017 by \$746,915. The following table provides a summary of the Sheriff's net position:

	Governmental Activities	
	2017	2016
Assets:		
Current assets and other assets	\$ 17,576,929	\$ 17,134,929
Capital assets	4,473,332	4,403,841
Total assets	<u>22,050,261</u>	<u>21,538,770</u>
Deferred Outflows of Resources	9,177,648	3,565,015
Liabilities:		
Current liabilities	1,319,984	1,221,210
Long-term liabilities	34,455,751	26,553,213
Total liabilities	<u>35,775,735</u>	<u>27,774,423</u>
Deferred Inflows of Resources	2,148,683	3,278,956
Net position:		
Net investment in capital assets	4,473,332	4,403,841
Unrestricted (restated)	<u>(11,169,841)</u>	<u>(10,353,435)</u>
Total net position	\$ <u>(6,696,509)</u>	\$ <u>(5,949,594)</u>

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities was 13 to 1 and 14 to 1 for 2017 and 2016, respectively.

The Sheriff reported negative balances in net position for the governmental activities as previously noted due to GASB 68 implementation. Net position decreased \$746,915 for governmental activities in fiscal year 2017 and increased \$1,339,482, for governmental activities in fiscal year 2016.

CHANGES IN NET POSITION

The Sheriff's total revenues were \$37.13 million representing an increase of approximately \$140,000 or .3% over 2016. A significant portion, 44.3% of the Sheriff's revenue comes from fees, fines and charges for services. Another 46.57% comes from taxes, while only 6.7% comes from grants and contributions.

The total cost of all programs and services was \$37.87 million, an increase of \$2.22 million or 6.2%. All of these costs are for public safety. Of the total costs, depreciation on the public safety and other equipment, buildings and vehicles was \$1,138,486 or 3% of total expenses.

Ouachita Parish Sheriff
Statements of Activities
June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Revenues		
<u>Program Revenues</u>		
Fees, Fines and Charges for Services	\$ 16,446,908	\$ 16,758,191
Operating Grants and Contributions	1,980,059	1,951,057
Capital Grants and Contributions	490,695	509,156
<u>General Revenues</u>		
Property Taxes	12,918,077	12,424,941
Sales Taxes	4,374,192	4,525,957
State Revenue Sharing	632,978	620,763
Investment Earnings	105,437	95,740
Other	177,701	106,898
Total Revenues	37,126,047	36,992,703
Expenses		
Public Safety	37,872,962	35,653,221
Change in net position	(746,915)	1,339,482
Beginning net position	(5,949,594)	(7,289,076)
Ending net position	\$ (6,696,509)	\$ (5,949,594)

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund financial statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$16,256,945, an increase of \$343,226 from the preceding year. The vast majority of these funds are unassigned and are available for continuing the Sheriff's activities.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's only operating fund and the source of day-to-day service delivery.

Revenues from this governmental fund type increased \$133,343 or .36%. Most of the increase can be attributed to property taxes. Expenditures increased \$806,828 or 2.2%.

BUDGETARY HIGHLIGHTS

General Fund

The Sheriff was not required to revise the original budget. Actual expenditures were \$1.4 million (4%) more and actual revenues were \$1.6 million (4.5%) greater than the final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2017, was \$4,473,332. This represents a net increase (including additions and deductions) of \$69,491. This increase was related to current year acquisitions of vehicles, machinery and equipment, and building improvements exceeding the current year depreciation. Additional information regarding Capital Assets is available in the Notes to the Financial Statements.

Ouachita Parish Sheriff
Sheriff's Capital Assets
June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Vehicles	5,410,846	5,649,637
Machinery & equipment	3,573,079	3,260,625
Buildings and building improvements	3,404,173	3,238,432
Rifle range land	489,755	489,755
Construction in progress	-	-
Totals at historical cost	12,877,853	12,638,449
Total accumulated depreciation	8,404,521	8,234,608
Net capital assets	\$ 4,473,332	\$ 4,403,841

At June 30, 2017, the net depreciable capital assets for governmental activities were 34.74% undepreciated versus 34.84% in the prior year. The percentage of remaining life is an indicator of the age of the asset. The higher the percentage reflects the capital asset has a longer remaining lifespan. The assets, therefore at June 30, 2017 have about 1/3 of their useful life remaining. As this percentage decreases, one can assume that more resources will have to be used to replace the older capital assets.

Long-term obligations

At the end of the fiscal year, the Sheriff had total Long-Term Obligations of \$34,455,751 which consists of \$1,840,044 accrued annual vacation and compensated absences, \$100,000 in claims and judgments payable, \$13,397,907 in other post-retirement benefits payable (OPEB) and \$19,117,800 in net pension liability. This amount represents an increase from 2016 of \$7,902,538. This increase is primarily attributable to other post-retirement benefits and pension liability as more fully explained in the notes to the financial statements.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Jay Russell, Sheriff, Ouachita Parish Sheriff and Tax Collector, P.O. Box 1810, Monroe, LA 71210.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2017

