

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

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beauregard Parish Sheriff, as of and for the year ended June 30, 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.

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish Sheriff, as of June 30, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the sheriff's proportionate share of the net pension liability, schedule of the sheriff's pension contributions, and other post-employment benefits (OPEB) funding schedule on pages 39 - 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017 on our consideration of the Beauregard Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Beauregard Parish Sheriff's internal control over financial reporting and compliance.



DeRidder, Louisiana
December 18, 2017

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,948,240	\$ 66,514	\$ 6,014,754
Receivables:			
Taxes			
Ad valorem taxes	21,397	-	21,397
Sales and use taxes	34,780	-	34,780
Occupational license	3,650	-	3,650
Accounts	60,772	2,959	63,731
Intergovernmental:			
Due from federal governments	40,472	-	40,472
Due from state governments	288,117	-	288,117
Due from other funds	17,605	12,672	30,277
Restricted cash and cash equivalents	293,604	-	293,604
Capital assets being depreciated, net	1,200,375	-	1,200,375
Total assets	<u>\$ 7,909,012</u>	<u>\$ 82,145</u>	<u>\$ 7,991,157</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows:			
Prepaid insurance	\$ 25,462	\$ -	\$ 25,462
Pension contributions	2,033,388	-	2,033,388
Total deferred outflows of resources	<u>\$ 2,058,850</u>	<u>\$ -</u>	<u>\$ 2,058,850</u>
Total assets and deferred outflows of resources	<u>\$ 9,967,862</u>	<u>\$ 82,145</u>	<u>\$ 10,050,007</u>
LIABILITIES			
Accounts payable	\$ 333,255	\$ 12,959	\$ 346,214
Payroll deductions payable	511	-	511
Long term liabilities:			
Due within one year	156,216	-	156,216
Due in more than one year	7,160,634	-	7,160,634
Total liabilities	<u>\$ 7,650,616</u>	<u>\$ 12,959</u>	<u>\$ 7,663,575</u>
DEFERRED INFLOWS OF RESOURCES			
Pension contributions	\$ 561,410	\$ -	\$ 561,410
Total liabilities and deferred inflows of resources	<u>\$ 8,212,026</u>	<u>\$ 12,959</u>	<u>\$ 8,224,985</u>
NET POSITION			
Net investment in capital assets	\$ 1,200,375	\$ -	\$ 1,200,375
Unrestricted	261,857	69,186	331,043
Restricted	293,604	-	293,604
Total net position	<u>\$ 1,755,836</u>	<u>\$ 69,186</u>	<u>\$ 1,825,022</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 9,967,862</u>	<u>\$ 82,145</u>	<u>\$ 10,050,007</u>

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2017

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government and administration	\$ 320,569	\$ 707,262	\$ 588	\$ -	\$ 387,281	\$ -	\$ 387,281
Public safety	8,893,277	1,196,523	245,819	80,361	(7,370,574)	-	(7,370,574)
Total governmental activities	\$ 9,213,846	\$ 1,903,785	\$ 246,407	\$ 80,361	\$ (6,983,293)	\$ -	\$ (6,983,293)
Business-type activities:							
Commissary sales	\$ 186,465	\$ 238,946	\$ -	\$ -	\$ -	\$ 52,481	\$ 52,481
Total government	\$ 9,400,311	\$ 2,142,731	\$ 246,407	\$ 80,361	\$ (6,983,293)	\$ 52,481	\$ (6,930,812)
General revenues:							
Taxes:							
Ad valorem taxes					3,664,587	-	3,664,587
Sales taxes					2,689,531	-	2,689,531
State supplemental pay					319,368	-	319,368
Investment earnings					8,434	-	8,434
Miscellaneous					121	-	121
Sale of assets					1,845	-	1,845
Nonemployer pension contributions					244,945	-	244,945
Rental income					5,001	-	5,001
Transfers					100,089	(100,000)	89
Total general revenues and transfers					7,033,921	(100,000)	6,933,921
Change in net position					50,628	(47,519)	3,109
Net position at beginning of year					1,705,208	116,705	1,821,913
Net position at end of year					\$ 1,755,836	\$ 69,186	\$ 1,825,022

The accompanying notes are an integral part of this statement.

Balance Sheet
Governmental Funds
June 30, 2017

ASSETS	Major Fund		Total Governmental Funds
	General	Sales Tax	
Cash and cash equivalents	\$ 5,948,240	\$ -	\$ 5,948,240
Receivables:			
Taxes			
Ad valorem taxes	21,397	-	21,397
Sales and use taxes	34,780	-	34,780
Occupational license	3,650	-	3,650
Accounts	60,772	-	60,772
Intergovernmental:			
Due from federal governments	40,472	-	40,472
Due from state governments	288,117	-	288,117
Due from other funds	17,605	-	17,605
Restricted cash and cash equivalents	-	293,604	293,604
Total assets	<u>\$ 6,415,033</u>	<u>\$ 293,604</u>	<u>\$ 6,708,637</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows:			
Prepaid insurance	<u>\$ 25,462</u>	<u>\$ -</u>	<u>\$ 25,462</u>
Total assets and deferred outflows of resources	<u>\$ 6,440,495</u>	<u>\$ 293,604</u>	<u>\$ 6,734,099</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 333,255	\$ -	\$ 333,255
Payroll deductions payable	511	-	511
Total liabilities	<u>\$ 333,766</u>	<u>\$ -</u>	<u>\$ 333,766</u>
Fund Balances:			
Unassigned	\$ 6,081,267	\$ -	\$ 6,081,267
Nonspendable			
Not in spendable form	25,462	-	25,462
Restricted	-	293,604	293,604
Total fund balances	<u>\$ 6,106,729</u>	<u>\$ 293,604</u>	<u>\$ 6,400,333</u>
Total liabilities and fund balances	<u>\$ 6,440,495</u>	<u>\$ 293,604</u>	<u>\$ 6,734,099</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2017

