

OUACHITA PARISH SHERIFF

Monroe, Louisiana

*Annual Financial Report
As of and for the Year Ended June 30, 2018*



**Ouachita Parish Sheriff
Monroe, Louisiana**

**Financial Report
As of and for the Year Ended June 30, 2018**

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**Ouachita Parish Sheriff
Monroe, Louisiana**

**Financial Report
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CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Ouachita Parish Sheriff
Monroe, Louisiana

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

Opinions

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

Emphasis of Matter

As described in Note 15 to the financial statements, the Sheriff adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10, the Budgetary Comparison Schedule on page 46, the Schedule of Changes in Net OPEB Liability and Related Ratios on page 47, Schedule of Employer Contributions on page 48, Schedule of Proportionate Share of Net Pension Liability on page 49, and the Schedule of Contributions on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

Ouachita Parish Sheriff
Monroe, Louisiana

information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 14, 2018

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Management's Discussion and Analysis (Unaudited)

Within this section of the Ouachita Parish Sheriff (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2018. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's net position increased by \$909,446.

The Sheriff's governmental fund - General Fund reported total ending fund balance of \$15,288,754 this year. This compares to the prior year ending fund balance of \$16,256,945 representing a decrease of \$968,191 for the current year. This decrease is primarily due to construction costs of the OPSO Training Facility and the related equipment and furnishings needed totaling \$1,986,303.

Total net position of governmental activities is \$(26,671,483). This results primarily from the requirements per GASB 68 *Accounting and Financial Reporting for Pensions* which requires recognizing the actuarial determined pension liability of \$13,335,590. Another liability is required to be reported as required by GASB 75 *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (OPEB) of \$35,643,809. GASB 75 was implemented in the current and its implementation required a restated of beginning net position. Please see note 15 for more information on the restatement and implementation of this standard.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

The Sheriff has one governmental fund, the General Fund.

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

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

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

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

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

Notes to the basic financial statements:

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

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. A budgetary comparison schedule is included as "required supplemental information" for the General Fund. This schedule demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found beginning on page 46 of this report.

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

FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE

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

The Sheriff's net position increased between fiscal years 2017 and 2018 by \$909,446. The following table provides a summary of the Sheriff's net position:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Assets:		
Current assets and other assets	\$ 16,625,041	\$ 17,576,929
Capital assets	<u>6,334,502</u>	<u>4,473,332</u>
Total assets	<u>22,959,543</u>	<u>22,050,261</u>
Deferred Outflows of Resources	5,442,934	9,177,648
Liabilities:		
Current liabilities	1,336,287	1,319,984
Long-term liabilities (Restated)	<u>51,075,186</u>	<u>55,340,171</u>
Total liabilities	<u>52,411,473</u>	<u>56,660,155</u>
Deferred Inflows of Resources	2,662,487	2,148,683
Net position:		
Net investment in capital assets	6,334,502	4,473,332
Unrestricted (restated)	<u>(33,005,985)</u>	<u>(32,054,261)</u>
Total net position	\$ <u>(26,671,483)</u>	\$ <u>(27,580,929)</u>

The prior period amounts in long-term liabilities and unrestricted net position have been restated to reflect the changes from implementation of GASB 75. Please see note 15 of the financial statements for more details.

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities was 12 to 1 and 13 to 1 for 2018 and 2017, respectively.

The Sheriff reported negative balances in net position for the governmental activities as previously noted due to GASB 68 and 75 implementation. Net position increased \$909,446 for governmental activities in fiscal year 2018 and decreased \$746,915, for governmental activities in fiscal year 2017.

CHANGES IN NET POSITION

The Sheriff's total revenues were \$37.15 million representing an increase of approximately \$20,000 or .0005% over 2017. A significant portion, 44.4% of the Sheriff's revenue comes from fees, fines and charges for services. Another 47.20% comes from taxes, while only 5.8% comes from grants and contributions.

The total cost of all programs and services was \$36.24 million, a decrease of \$1.63 million or 4.3%. All of these costs are for public safety. Of the total costs, depreciation on the public safety and other equipment, buildings and vehicles was \$705,031 or 2% of total expenses.

Ouachita Parish Sheriff
Statements of Activities
June 30, 2018 and 2017

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues		
<u>Program Revenues</u>		
Fees, Fines and Charges for Services	\$ 16,509,509	\$ 16,446,908
Operating Grants and Contributions	1,989,460	1,980,059
Capital Grants and Contributions	174,615	490,695
<u>General Revenues</u>		
Property Taxes	13,329,149	12,918,077
Sales Taxes	4,206,635	4,374,192
State Revenue Sharing	653,746	632,978
Investment Earnings	163,623	105,437
Other	125,738	177,701
Total Revenues	<u>37,152,475</u>	<u>37,126,047</u>
Expenses		
Public Safety	<u>36,243,029</u>	<u>37,872,962</u>
Change in net position	909,446	(746,915)
Beginning net position (Restated)	<u>(27,580,929)</u>	<u>(26,834,014)</u>
Ending net position	<u>\$ (26,671,483)</u>	<u>\$ (27,580,929)</u>

The beginning net position has been restated to reflect the changes from implementation of GASB 75. Please see note 15 of the financial statements for more details.