ASSETS	
Cash	\$ 15,710,993
Receivables	1,485,297
Due from other funds	370,414
Prepaid Asset	152
Inventory	10,073
Capital assets, net	4,473,332
TOTAL ASSETS	<u>22,050,261</u>
DEFERRED OUTFLOWS OF RESOURCES	9,177,648
LIABILITIES	
Accounts payable	287,149
Accrued payroll & other	1,032,835
Long-term liabilities:	
Due within one year	1,840,044
Due after one year	32,615,707
TOTAL LIABILITIES	<u>35,775,735</u>
DEFERRED INFLOWS OF RESOURCES	2,148,683
NET POSITION	
Net investment in capital assets	4,473,332
Unrestricted	<u>(11,169,841)</u>
TOTAL NET POSITION	<u>\$ (6,696,509)</u>

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

Statement B

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Statement of Activities
For the Year Ended June 30, 2017

Activities	Expenses	Program Revenues			Net (Expense)
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets Governmental Activities
Governmental Activities					
Public safety	\$ 37,872,962	\$ 16,446,908	\$ 1,980,059	\$ 490,695	\$ (18,955,300)
Total	\$ 37,872,962	\$ 16,446,908	\$ 1,980,059	\$ 490,695	\$ (18,955,300)

General revenues

Taxes, levied for general purposes:

Property taxes	12,918,077
Sales taxes	4,374,192
State revenue sharing	632,978
Interest and investment earnings	105,437
Miscellaneous	177,701
Total general revenues	18,208,385

Change in net position	(746,915)
Net position - at beginning of year	(5,949,594)
Net position - at end of year	\$ (6,696,509)

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

FUND FINANCIAL STATEMENTS

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Balance Sheet - Governmental Fund
General Fund

June 30, 2017

ASSETS

Cash	\$ 15,710,993
Receivables	1,485,297
Due from other funds	370,414
Prepaid Legal	152
Inventories	<u>10,073</u>

TOTAL ASSETS	\$ <u><u>17,576,929</u></u>
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LIABILITIES AND FUND BALANCES**Liabilities**

Accounts payable	\$ 287,149
Accrued payroll & other	<u>1,032,835</u>
Total Liabilities	<u>1,319,984</u>

Fund Balances

Nonspendable	10,073
Unassigned	<u>16,246,872</u>
Total Fund Balances	<u>16,256,945</u>

TOTAL LIABILITIES AND FUND BALANCES	\$ <u><u>17,576,929</u></u>
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The accompanying notes are an integral part of the basic financial statements.

OUACHITA PARISH SHERIFF
Monroe, Louisiana

**Reconciliation of the Governmental Fund's Balance Sheet
to the Statement of Net Position**

June 30, 2017

Total fund balances - governmental fund	\$		16,256,945
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds			
Governmental capital assets	\$	12,877,853	
Less: accumulated depreciation		<u>(8,404,521)</u>	4,473,332
Deferred Outflows of Resources - Pensions			9,177,648
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund			
Claims and judgments payable		(100,000)	
Compensated absences payable		(1,840,044)	
Net Pension Liability		(19,117,800)	
Other post-employment benefits payable		<u>(13,397,907)</u>	(34,455,751)
Deferred Inflows of Resources - Pensions			<u>(2,148,683)</u>
Total net position - governmental activities	\$		<u><u>(6,696,509)</u></u>

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

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund - General Fund**

For the Year Ended June 30, 2017

REVENUES

Ad valorem taxes	\$ 12,918,077
Sales taxes	4,374,192
Intergovernmental revenues:	
Federal grants	490,695
State grants:	
State revenue sharing (net)	632,978
State supplemental pay	1,853,247
Other	107,762
Other grants and contributions	19,050
Fees, charges, and commissions for services:	
Services and programs	1,670,300
Civil and criminal fees	1,861,208
Court attendance	73,976
Feeding, keeping and transporting of prisoners	12,600,631
Tax notices, etc.	238,409
Use of money and property	105,437
Other	28,636
TOTAL REVENUES	<u>36,974,598</u>

EXPENDITURES

Public safety	
Current	
Personal services and related benefits	29,991,154
Operating services	2,187,251
Materials and supplies	2,473,744
Travel and other charges	679,148
Capital outlay	1,451,524
TOTAL EXPENDITURES	<u>36,782,821</u>

Excess of revenues over expenditures	<u>191,777</u>
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OTHER FINANCING SOURCES

Compensation for damage and sale of assets	151,449
Total other financing sources	<u>151,449</u>

Excess of Revenues and Other Sources Over Expenditures	343,226
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Fund Balance at Beginning of Year	<u>15,913,719</u>
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FUND BALANCE AT END OF YEAR	<u>\$ 16,256,945</u>
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The accompanying notes are an integral part of the basic financial statements.

OUACHITA PARISH SHERIFF
Monroe, Louisiana

**Reconciliation of the Governmental Fund's Statement of Revenues,
Expenditures and Changes in Fund Balance
to the Statement of Activities**

For the Year Ended June 30, 2017

Net change in fund balance - total governmental fund	\$	343,226
<p>The change in net assets reported for governmental activities in the statement of activities is different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 1,207,977	
Depreciation expense	<u>(1,138,486)</u>	69,491
<p>Governmental funds reports annual premiums for other post-employment benefits as expenditures. However, in the statement of activities, only the current addition in the obligation is recognized as an expense.</p>		
Change in Net Pension Liability	1,108,151	
Post-employment benefits paid	713,735	
Current year addition to the post-employment benefit payable	<u>(2,787,139)</u>	(965,253)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures.</p>		
Loss on Disposition of Assets	-	
Compensated absences	<u>(194,379)</u>	<u>(194,379)</u>
Change in net position - governmental activities	\$	<u><u>(746,915)</u></u>