Total fund balance - total governmental funds	\$	6,400,333
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		1,200,375
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows		1,893,902
Pension related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows		(421,924)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other postemployment benefits	\$	(3,314,739)
Net pension liability		(4,002,111)
		<u>(7,316,850)</u>
Net position of governmental activities	\$	<u><u>1,755,836</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Sales Tax</u>	
Revenues			
Taxes:			
Ad valorem	\$ 3,664,587	\$ -	\$ 3,664,587
Sales taxes	-	2,689,531	2,689,531
Intergovernmental:			
Federal grants	282,749	-	282,749
State grants	38,731	-	38,731
Local grants	5,288	-	5,288
State supplemental pay	319,368	-	319,368
Fees, charges and commissions for services	1,903,785	-	1,903,785
Investment income	7,664	770	8,434
Rental income	5,001	-	5,001
Other revenues	120	1	121
Total revenues	<u>\$ 6,227,293</u>	<u>\$ 2,690,302</u>	<u>\$ 8,917,595</u>
Expenditures			
General government			
Tax collector	\$ 320,569	\$ -	\$ 320,569
Public safety			
Administrative	728,420	-	728,420
Community services	82,033	-	82,033
Civil services	357,659	-	357,659
Criminal investigation	4,003,267	-	4,003,267
Custody of prisoners	2,386,212	-	2,386,212
Communications	495,292	-	495,292
Automotive services	416,862	-	416,862
Capital outlay	333,270	-	333,270
Total expenditures	<u>\$ 9,123,584</u>	<u>\$ -</u>	<u>\$ 9,123,584</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,896,291)</u>	<u>\$ 2,690,302</u>	<u>\$ (205,989)</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Sales Tax</u>	
Other financing sources (uses)			
Transfers in	\$ 2,780,889	\$ -	\$ 2,780,889
Transfers out	-	(2,680,800)	(2,680,800)
Sale of assets	1,845	-	1,845
Total other financing sources (uses)	<u>\$ 2,782,734</u>	<u>\$ (2,680,800)</u>	<u>\$ 101,934</u>
Net change in fund balance	\$ (113,557)	\$ 9,502	\$ (104,055)
Fund balances at beginning of year	<u>6,220,286</u>	<u>284,102</u>	<u>6,504,388</u>
Fund balances at end of year	<u>\$ 6,106,729</u>	<u>\$ 293,604</u>	<u>\$ 6,400,333</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds	\$ (104,055)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the net amount of capital assets recorded in the current period.	333,270
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(267,953)
Governmental funds do not report net change in other postemployment benefits (OPEB) obligations. However, this obligation does appear in the Statement of Activities since the payable is reported on the Statement of Net Position	(156,216)
Pension expense is based on employer contributions in the government funds, but is an actuarially calculated expense on the Statement of Activities.	<u>245,582</u>
Change in net position of governmental activities	<u><u>\$ 50,628</u></u>

The accompanying notes are an integral part of this statement.

Statement of Net Position
Proprietary Fund
June 30, 2017

	Business-type Activities Enterprise Fund <u>Commissary Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 66,514
Accounts receivable	2,959
Due from other funds	<u>12,672</u>
Total current assets	<u>\$ 82,145</u>
LIABILITIES	
Current Liabilities	
Accounts payable	<u>\$ 12,959</u>
NET POSITION	
Unrestricted	<u>\$ 69,186</u>
Total liabilities and net position	<u>\$ 82,145</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 For the Year Ended June 30, 2017

	Business-type Activities <u>Enterprise Fund</u> Commissary <u>Fund</u>
Operating revenues	
Sales to inmates	\$ 238,946
Operating expenses	
Purchases	\$ 169,076
Medical co-payments	17,129
Miscellaneous	260
Total operating expenses	<u>\$ 186,465</u>
Income (loss) from operations before transfers	\$ 52,481
Transfer out	<u>\$ (100,000)</u>
Change in net position	\$ (47,519)
Net position at beginning of year	<u>116,705</u>
Net position at end of year	<u><u>\$ 69,186</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2017

	Business-type Activities <u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 238,592
Cash payments to suppliers for goods and services	(164,251)
Cash payments for inmate medical co-pay	(17,129)
Net cash provided by operating activities	<u>\$ 57,212</u>
Cash flows from noncapital financing activities:	
Due from other funds increase	\$ (3,091)
Transfer out	(100,000)
Net cash used by noncapital financing activities	<u>\$ (103,091)</u>
Net increase (decrease) in cash and cash investments	\$ (45,879)
Cash and Cash investments, July 1, 2016	112,393
Cash and Cash investments, June 30, 2017	<u>\$ 66,514</u>
Reconciliation of net operating income from operations to net cash provided by operating activities:	
Income from operations	\$ 52,481
Adjustments to reconcile net operating income from operations to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	\$ (354)
Increase in accounts payable	5,085
Net cash provided by operating activities	<u>\$ 57,212</u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position
Agency Funds
June 30, 2017

	<u>Sheriff's Fund</u>	<u>Tax Collection Fund</u>	<u>Other Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 8,330	\$ 174,311	\$ 366,258	\$ 548,899
Accounts receivable	-	13,894	3,684	17,578
Due from other funds	-	-	2,049	2,049
Total assets	<u>\$ 8,330</u>	<u>\$ 188,205</u>	<u>\$ 371,991</u>	<u>\$ 568,526</u>
LIABILITIES				
Liabilities				
Held for others	\$ 8,330	\$ 96,749	\$ 357,179	\$ 462,258
Due to other funds	-	17,514	14,812	32,326
Total liabilities	<u>\$ 8,330</u>	<u>\$ 114,263</u>	<u>\$ 371,991</u>	<u>\$ 494,584</u>
DEFERRED INFLOWS OF RESOURCES				
Protested taxes	\$ -	\$ 73,942	\$ -	\$ 73,942
Total liabilities and deferred inflows of resources	<u>\$ 8,330</u>	<u>\$ 188,205</u>	<u>\$ 371,991</u>	<u>\$ 568,526</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Parish Sheriff

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

INTRODUCTION

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Beauregard Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

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

C. FUND ACCOUNTING

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Governmental Funds

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

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

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

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

Fiduciary Funds

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

Proprietary Fund

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

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements C and E, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

Revenues

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

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

Expenditures and Expenses

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

Other Financing Sources (Uses)

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

The financial administrator prepares the proposed budget and submits this to the sheriff for approval. Amended budgets are prepared in the same manner and submitted to the sheriff for approval when a variance greater than five percent exists between budgeted and actual amounts. The proposed budget for 2016-2017 was made available for inspection on June 14, 2016. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal ten days prior to the public hearing, which was held at the Beauregard Parish Sheriff's office on June 14, 2016, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the sheriff.

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

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

EXCESS OF EXPENDITURES OVER APPROPRIATIONS The following individual fund had actual expenditures over budgeted appropriations for the year ended June 30, 2017.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 9,106,000	\$ 9,086,000	\$ 9,123,584	\$ 37,584

F. CASH AND CASH EQUIVALENTS

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

G. INVESTMENTS

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

Under state law, the sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments, if their original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. At June 30, 2017 the sheriff had no investments.

H. INVENTORY

The sheriff had no inventory as of June 30, 2017.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

J. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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

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

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

L. COMPENSATED ABSENCES

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

Sick Leave Policy

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

6. Employees will not be paid for any accrued or accumulated unused sick leave remaining at the time of separation from employment.
7. Once all accrued and accumulated sick leave has been exhausted, an employee may utilize any other accrued paid leave in the event of a qualifying reason for absence under sick leave.

M. RESTRICTED NET POSITION

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

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

N. EXTRAORDINARY AND SPECIAL ITEMS

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

O. INTERFUND TRANSACTIONS

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

P. SALES TAX

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

Q. ESTIMATES

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

R. FUND BALANCES

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

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

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

S. PENSIONS

Financial reporting information pertaining to the Sheriff’s participation in the Sheriff’s Pension and Relief Fund is prepared in accordance with Governmental Accounting Standards Board “GASB” Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which have been adopted by the Sheriff for the fiscal year ended June 30, 2017.

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

2. LEVIED TAXES

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

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

Property Tax Calendar	
Assessment date	January 1, 2016
Levy date	June 30, 2016
Tax bills mailed	October 15, 2016
Total taxes are due	December 31, 2016
Penalties & interest due	January 31, 2017
Lien date	January 31, 2017
Tax sale	May 15, 2017

For the year ended June 30, 2017, taxes of 16.51 mills were levied on property with an assessed valuation totaling \$214,969,867, and were dedicated as follows:

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

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

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for Sheriff
Boise Cascade Corporation	Forestry and paper mill	\$ 25,303,372	11.77%	\$ 417,759
Pintail WI, L.L.C.	Oil and gas	12,666,126	5.89%	209,118
		<u>\$ 37,969,498</u>	<u>17.66%</u>	<u>\$ 626,877</u>

3. CASH AND CASH EQUIVALENTS

At June 30, 2017, the sheriff has cash and cash equivalents (book balances) totaling \$6,857,257 as follows:

NOW accounts	\$ 4,804,551
Demand deposits	268,101
Petty cash	400
Money market investment accounts	356,633
Time deposits	1,427,572
Total	<u>\$ 6,857,257</u>