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

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Fiduciary Fund - Agency Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2017

ASSETS

Cash and cash equivalents	\$ <u>1,686,704</u>
TOTAL ASSETS	\$ <u><u>1,686,704</u></u>

LIABILITIES

Due to General Fund	\$ 370,414
Due to taxing bodies and others	<u>1,316,290</u>
TOTAL LIABILITIES	\$ <u><u>1,686,704</u></u>

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

OUACHITA PARISH SHERIFF

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

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Ouachita Parish Sheriff (Sheriff) serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff also 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 programs such as neighborhood watch and anti-drug abuse. 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, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

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

The Tax Collector collects and disburses ad valorem taxes for municipalities, including the City of Monroe, City of West Monroe, Town of Sterlington, and Town of Richwood for a cost based fee. The Tax Collector also collects and disburses various fees assessed to taxpayers by the City of Monroe and fines, court costs, and bond fees for the Town of Sterlington and Town of Richwood.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

OUACHITA PARISH SHERIFF

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

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 Sheriff.

B. Basis of Presentation

The accompanying financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. However, fiduciary funds are not included. Information contained in these statements 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."

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

OUACHITA PARISH SHERIFF

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

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The funds of the Sheriff are described below:

Governmental Funds -

General Fund - The General Fund is the primary operating fund of the Sheriff and it accounts for all financial resources, except those required to be accounted for 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 Sheriff policies. The General Fund is the only major fund of the Sheriff.

Fiduciary Funds -

Fiduciary fund reporting focuses on assets and liabilities and the changes therein. 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 and inmate funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the General Fund 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 balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial sources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

OUACHITA PARISH SHERIFF

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

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

Revenues

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

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

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

Expenditures

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

D. Budgets

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

1. The chief financial deputy prepares a proposed budget for the General Fund and submits it to the Sheriff for the fiscal year not later than fifteen days prior to the beginning of each fiscal year.

OUACHITA PARISH SHERIFF

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

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.
7. Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in the demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

F. Investments

Under state law, Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

OUACHITA PARISH SHERIFF

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

G. Uncollectible Allowance

The statements contain no provision for uncollectible accounts. The Sheriff is of the opinion that such allowance would be immaterial in relation to the basic financial statements taken as a whole.

H. 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.

I. Deferred Outflows of Resources and Deferred Inflows of Resources

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

J. 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 \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the Statement of Net Position. 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. Construction in progress is not depreciated until the asset is completed and placed into service. All capital assets except land and construction in progress are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (Years)</u>
Office furniture and equipment	3-5
Vehicles	5
Machinery, safety and communications equipment	3-10
Buildings & building improvements	7-25

OUACHITA PARISH SHERIFF

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

K. Compensated Absences

After one year of service, employees of the Sheriff earn 8 days of vacation leave. After that, an additional day of vacation is added for each year of service except for years 3-5 and years 10-12. After 17 years of service, vacation hours reach a maximum of 20 days. After three full months of service, employees earn sick leave at the rate of one day per month of service. There is no maximum number of hours that an employee may accumulate. Employees are not paid for accumulated sick leave upon separation from service. Compensatory time is accrued at 1.5 hours for each hour worked and holiday time is accrued at 1.0 hour for each holiday hour worked. If an employee leaves the employment of the Sheriff, all accrued vacation, compensatory time and holiday pay are paid to the employee.

At June 30, 2017, employees of the Sheriff have \$1,840,044 accumulated and vested employee leave benefits, which was computed in accordance with GASB Codification C60. This amount is recorded in long-term liabilities on the statement of net position.

L. Equity Classifications

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

OUACHITA PARISH SHERIFF

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

In the fund financial statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB Statement 54 for the year ended June 30, 2012. As such, fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

M. Estimates

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

OUACHITA PARISH SHERIFF

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

N. Contingencies

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering its property, automobiles, law enforcement professional liability, and surety bond coverage. The Ouachita Parish Police Jury maintains insurance coverage on the building and its contents. No claims were paid on any of the Sheriff's policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2017.

O. Pension Plans

The Ouachita Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund) as described in Note 7. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fund, and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plan.

P. Subsequent Event Review

The Sheriff has evaluated subsequent events through December 15, 2017 the date which the financial statements were available to be issued resulting in no adjustments.

(2) Cash and Cash Investments

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Sheriff has cash and interest-bearing deposits (book balances excluding \$3,200 petty cash) totaling \$17,394,497 as follows:

OUACHITA PARISH SHERIFF

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

	<u>General Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Noninterest-bearing deposits	\$ 1,708	\$ 576,819	\$ 578,527
Interest-bearing deposits	<u>15,706,085</u>	<u>1,109,885</u>	<u>16,815,970</u>
 Total	 <u>\$ 15,707,793</u>	 <u>\$ 1,686,704</u>	 <u>\$ 17,394,497</u>

Custodial credit risk – deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at June 30, 2017, are secured, as follows:

Bank balances	\$ <u>18,372,060</u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>24,687,190</u>
 Total	 <u>\$ 25,187,190</u>

Credit risk. Under state law, the Sheriff may invest funds in obligations of the United States, in Federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Sheriff's investments consist of certificates of deposit which are covered by Federal deposit insurance or by pledged securities. At June 30, 2017, there were no unsecured and uninsured deposits that are exposed to credit risk.