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

At June 30, 2017, the sheriff has \$7,194,593 in deposits (collected bank balances). These deposits are secured from risk by \$1,018,111 of federal deposit insurance and \$6,176,482 of pledged securities held by an unaffiliated bank of the pledgor bank. These pledged securities are deemed by law to be under the control and possession and in the name of the sheriff and deposits are therefore properly collateralized.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

4. RECEIVABLES

The receivables of \$469,725 at June 30, 2017, are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 21,397	\$ -	\$ -	\$ 21,397
Sales and use	34,780	-	13,894	48,674
Intergovernmental - grants:				
Federal	40,472	-	-	40,472
State	288,117	-	-	288,117
Accounts	60,772	2,959	3,684	67,415
Occupational license	3,650	-	-	3,650
Total	<u>\$ 449,188</u>	<u>\$ 2,959</u>	<u>\$ 17,578</u>	<u>\$ 469,725</u>

5. PAYABLES

The payables of \$346,725 at June 30, 2017 are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts	\$ 333,255	\$ 12,959	\$ 346,214
Payroll deductions payable	511	-	511
Total	<u>\$ 333,766</u>	<u>\$ 12,959</u>	<u>\$ 346,725</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2017, for the primary government is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets being depreciated				
Appliances	\$ 30,983	\$ -	\$ -	\$ 30,983
Buildings	869,587	-	-	869,587
Communications	661,613	-	-	661,613
Computers	708,221	123,250	-	831,471
Criminal equipment	348,131	-	4,935	343,196
Firearms	63,812	-	-	63,812
Furniture	154,849	-	-	154,849
Office equipment	46,469	-	160	46,309
Photography	70,089	5,095	-	75,184
Vehicles	1,856,414	210,019	99,499	1,966,934
Total capital assets being depreciated	<u>\$ 4,810,168</u>	<u>\$ 338,364</u>	<u>\$ 104,594</u>	<u>\$ 5,043,938</u>
Less accumulated depreciation for:				
Appliances	\$ 30,983	\$ -	\$ -	\$ 30,983
Buildings	526,315	23,656	-	549,971
Communications	628,055	17,975	-	646,030
Computers	466,887	45,867	-	512,754
Criminal equipment	310,932	7,817	1,285	317,464
Firearms	62,901	226	-	63,127
Furniture	154,849	-	-	154,849
Office equipment	46,469	-	160	46,309
Photography	70,089	2,463	-	72,552
Vehicles	1,377,629	171,394	99,499	1,449,524
Total accumulated depreciation	<u>\$ 3,675,109</u>	<u>\$ 269,398</u>	<u>\$ 100,944</u>	<u>\$ 3,843,563</u>
Total capital assets being depreciated, net	<u>\$ 1,135,059</u>	<u>\$ 68,966</u>	<u>\$ (3,650)</u>	<u>\$ 1,200,375</u>

Depreciation expense of \$267,953 for the year ended June 30, 2017, was charged to the following governmental functions:

Public safety	\$ 260,799
General administration	7,154
Total	<u>\$ 267,953</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

7. INTERFUND RECEIVABLES/PAYABLES

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

	Due from	Due to
General fund	\$ 17,605	\$ -
Proprietary fund	12,672	-
Agency fund	2,049	32,326
Total	<u>\$ 32,326</u>	<u>\$ 32,326</u>

8. INTERFUND TRANSFERS

	Transfer in	Transfer out
Sales tax fund	\$ -	\$ 2,680,800
General fund	2,780,889	-
Agency fund	-	89
Proprietary fund	-	100,000
Total	<u>\$ 2,780,889</u>	<u>\$ 2,780,889</u>

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

9. PENSION PLAN

Sheriff's Pension and Relief Fund

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

All sheriffs, and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent for each year if total service is at least 12 but less than 15 years, 2.75 percent for each year if total service is at least 15 but less than 20 years, and 3 percent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Funding Policy - Plan members are required by statute to contribute 10.25 percent of their annual covered salary and the Beauregard Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 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 Beauregard Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Beauregard Parish Sheriff's contributions to the System for the years ending June 30, 2017, 2016, and 2015 were \$616,026, \$592,135, and \$625,413, respectively, equal to the required contributions for each year.

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 \$4,002,111 for its proportionate share of 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 Sheriffs, actuarially determined. At June 30, 2016 the Sheriff's proportion was .630562%, which was a decrease of .031392% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$230,958. At June 30, 2017, the Sheriff recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 419,777
Changes of assumptions	326,960	-
Net difference between projected and actual earnings on pension plan investments	1,002,330	-
Changes in proportion and differences between Sheriff's contributions and proportionate share of contributions	88,072	141,633
Sheriff's contributions subsequent to the measurement date	616,026	-
Total	<u>\$ 2,033,388</u>	<u>\$ 561,410</u>

The \$616,026 reported as deferred outflows of resources related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Year ended June 30:	
2017	\$ 112,770
2018	112,770
2019	404,728
2020	256,434
2021	(15,377)
Thereafter	<u>(15,373)</u>
Total	<u>\$ 855,952</u>

Actuarial Methods and Assumptions

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

The components of the net pension liability of the Fund's employers as of June 30, 2016 are as follows:

Total Pension Liability	\$ 3,545,155,452
Plan Fiduciary Net Position	<u>2,910,465,956</u>
Total Net Pension Liability	<u>\$ 634,689,496</u>

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.6%, net of investment expense
Discount Rate	7.5%
Projected Salary Increases	5.5% (2.875% Inflation, 2.625% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	2016 – 7 years 2015 – 6 years 2014 – 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2016, are summarized in the following table:

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60%	6.40%	3.90%
Bonds	25%	1.90%	0.50%
Alternative Investments	15%	4.30%	0.60%
Cash and Cash Equivalents	-	-	-
Totals	100%		5.00%
Inflation			2.70%
Expected Arithmetic Nominal Return			7.70%

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.50%, or one percentage point higher 8.50% than the current rate as of June 30, 2016:

	Changes in Discount Rate:		
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 6,789,989	\$ 4,002,111	\$ 1,701,048

State of Louisiana, Public Employees Deferred Compensation Plan

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

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, \$20 per month, and contribute up to 100% of taxable compensation, not to exceed \$18,000 and \$18,000 per calendar years for 2016 and 2017, respectively. Additionally if age 50 or older an additional amount may be deferred (up to \$6,000 and \$6,000 per calendar years 2016 and 2017 respectively) above the annual deferral limit.

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

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

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

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

The employer pays 100% of the medical/dental coverage for the retiree 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 the earlier of completion of 30 years of service or attainment of age 55 with 15 years of service.

Life insurance coverage is continued to retirees by election and is based on a blended rate for active and retired employees. The employer pays for \$10,000 of life insurance after retirement for retirees but it is based on the blended active/retired rate and there is thus an implied subsidy. 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

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. Based on past experience, we have assumed that 50% will elect only the basic \$10,000 and 50% will elect to continue the full coverage in effect before retirement. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Fund Policy – Until 2009, the Beauregard Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Beauregard 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 Beauregard Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$247,364 and \$229,041, respectively.

Effective July 1, 2009, the Beauregard 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 Beauregard 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:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 88,255	\$ 84,861
30-year UAL amortization amount	371,641	357,347
Annual required contribution (ARC)	<u>\$ 459,896</u>	<u>\$ 442,208</u>

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

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 3,158,523	\$ 2,998,826
Annual required contribution	459,896	442,208
Interest on Net OPEB Obligation	126,342	119,953
ARC Adjustment	(182,658)	(173,423)
OPEB Cost	403,580	388,738
Contribution to Irrevocable Trust		
Current year retiree premium	(247,364)	(229,041)
Change in Net OPEB Obligation	<u>156,216</u>	<u>159,697</u>
Ending Net OPEB Obligation	<u>\$ 3,314,739</u>	<u>\$ 3,158,523</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

The following table shows the Beauregard 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	\$ 403,580	61.29%	\$ 3,314,739
June 30, 2016	\$ 388,739	58.92%	\$ 3,158,523

Funded Status and Funding Progress – In 2017 and 2016, the Beauregard 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 \$6,683,470 which is defined as that portion, as determined by a particular actuarial cost method (the Beauregard 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)	\$ 6,683,470	\$ 6,426,414
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 6,683,470</u>	<u>\$ 6,426,414</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 4,085,269	\$ 4,192,552
UAAL as a percentage of covered payroll	163.60%	153.28%

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

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Beauregard Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Beauregard 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 Beauregard 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 funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 15%.

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

Post-Employment Benefit Plan Eligibility Requirements – We have assumed that actual retirement (and commencement of OPEB benefits) occurs at four years after the earliest retirement (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.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates 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 45 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 calendar years.

	OPEB Costs and Contributions		
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 306,969	\$ 388,739	\$ 403,580
Contribution	-	-	-
Retiree premium	(174,267)	(229,041)	(247,364)
Total contribution and premium	<u>\$ (174,267)</u>	<u>\$ (229,041)</u>	<u>\$ (247,364)</u>
Change in net OPEB obligation	<u>\$ 481,236</u>	<u>\$ 617,780</u>	<u>\$ 156,216</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	56.77%	58.92%	61.29%

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

11. TAXES PAID UNDER PROTEST

The net position held for others in the agency funds at June 30, 2017, as reflected on Statement J, include \$73,942 of taxes paid under protest along with interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collection Agency Fund.

12. RESTRICTED FUND BALANCES

The sales tax fund had \$293,604 of restricted fund balance as of June 30, 2017. The fund balance is restricted by a ten year sales tax proposition passed by the voters of the parish with an expiration date of October 1, 2024.