Concentration of credit risk. The Sheriff does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The Sheriff manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

(3) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem (property) taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in

OUACHITA PARISH SHERIFF

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

June and are actually billed to taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Ouachita Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2017, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 12.11 mills on property with net assessed valuations (after homestead exemption) totaling \$1,057,858,932.

(4) Receivables

The following is a summary of receivables at June 30, 2017:

Federal	\$	70,299
State		160,366
Local		<u>1,254,632</u>
 Total	\$	<u><u>1,485,297</u></u>

(5) Interfund Transactions

Interfund receivables and payables consisted of amounts due to/from other funds for fees earned for services performed. They consisted of the following at June 30, 2017:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 370,414	\$ -
Agency Funds:		
Tax Collector	-	78,313
Inmate	<u>-</u>	<u>292,101</u>
 Total	<u><u>\$ 370,414</u></u>	<u><u>\$ 370,414</u></u>

OUACHITA PARISH SHERIFF

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

(6) *Capital Assets*

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental activities:				
Capital assets not being depreciated				
Rifle range land	\$ 489,755	\$ -	\$ -	\$ 489,755
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>489,755</u>	<u>-</u>	<u>-</u>	<u>489,755</u>
Capital assets being depreciated				
Vehicles	5,649,637	584,708	823,499	5,410,846
Machinery and equipment	3,260,625	457,528	145,074	3,573,079
Buildings and building improvements	<u>3,238,432</u>	<u>165,741</u>	<u>-</u>	<u>3,404,173</u>
Total capital assets being depreciated	<u>12,148,694</u>	<u>1,207,977</u>	<u>968,573</u>	<u>12,388,098</u>
Less: accumulated depreciation	<u>8,234,608</u>	<u>1,138,486</u>	<u>968,573</u>	<u>8,404,521</u>
Governmental activities capital assets - net	<u>\$ 4,403,841</u>	<u>\$ 69,491</u>	<u>\$ -</u>	<u>\$ 4,473,332</u>

Depreciation expense for the year ended June 30, 2017 in the amount of \$1,138,486 was charged to public safety.

(7) *Pension Plan*

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

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

OUACHITA PARISH SHERIFF

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

The Sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date- an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Description:

The Louisiana Sheriff's Pension and Relief Fund is the administrator of a cost-sharing, multiple employer defined benefit plan. The plan provides retirement, disability and survivor benefits to employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the Sheriff's Pension and Relief Fund's office as provided for in LRS 11:2171.

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service. Members who joined the system on or after January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of service may retire with a reduced retirement at age 50. For members eligible on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12 month period within the 36 month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12 month period within the 60 months shall not exceed 115% of the preceding 12 month period.

OUACHITA PARISH SHERIFF

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

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

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under 18 years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than 4 children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit.

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

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

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those 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

OUACHITA PARISH SHERIFF

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

the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back- DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

Cost of living 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.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 13.25%. 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.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the 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 Parish Sheriff's contributions to the System, for the years ending June 30, 2017, 2016, and 2015, were \$5,012,717, \$5,319,495, and \$4,913,352, respectively.

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

At June 30, 2017, the Sheriff reported a liability of \$19,117,800 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially

OUACHITA PARISH SHERIFF

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

determined. At June 30, 2016, the Sheriff's proportion was 3.0122%, which was a decrease of 0.0126% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$2,885,608 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$33,773.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$(2,005,246)
Changes of assumptions	1,561,865	-
Net difference between projected and actual earnings on pension plan investments	4,788,058	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,373	(143,437)
Employer contributions subsequent to the measurement date	2,826,352	-
Total	\$ 9,177,648	\$ (2,148,683)

The Sheriff reported a total of \$2,826,352 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

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

Year	LSRPF
2017	\$ 481,910
2018	481,911
2019	1,876,576
2020	1,301,231
2021 and beyond	60,985
	\$ 4,202,613

OUACHITA PARISH SHERIFF

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

Actuarial Assumptions

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.60%, net of investment expense
Discount Rate	7.5%
Projected salary increases	5.5% (2.875% inflation, 2.625% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the fund's target asset allocation as of June 30, 2016 are summarized in the following table:

OUACHITA PARISH SHERIFF

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	60%	6.40%	3.90%
Bonds	25%	1.90%	0.50%
Alternative Investments	15%	4.30%	0.60%
Total	100%		5.00%
Inflation			2.70%
Expected Arithmetic Nominal Return			7.70%

Discount Rate

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

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF Rates	6.50%	7.50%	8.50%
OPSO Share of NPL	\$ 32,435,296	\$ 19,117,800	\$ 8,125,786

OUACHITA PARISH SHERIFF

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

(8) *Post-employment benefits*

Post-employment benefits

Plan Description – The Ouachita Parish Sheriff's medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical/dental coverage for the eligible retirees only (not dependents). The employer also pays for life insurance coverage after retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 but must have 20 years of service with Ouachita Parish Sheriff's Office to obtain medical coverage paid by the employer.

The valuation of the retiree dental insurance has been combined with the medical with all actuarial assumptions being the same except that there was not any medical trend assumed for dental insurance rates.