13. LONG-TERM OBLIGATIONS

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

	General Fund		
	Other Postemployment Benefits	Pension Liability	Total
Long-term obligations at beginning of year	\$ 3,158,523	\$ 2,950,671	\$ 6,109,194
Additions	403,580	1,527,980	1,931,560
Reductions	<u>(247,364)</u>	<u>(476,540)</u>	<u>(723,904)</u>
Long-term obligations at end of year	<u>\$ 3,314,739</u>	<u>\$ 4,002,111</u>	<u>\$ 7,316,850</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2017:

	General Fund		
	Other Postemployment Benefits	Pension Liability	Total
Current-portion	\$ 156,216	\$ -	\$ 156,216
Long-term portion	3,158,523	4,002,111	7,160,634
Total	<u>\$ 3,314,739</u>	<u>\$ 4,002,111</u>	<u>\$ 7,316,850</u>

14. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at year end was \$174,311. The unsettled balances of the Tax Collector Fund at June 30, 2017 consist of the following:

Ad valorem taxes	\$ 136,132
Refunds	25,473
Sales taxes	12,706
Total	<u>\$ 174,311</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Continued)

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

Beauregard Parish School Board	\$ 11,711,350
Beauregard Parish Police Jury	5,432,721
Beauregard Parish Library	1,679,520
Beauregard Parish Assessor	993,609
Beauregard Parish Sheriff	3,527,847
Louisiana Department of Agriculture and Forestry	46,656
Beauregard Parish Waterworks District No. 2	618,378
Beauregard Parish Fire District No. 3	236,806
Beauregard Parish Fire District No. 1	506,660
City of DeRidder	780,753
Town of Merryville	21,561
Louisiana Tax Commission	15,587
Beauregard Parish Waterworks District No. 5	102,682
Beauregard Parish Waterworks District No. 6	47,957
Total	<u>\$ 25,722,087</u>

For the fiscal year ended June 30, 2017, the ad valorem taxes assessed and uncollected were due to movable property and the amounts are as follows:

	<u>Uncollectible</u>	<u>Bankruptcy</u>	<u>Pending Payment</u>	<u>Total</u>
Beauregard Parish Police Jury	\$ 3,999	\$ 16,237	\$ 791	\$ 21,027
Beauregard Parish School Board	10,628	34,527	5,438	50,593
Beauregard Parish Assessor	897	2,931	461	4,289
Beauregard Parish Library	1,517	4,955	780	7,252
Beauregard Parish Sheriff	3,186	10,409	1,639	15,234
Waterworks District No. 6	-	3,841	-	3,841
Beauregard Parish Fire District No. 1	1,322	2,685	689	4,696
City of DeRidder	-	36	-	36
Beauregard Parish Waterworks District No. 2	888	2,595	1,716	5,199
Total	<u>\$ 22,437</u>	<u>\$ 78,216</u>	<u>\$ 11,514</u>	<u>\$ 112,167</u>

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

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
Beauregard Parish School Board	\$ 11,103,791	\$ 61,902	\$ 11,041,889
(Outside all corporate limits 2.00%)			
(Inside DeRidder city limits 2.00%)			
(Inside Merryville city limits 1.00%)			
Beauregard Parish Policy Jury	6,496,572	40,481	6,456,091
(Outside all corporate limits 2.25%)			
(Inside DeRidder city limits .25%)			
(Inside Merryville city limits .25%)			
Beauregard Parish Sheriff (.50%)	2,737,481	15,572	2,721,909
City of DeRidder (2.25%)	6,585,392	31,488	6,553,904
Town of Merryville (3.00%)	295,170	91	295,079
Total	<u>\$ 27,218,406</u>	<u>\$ 149,534</u>	<u>\$ 27,068,872</u>

Beauregard Parish Sheriff

Notes to the Financial Statements (Concluded)

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

	<u>Total Collections</u>
Beauregard Parish Policy Jury	\$ 227,590
City of DeRidder	532,170
Town of Merryville	<u>38,051</u>
Total	<u>\$ 797,811</u>

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 3,500,000	\$ 3,660,000	\$ 3,664,587	\$ 4,587
Intergovernmental:				
Federal grants	350,000	283,900	282,749	(1,151)
State grants	375,000	33,632	38,731	5,099
Local grants	55,000	55,000	5,288	(49,712)
State supplemental pay	-	319,368	319,368	-
Fees, charges and commissions for services	1,800,000	1,800,500	1,903,785	103,285
Investment income	20,000	13,000	7,664	(5,336)
Rental income	-	-	5,001	5,001
Other revenue	1,000	600	120	(480)
Total revenues	<u>\$ 6,101,000</u>	<u>\$ 6,166,000</u>	<u>\$ 6,227,293</u>	<u>\$ 61,293</u>
Expenditures				
General government				
Tax collector	\$ 330,000	\$ 325,000	\$ 320,569	\$ 4,431
Public Safety				
Administrative	675,000	760,000	728,420	31,580
Community services	110,000	81,000	82,033	(1,033)
Civil services	380,000	359,000	357,659	1,341
Criminal investigation	4,146,000	4,019,000	4,003,267	15,733
Custody of prisoners	2,300,000	2,404,000	2,386,212	17,788
Communications	455,000	489,000	495,292	(6,292)
Automotive services	710,000	649,000	416,862	232,138
Capital outlay	-	-	333,270	(333,270)
Total expenditures	<u>\$ 9,106,000</u>	<u>\$ 9,086,000</u>	<u>\$ 9,123,584</u>	<u>\$ (37,584)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,005,000)</u>	<u>\$ (2,920,000)</u>	<u>\$ (2,896,291)</u>	<u>\$ 23,709</u>
Other financing sources (uses):				
Transfers in	\$ 3,000,000	\$ 2,780,800	\$ 2,780,889	\$ 89
Sale of assets	5,000	2,000	1,845	(155)
Total other financing sources (uses)	<u>\$ 3,005,000</u>	<u>\$ 2,782,800</u>	<u>\$ 2,782,734</u>	<u>\$ (66)</u>
Net change in fund balance	\$ -	\$ (137,200)	\$ (113,557)	\$ 23,643
Fund balances at beginning of year	<u>6,805,063</u>	<u>6,220,286</u>	<u>6,220,286</u>	<u>-</u>
Fund balances at end of year	<u>\$ 6,805,063</u>	<u>\$ 6,083,086</u>	<u>\$ 6,106,729</u>	<u>\$ 23,643</u>

Special Revenue Fund
Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 3,000,000	\$ 2,680,000	\$ 2,689,531	\$ 9,531
Investment income	1,000	800	770	(30)
Other revenues	-	-	1	1
Total revenues	<u>\$ 3,001,000</u>	<u>\$ 2,680,800</u>	<u>\$ 2,690,302</u>	<u>\$ 9,502</u>
Expenditures				
Refunds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 3,001,000</u>	<u>\$ 2,680,800</u>	<u>\$ 2,690,302</u>	<u>\$ 9,502</u>
Other financing sources (uses):				
Transfers out	<u>\$ (3,001,000)</u>	<u>\$ (2,680,800)</u>	<u>\$ (2,680,800)</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 9,502	\$ 9,502
Fund balances at beginning of year	<u>270,984</u>	<u>284,102</u>	<u>284,102</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 270,984</u></u>	<u><u>\$ 284,102</u></u>	<u><u>\$ 293,604</u></u>	<u><u>\$ 9,502</u></u>

Schedule of the Sheriff's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2017

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Sheriff's proportion of the net pension liability (asset)	.659117%	.661954%	.630562%
Sheriff's proportionate share of the net pension liability (asset)	\$ 2,610,107	\$ 2,950,671	\$ 4,002,111
Sheriff's covered-employee payroll	\$ 4,356,995	\$ 4,306,436	\$ 4,649,258
Sheriff's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	59.91%	68.52%	111.28%
Plan fiduciary net position as a percentage of the total pension liability	87.34%	86.60%	82.10%

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

Schedule of the Sheriff's Pension Contributions
For the Year Ended June 30, 2017

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

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

Other Post-employment Benefits (OPEB)
Funding Schedule
For the Year Ended June 30, 2017

The funded status of the plan as of June 30, 2017 was as follows:

Schedule of Funding Progress (4.0% discount rate)

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio
July 1, 2015	-	4.00%	\$ 4,796,144	\$ 4,796,144	0.00%
July 1, 2016	-	4.00%	\$ 6,426,414	\$ 6,426,414	0.00%
July 1, 2017	-	4.00%	\$ 6,683,470	\$ 6,683,470	0.00%

(1) Actuarial Accrued Liability determined under the projected unit credit cost method.

(2) Actuarial Accrued Liability less Actuarial Value of Assets.

OTHER SUPPLEMENTAL INFORMATION

Schedule of Cash on Hand, Taxes Collected for the Current Year
and an Itemized Statement of All Taxes Assessed and Uncollected
with Explanations of Uncollected Amounts by the Sheriff as the
Ex-Officio Tax Collector for the Parish of Beauregard
For the Year Ended June 30, 2017

Taxes collected as of June 30, 2017

Type of Taxes	Amount
Ad valorem taxes	\$ 25,722,087
Interest on delinquent taxes	44,561
Tax notices/adv/cost	34,203
La Tax Commission Assessment fees	15,587
Prior year taxes	1,104,760
Payments in lieu of taxes	14,769
State revenue sharing	723,163
Redemptions received	25,823
Sales taxes	27,218,406
Occupational licenses	797,811

Uncollected ad valorem taxes as of June 30, 2017

Parcel Number	Assessed Amount	Reason for failure to collect
0335998506	\$ 336	Bankruptcy
1101065717	11,514	Pending payment
1101065718AO	17,410	Bankruptcy
0336906369	32	Bankruptcy
0805660840B	178	Uncollectible
0805715990	183	Uncollectible
1101025550	16,118	Uncollectible
1101025550D	5,958	Uncollectible
1201929950A	15,210	Bankruptcy
1201929950B	13,444	Bankruptcy
1604760000E	31,784	Bankruptcy

STATE OF LOUISIANA, PARISH OF BEAUREGARD

AFFIDAVIT

Ricky L. Moses, Sheriff of Beauregard Parish

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

The following information is true and correct:

\$ 174,311 is the amount of cash on hand in the tax collector account on June 30, 2017;

He further deposed and said:

All itemized statements of the amount of taxes collected for 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.

[Handwritten Signature]

Signature
Sheriff of Beauregard

SWORN to and subscribed before me, Notary, this 19th day of December 2017, in my office DeRidder, Louisiana.