Life insurance coverage is continued to retirees by election. The employer pays for \$10,000 of life insurance after retirement for retirees but it is based on the blended active/retired rate and there is thus an implied subsidy. The employer also pays the "cost" of up to \$15,000 if the retiree elects to continue the full 2.5 times salary insurance amount into retirement with a similar implied subsidy for this amount. Also, although the retiree pays the "cost" of the excess elected benefit it is based on the blended rate and there is thus an additional implied subsidy. Since GASB 45 requires the use of "unblended" rates, the 94GAR mortality table described below is used to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. Based on past experience, it is assumed that 20% of future retirees will decline life insurance, 10% will elect only the basic \$10,000 and 70% will elect to continue the full 2.5 times salary. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Fund Policy – Until 2008, the Ouachita Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Ouachita Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$713,735 and \$738,528, respectively.

OUACHITA PARISH SHERIFF

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

Effective July 1, 2008, the Ouachita Parish Sheriff implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

	2017	2016
Normal cost	\$ 1,271,760	\$ 1,123,062
30-year UAL amortization amount	1,717,296	1,561,140
Annual required contribution (ARC)	\$ 2,989,056	\$ 2,684,202

Net Post-employment Benefit Obligation – The table below shows the Ouachita Parish Sheriff’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	2017	2016
Beginning Net OPEB Obligation	\$ 11,324,503	\$ 9,549,090
Annual required contribution	2,989,056	2,684,202
Interest on Net OPEB Obligation	452,980	381,964
ARC Adjustment	(654,897)	(552,225)
OPEB Cost	2,787,139	2,513,941
Contribution	-	-
Current year retiree premium	(713,735)	(738,528)
Change in Net OPEB Obligation	2,073,404	1,775,413
Ending Net OPEB Obligation	\$ 13,397,907	\$ 11,324,503

OUACHITA PARISH SHERIFF

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

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$ 2,787,139	25.61%	\$13,397,907
June 30, 2016	\$ 2,513,941	29.38%	\$11,324,503

Funded Status and Funding Progress – In 2017 and 2016, the Ouachita Parish Sheriff made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$26,926,917 which is defined as that portion, as determined by a particular actuarial cost method (the Ouachita Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 26,926,917	\$ 28,075,117
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ <u>26,926,917</u>	\$ <u>28,075,117</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 20,233,946	\$ 20,531,401
UAAL as a percentage of covered payroll	133.08%	136.74%

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

OUACHITA PARISH SHERIFF

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

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

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should the OPEB obligations be funded, a smoothed market value consistent with Actuarial Standards Board, Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Codification P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 7.5%.

Post employment Benefit Plan Eligibility Requirements – It is assumed that actual retirement (and commencement of OPEB benefits) occurs at four years after the earliest retirement eligibility (D.R.O.P. entry) eligibility described in the section entitled “Plan Description”. The four years consists of three years of D.R.O.P. and one additional year. Medical benefits are provided to employees upon actual retirement.

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

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

OUACHITA PARISH SHERIFF

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

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

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the blended rate, as required by GASB Codification Section P50 for valuation purposes.

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

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

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

Below is a summary of OPEB cost and contributions for the last three fiscal years.

OPEB Costs and Contributions			
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 2,442,051	\$ 2,513,941	\$ 2,787,139
Contribution	-	-	-
Retiree premium	<u>683,822</u>	<u>738,528</u>	<u>713,735</u>
Total contribution and premium	<u>683,822</u>	<u>738,528</u>	<u>713,735</u>
Change in net OPEB obligation	<u>\$ 1,758,229</u>	<u>\$ 1,775,413</u>	<u>\$ 2,073,404</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	28.00%	29.38%	25.61%

OUACHITA PARISH SHERIFF

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

(9) Changes in General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Other Post Employment Benefits</u>	<u>Total</u>
Long-term obligations at July 1, 2016	\$ 1,645,665	\$ 100,000	\$ 24,807,548	\$ 26,553,213
Additions	194,379	-	7,708,159	7,902,538
Deductions	-	-	-	-
Long-term obligations at June 30, 2017	<u>\$ 1,840,044</u>	<u>\$ 100,000</u>	<u>\$ 32,515,707</u>	<u>\$ 34,455,751</u>
Amounts due within one year	<u>\$ 1,840,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,840,044</u>

(10) Agency Fund Deposits Due to Taxing Bodies and Others

A summary of changes in Agency Fund deposits due to taxing bodies and others and due to prisoners follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>
Agency Fund				
Tax Collector	\$ 1,083,937	\$ 125,203,525	\$ 125,874,540	\$ 412,922
Civil	187,822	5,845,987	5,853,650	180,159
Bond	359,162	307,251	227,922	438,491
Inmate	434,178	5,084,154	5,233,614	284,718
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 2,065,099</u>	<u>\$ 136,440,917</u>	<u>\$ 137,189,726</u>	<u>\$ 1,316,290</u>

OUACHITA PARISH SHERIFF

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

(11) Litigation, Claims and Commitments

At June 30, 2017, the Sheriff was involved in several lawsuits. The potential liability for lawsuits pending has been estimated to be \$100,000. No provision for any other liability resulting from lawsuits has been made in the accompanying financial statements.

The Sheriff has entered into various cancelable operating leases for office and communication equipment. Rental expense under all cancelable operating leases for the year ended June 30, 2017 was \$50,829.

(12) On-Behalf Payments

Certain employees of the Sheriff receive supplemental pay from the State of Louisiana. In accordance with GASB Statement No. 24, the Sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$1,853,247.