[Handwritten Signature] (Signature)

Sharon R. Sammons, # 714

Notary Public
At Death (Commission)

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

Agency Head Name - Ricky L. Moses, Sheriff

Purpose	Amount
Salary	\$ 159,540
Benefits - insurance	12,266
Benefits - retirement	44,419
Deferred compensation	12,000
Benefits - other	-
Car allowance	-
Vehicle provided by government	Yes
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	913
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

OTHER REPORTS

Schedule of Prior Year Audit Findings
Year Ended June 30, 2017

There were no prior year audit findings reported as of June 30, 2016.

Schedule of Current Year Audit Findings and Management's Response
Year Ended June 30, 2017

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

Windham & Reed, L.L.C.

A Professional Corporation

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beauregard Parish Sheriff as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Beauregard Parish Sheriff's basic financial statements, and have issued our report thereon dated December 18, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

A handwritten signature in black ink that reads "J. M. Windham, CPA". The signature is written in a cursive style with a large initial "J" and "M".

DeRidder, Louisiana
December 18, 2017

Windham & Reed, L.L.C.

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John A. Windham, CPA
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity'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 entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Written policies and procedures were obtained and address the functions above.
 - 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.
Written policies and procedures were obtained and address the functions above.
 - c) ***Disbursements***, including processing, reviewing, and approving
Written policies and procedures were obtained and address the functions above.
 - d) ***Receipts***, including receiving, recording, and preparing deposits
Written policies and procedures were obtained and address the functions above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address the functions above.
- 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
Written policies and procedures were obtained and address the functions above.
- 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
Written policies and procedures were obtained and address the functions above.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Written policies and procedures were obtained and address the functions above.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
Written policies and procedures were obtained and address the functions above.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
There was no written policy for debt service. The Sheriff has not incurred any debt during the fiscal year.

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 entity'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.

The Sheriff does not have a board or finance committee, these procedures are not applicable.

Bank Reconciliations

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

We obtained a complete listing of the Sheriff's bank accounts and management's representation that the listing is complete.

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

- a) Bank reconciliations have been prepared;

Monthly bank statements and bank reconciliations were obtained for selected bank accounts each month of the fiscal year. No exceptions were noted.

- 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

The bank reconciliations provide evidence of management review.

- 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.

Not applicable.

Collections

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

A listing of cash collection locations and management's representation has been obtained. All cash collections take place at the Sheriff's office.

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

- 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.

The individuals responsible for collecting cash are bonded and are not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the bank account. Employees do not share the same cash drawer.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The Sheriff's finance director reconciles cash collections to the ledger and is not involved in the collection process.

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

No exceptions were noted.

- 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.

Daily cash collections were supported by related collection reports and documentation.

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

Written policies and procedures were obtained and reconciliations were performed by a person who is not responsible for 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.

We obtained a listing along with 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 entity 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.

A purchase order system is used and the initiation and approval functions are separate.

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

Same as (a) above.

- 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.

Each examined invoice had proper approval without any 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 entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors.

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

The person with signing authority can also initiate purchases.

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.

Observations and inquiries were made, there were no noted exceptions.

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.

No signature stamp was used.

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.

A listing of active credit cards along with management's representation was obtained.

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

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.]

Monthly statements were obtained. No exceptions were noted.

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

There was no evidence that finance charges or late fees were assessed.

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)

No exceptions were noted.

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

Obtained documentation of the business purpose. No exceptions were noted.

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

Obtained documentation. No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions were noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

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.

A listing of all travel and related expense reimbursements along with management's representation was obtained.

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

Obtained the Sheriff's written policies related to travel and expense reimbursements, noting amounts to be reimbursed are paid in accordance with the U.S. General Services Administration guidelines.

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 entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions were noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Each expense was supported by an itemized receipt.

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

Business purposes were documented.

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

Other documentation was obtained. No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

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

Each travel and related reimbursement payment had proper supporting documentation. Each payment was reviewed and approved by someone other than the person receiving the reimbursement.

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.

Obtained a listing of all contracts in effect along with 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.

Formal or written contracts were noted for the selected vendors.

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

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

Each contract complied with all legal requirements.

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

Not applicable.

- 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.

Not applicable.

- 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.

Invoices and related payments were in compliance with contract terms and conditions.

- 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).

Not applicable.

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:

Obtained a listing of employees with their related salaries along with management's representation.

- 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.

No exceptions were noted.

- 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.

Changes made to any pay rates are approved in writing and in accordance with written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/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.)

The selected employees documented their 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.

No exceptions were noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions were noted.

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.

Obtained a listing of employees that terminated during the year and management's representation that the listing was complete.

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.

No exceptions were 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 entity maintained documentation to demonstrate that required ethics training was completed.

Obtained ethics compliance documentation with no exceptions.

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

No alleged ethics violations were reported.

Debt Service (excluding nonprofits)

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

Not applicable.

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

Not applicable.

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

Not applicable.

Other

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

The entity had no misappropriation of public funds during the year.

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

The Sheriff has posted the required notice on its premises but not on the website.

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

No exceptions were noted.

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

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

Windham & Reed CPA, L.L.C.
DeRidder, Louisiana
December 18, 2017