(13) Expenditures of the Sheriff Paid by the Ouachita Parish Police Jury

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

(14) Deferred Compensation Plan

The Sheriff also offers employees the ability to participate in the Louisiana 457 Deferred Compensation Plan (the Plan). All current full-time employees are immediately eligible to participate in the Plan. For 2017, the maximum participant contribution amount is 100% of the employees' eligible compensation or \$18,000, whichever is less. Participants who will attain the age of 50 by the end of the year are permitted to make certain "catch-up" contributions up to an additional \$6,000 in 2017. The Sheriff matches 40% of the employee's contribution up to \$5,000. Participants are able to direct their investments into an array of mutual funds that the Plan offers. The Sheriff's contributions to the Plan (including employee contributions) for the years ended June 30, 2017, 2016, and 2015, were \$941,296, \$906,520 and \$834,398 respectively.

(15) Federal Financial Assistance

The Sheriff participated in the following Federal financial assistance programs during the year ended June 30, 2017:

OUACHITA PARISH SHERIFF

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

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Federal Expenditures
U. S. Department of Justice:		
Direct Programs:		
Justice Assistance Grants	16.738	\$ 127,314
Pass-Through Programs:		
Louisiana Commission on Law Enforcement:		
Domestic Violence Investigation	16.588	89,388
Domestic Violence High Risk Program 2	16.575	2,866
Enhanced Domestic Violence Case Program 2	16.575	<u>241,550</u>
Total Department of Justice		<u>333,804</u>
Total Expenditures of Federal Awards		\$ <u>461,118</u>

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

OUACHITA PARISH SHERIFF
Monroe, Louisiana

General Fund
Budgetary Comparison Schedule

For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Budgetary Fund Balance - Beginning of year	\$ 15,913,719	\$ 15,913,719	\$ 15,913,719	\$ -
Resources (Inflows)				
Ad valorem taxes	12,485,000	12,485,000	12,918,077	433,077
Sales taxes	4,200,000	4,200,000	4,374,192	174,192
Intergovernmental revenues				
Federal grants	81,000	81,000	490,695	409,695
State grants				
State revenue sharing (net)	600,000	600,000	632,978	32,978
State supplemental pay	1,776,000	1,776,000	1,853,247	77,247
Other	76,000	76,000	107,762	31,762
Other grants and contributions	25,500	25,500	19,050	(6,450)
Fees, charges, and commissions for services				
Services and programs	1,667,350	1,667,350	1,670,300	2,950
Civil and criminal fees	1,600,000	1,600,000	1,861,208	261,208
Court attendance	80,000	80,000	73,976	(6,024)
Feeding, keeping and transporting of prisoners	12,469,704	12,469,704	12,600,631	130,927
Tax notices, etc.	200,000	200,000	238,409	38,409
Use of money and property	80,000	80,000	105,437	25,437
Other	25,000	25,000	28,636	3,636
Total resources	<u>35,365,554</u>	<u>35,365,554</u>	<u>36,974,598</u>	<u>1,609,044</u>
Other financing sources				
Compensation for damage and sale of assets	-	-	151,449	151,449
Total other financing sources	<u>-</u>	<u>-</u>	<u>151,449</u>	<u>151,449</u>
Amounts available for appropriations	51,279,273	51,279,273	53,039,766	1,760,493
Charges to appropriations (Outflows)				
Public safety				
Current				
Personal services and related benefits	29,744,994	29,744,994	29,991,154	(246,160)
Operating services	1,637,123	1,637,123	2,187,251	(550,128)
Materials and supplies	2,597,944	2,597,944	2,473,744	124,200
Travel and other charges	520,393	520,393	679,148	(158,755)
Capital outlay	865,100	865,100	1,451,524	(586,424)
Total charges to appropriations	<u>35,365,554</u>	<u>35,365,554</u>	<u>36,782,821</u>	<u>(1,417,267)</u>
Budgetary Fund Balance - End of Year	\$ <u>15,913,719</u>	\$ <u>15,913,719</u>	\$ <u>16,256,945</u>	\$ <u>343,226</u>

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Employee Health Care Plan - Schedule of Funding Progress

For the Year Ended June 30, 2017

<u>Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Accrued Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2011	July 1, 2010	\$ -	\$ 16,375,134	\$ 16,375,134	0.00%	\$ 16,744,425	97.8%
2012	July 1, 2011	\$ -	\$ 17,030,139	\$ 17,030,139	0.00%	\$ 17,815,267	95.59%
2013	July 1, 2012	\$ -	\$ 24,058,663	\$ 24,058,663	0.00%	\$ 18,316,610	131.35%
2014	July 1, 2013	\$ -	\$ 25,021,010	\$ 25,021,010	0.00%	\$ 19,510,494	128.24%
2015	July 1, 2014	\$ -	\$ 26,995,305	\$ 26,995,305	0.00%	\$ 19,903,775	135.63%
2016	July 1, 2015	\$ -	\$ 28,075,117	\$ 28,075,117	0.00%	\$ 20,531,401	136.74%
2017	July 1, 2016	\$ -	\$ 26,926,917	\$ 26,926,917	0.00%	\$ 20,233,946	133.08%

OUACHITA PARISH SHERIFF'S OFFICE
Monroe, Louisiana

Schedule of Proportionate Share of Net Pension Liability
Sheriffs' Pension and Relief Fund
For the Year Ended June 30, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	3.0386%	3.0248%	3.0122%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 12,032,717	\$ 13,483,045	\$ 19,117,800
Employer's Covered-Employee Payroll	\$ 19,903,775	\$ 20,531,401	\$ 21,330,422
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	60.45%	65.67%	89.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.34%	86.61%	82.10%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

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

OUACHITA PARISH SHERIFF'S OFFICE
Monroe, Louisiana

Schedule of the Employer's Contributions
Sheriffs' Pension and Relief Fund
For the Year Ended June 30, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution ¹	\$ 2,857,813	\$ 2,828,851	\$ 2,826,352
Contributions in Relation to Contractually Required Contribution ²	<u>2,857,813</u>	<u>2,828,851</u>	<u>2,826,352</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Employee Payroll ³	\$ 19,903,775	\$ 20,531,401	\$ 21,330,422
Contributions as a % of Covered Employee Payroll	14.36%	13.78%	13.25%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the Sheriffs' Pension and Relief Fund*

³ *Employer's covered employee payroll amount for the fiscal year ended noted.*

OTHER SUPPLEMENTAL INFORMATION

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

**Fiduciary Fund Type - Agency Funds
Combining Balance Sheet**

June 30, 2017

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Bond Fund</u>	<u>Inmate Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 491,235	\$ 180,159	\$ 438,491	\$ 576,819	\$ 1,686,704
TOTAL ASSETS	<u>\$ 491,235</u>	<u>\$ 180,159</u>	<u>\$ 438,491</u>	<u>\$ 576,819</u>	<u>\$ 1,686,704</u>
LIABILITIES					
Due to General Fund	\$ 78,313	\$ -	\$ -	\$ 292,101	\$ 370,414
Due to taxing bodies and others	<u>412,922</u>	<u>180,159</u>	<u>438,491</u>	<u>284,718</u>	<u>1,316,290</u>
TOTAL LIABILITIES	<u>\$ 491,235</u>	<u>\$ 180,159</u>	<u>\$ 438,491</u>	<u>\$ 576,819</u>	<u>\$ 1,686,704</u>

**OUACHITA PARISH SHERIFF
EX-OFFICIO TAX COLLECTOR**

**Schedule of Assessed Taxes, Collections,
and Uncollected Balances
For the Year Ended June 30, 2017**

Taxing Authority	Taxes Assessed	Tax Adjustments	Taxes Due	Collected Taxes	Refunds	Uncollected Taxes
Law Enforcement	\$ 12,828,681	\$ (97,495)	\$ 12,731,186	\$ 12,643,596	14,040	\$ 101,630
Parish Schools - Parishwide	3,550,288	(22,919)	3,527,369	3,503,878	3,405	26,896
Parish Schools - School Maintenance/Operation	16,552,007	(106,852)	16,445,155	16,335,636	15,873	125,392
Parish Schools - East Ouachita School Bond	7,860,248	(35,460)	7,824,788	7,756,182	6,087	74,693
Monroe City Schools - Maintenance/Operational/Additional Support	10,332,602	(100,198)	10,232,404	10,157,861	13,871	88,414
Monroe City Schools - Bonds	5,104,607	(49,502)	5,055,105	5,018,279	6,853	43,679
Parish General Fund	3,293,253	(24,411)	3,268,842	3,246,490	3,522	25,874
Parish Wide - Library Maintenance	8,093,394	(61,506)	8,031,888	7,976,629	8,857	64,116
Parish Wide - Health Unit	794,568	(6,043)	788,525	783,098	870	6,297
Parish Wide - Mosquito Abatement	1,483,094	(11,272)	1,471,822	1,461,697	1,623	11,748
Parish Wide - GB Cooley Hospital	1,514,873	(11,513)	1,503,360	1,493,016	1,658	12,002
Parish Wide -Detention Home	3,072,149	(23,351)	3,048,798	3,027,821	3,362	24,339
Parish Wide - Jail Maintenance and Improvements	9,703,608	(73,746)	9,629,862	9,563,609	10,619	76,872
Parish Wide - Assessment District	1,938,612	(14,724)	1,923,888	1,910,641	2,113	15,360
Municipal - Sterlington General Fund	127,581	(323)	127,258	126,790	69	537
Forestry Fee / Per Acre	13,149	(7)	13,142	13,142	-	-
Tensas Basin Levee District	2,239,432	(15,742)	2,223,690	2,206,150	2,299	19,839
Parish Fire Maintenance	10,287,372	(73,001)	10,214,371	10,146,586	10,927	78,712
East Ouachita Recreation Maintenance	1,620,167	(5,962)	1,614,205	1,598,354	1,299	17,150
Road Lighting District Fees	160,571	(529)	160,042	160,086	75	31
LA Tax Commission	81,374	-	81,374	81,374	-	-
Drainage District Fees	20,976	-	20,976	20,976	-	-
Parish Abatement Fees	30,510	(8,867)	21,643	19,744	-	1,899
City of Monroe	11,362,451	(114,309)	11,248,142	11,170,592	10,059	87,609
City of West Monroe	1,294,550	(3,936)	1,290,614	1,281,976	244	8,882
Municipal-Richwood General and Maintenance	139,395	(1,902)	137,493	136,739	-	754
Total	\$ 113,499,512	\$ (863,570)	\$ 112,635,942	\$ 111,840,942	117,725	\$ 912,725

STATE OF LOUISIANA
PARISH OF OUACHITA

AFFIDAVIT

JAY RUSSELL, SHERIFF OF OUACHITA PARISH

BEFORE ME, the undersigned authority, personally came and appeared, Jay Russell, the Sheriff of Ouachita Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$540,357 is the amount of cash on hand in the tax collector account on June 30, 2017;

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

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



JAY RUSSELL, SHERIFF

Sworn to and subscribed before me, Notary, this 21st day of Dec, 2017, in my office in Thomade, Louisiana.



(Signature)

CAROLYN T. WILLIAMS (Print) # 17036
NOTARY PUBLIC NO. 17036
Notary Public
My Commission is for Life

with Life (Commission)

OUACHITA PARISH SHERIFF
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2017

Agency Head
 Sheriff Jay Russell

Salary		\$ 145,568
Benefits		
Retirement	42,447	
Medical Insurance	7,388	
Dental Insurance	191	
Life Insurance	1,810	
Deferred Compensation	3,600	
Expense Allowance	14,504	
Total Benefits	69,940	
Travel - LSA/LS PRF/FBI		4,087
Registration Fees - FBI		145
Dues		265
Conference Fees - LSA		585
		5,082
Total		\$ 220,590

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

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

Ouachita Parish Sheriff Monroe, 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 major fund, and the aggregate remaining fund information of Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 15, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Ouachita Parish Sheriff
Monroe, Louisiana

Compliance and Other Matters

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

Purpose of this Report

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

Cameron, Hines & Company (APAC)

December 15, 2017
West Monroe, Louisiana

OUACHITA PARISH SHERIFF

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

We have audited the financial statements of the Ouachita Parish Sheriff as of and for the year ended June 30, 2017, and have issued our report thereon dated December 15, 2017. 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. Our audit of the financial statements as of June 30, 2017, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

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

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

Section II- Financial Statement Findings

None

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

OUACHITA PARISH SHERIFF

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

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

No prior year findings.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Ouachita Parish Sheriff and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Ouachita Parish Sheriff (Sheriff) 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, 2016 through June 30, 2017. The Sheriff'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

1. Obtain the Sheriff's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Sheriff does not have any written policies and procedures), as applicable:
 - 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***, including receiving, recording, and preparing deposits
 - 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, and (5) monitoring card usage
- 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 Sheriff's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: Three exceptions noted where the Sheriff's written policies and procedures did not meet the requirements as set forth by the Louisiana Legislative Auditor.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Sheriff's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Findings: The Sheriff does not have Board or Committee meetings. Therefore, this step is not applicable.

Bank Reconciliations

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

Findings: We obtained the listing and management's representation.

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

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

- d) **Findings:** One exception noted where there was no documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

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

Findings: We obtained the listing and management's representation.

6. Using the listing provided by management, select all of the Sheriff's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded,

(2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Sheriff has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using Sheriff's collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings: One exception noted where the employee responsible for cash collections also reconciles the bank account and makes deposits. Three exceptions where there is no documentation for the formal process to reconcile cash collections to the general ledger. Two exceptions noted where the employee who collects the funds also reconciles the collections to the general ledger. One exception noted where the collections were not deposited in one business day. One exception noted where the collections were not completely supported by documentation.

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

Findings: Three exceptions noted where there was no written documentation on a process to determine the completeness of all collections.

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

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

Findings: We obtained the general ledger and management's representation.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Sheriff had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings: No exceptions noted.

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

Findings: No exceptions noted.

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

Findings: No exceptions noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings: No exceptions noted.

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

Findings: No signature stamp or signature machine is used by the Sheriff. This step is not applicable.

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

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

Findings: We obtained the listing and management's representation.

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

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

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

Findings: No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Sheriff's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the Sheriff's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: Five exceptions noted where charges on the cards did not have proper supporting documentation.

Travel and Expense Reimbursement

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

Findings: We obtained the general ledger and the Sheriff's travel and related expense reimbursements. We obtained management's representation.

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

Findings: No exceptions noted.

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

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

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the Sheriff's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: One exception noted where an itemized receipt was not attached to the travel reimbursement form. One exception noted where the employee approved their own travel reimbursement form.

Contracts

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

Findings: We obtained the general ledger and noted any contracts in effect during the fiscal period. We obtained management's representation.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Sheriff complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the Sheriff solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings: No exceptions noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Findings: No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the Sheriff had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the Sheriff maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings: One exception noted where the supervisor did not sign off on an employee's leave request.

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

Findings: No exceptions noted.

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

Findings: No exceptions noted.

Ethics (excluding nonprofits)

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

Findings: No exceptions were noted.

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

Findings: We noted that no alleged ethics violations were reported to the Sheriff during the fiscal period.

Debt Service (excluding nonprofits)

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

Findings: We noted that no debt was issued during the fiscal period.

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

Findings: We noted that the Sheriff did not have any outstanding debt during the fiscal period.

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

Findings: We noted that the Sheriff does not have tax millages relating to debt service.

Other

31. Inquire of management whether the Sheriff had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Sheriff reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Sheriff is domiciled.

Findings: We noted that there were no misappropriations of public funds or assets reported to the Sheriff.

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

Findings: No exceptions noted.

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

Findings: We did not observe or otherwise identify any exceptions regarding management's representations in the procedures above.

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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana

December 15, 2017