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund financial statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$15,288,754, a decrease of \$968,191 from the preceding year. This decrease is primarily due to construction costs of the OPSO Training Facility and the related equipment and furnishings needed totaling \$1,986,303. The vast majority of these funds is unassigned and is available for continuing the Sheriff's activities.

MAJOR GOVERNMENTAL FUNDS

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

Revenues from this governmental fund type increased \$26,428 or .0007%. Most of the increase can be attributed to property taxes and sales taxes with declines in federal grant awards offsetting those increases for the most part. Expenditures increased \$1,337,845 or 3.6%. Most of the increase comes from increase in capital outlay spending in the current year primarily due to construction costs of the OPSO Training Facility and the related equipment and furnishings needed totaling \$1,986,303.

BUDGETARY HIGHLIGHTS

General Fund

The Sheriff was required to revise the original budget. Actual expenditures were \$231,808 (.006%) less and actual revenues were \$215,151 (.005%) greater than the final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2018, was \$6,334,502. This represents a net increase (including additions and deductions) of \$1,861,170. This increase was related mainly to the construction on the OPSO Training Facility along with current year acquisitions of vehicles, machinery and equipment, and building improvements exceeding the current year depreciation. Additional information regarding Capital Assets is available in the Notes to the Financial Statements.

Ouachita Parish Sheriff
 Sheriff's Capital Assets
 June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Vehicles	5,965,055	5,410,846
Machinery & equipment	3,888,371	3,573,079
Buildings and building improvements	5,100,873	3,404,173
Rifle range land	489,755	489,755
Construction in progress	-	-
Totals at historical cost	15,444,054	12,877,853
Total accumulated depreciation	9,109,552	8,404,521
Net capital assets	\$ 6,334,502	\$ 4,473,332

At June 30, 2018, the net depreciable capital assets for governmental activities were 41.02% undepreciated versus 34.74% in the prior year. The percentage of remaining life is an indicator of the age of the asset. The higher the percentage reflects the capital asset has a longer remaining lifespan. The assets, therefore at June 30, 2018 have about 2/5 of their useful life remaining. As this percentage decreases, one can assume that more resources will have to be used to replace the older capital assets.

Long-term obligations

At the end of the fiscal year, the Sheriff had total Long-Term Obligations of \$51,075,186 which consists of \$1,995,787 accrued annual vacation and compensated absences, \$100,000 in claims and judgments payable, \$35,643,809 in other post-retirement benefits payable (OPEB) and \$13,335,590 in net pension liability. This amount represents a decrease from 2017 of \$4,264,985 (after prior period restatement). This decrease is primarily attributable to the pension liability as more fully explained in the notes to the financial statements.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

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

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2018

ASSETS	
Cash	\$ 4,395,383
Investments	10,074,222
Receivables	1,576,911
Due from other funds	568,837
Prepaid Asset	152
Inventory	9,536
Capital assets, net	6,334,502
TOTAL ASSETS	<u>22,959,543</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	5,389,363
Other post-employment benefits	53,571
LIABILITIES	
Accounts payable	239,881
Accrued payroll & other	1,096,406
Long-term liabilities:	
Due within one year	1,995,787
Due after one year	49,079,399
TOTAL LIABILITIES	<u>52,411,473</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	2,662,487
NET POSITION	
Net investment in capital assets	6,334,502
Unrestricted	<u>(33,005,985)</u>
TOTAL NET POSITION	<u>\$ (26,671,483)</u>

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

Statement B

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

Activities	Expenses	Program Revenues			Net (Expense)
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets
					Governmental Activities
Governmental Activities					
Public safety	\$ 36,243,029	\$ 16,509,509	\$ 1,989,460	\$ 174,615	\$ (17,569,445)
Total	\$ 36,243,029	\$ 16,509,509	\$ 1,989,460	\$ 174,615	\$ (17,569,445)

General revenues

Taxes, levied for general purposes:

Property taxes	13,329,149
Sales taxes	4,206,635
State revenue sharing	653,746
Interest and investment earnings	163,623
Miscellaneous	125,738
Total general revenues	18,478,891

Change in net position 909,446

Net position - at beginning of year (Restated) (27,580,929)

Net position - at end of year \$ (26,671,483)

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

FUND FINANCIAL STATEMENTS

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

**Balance Sheet - Governmental Fund
General Fund**

June 30, 2018

ASSETS

Cash	\$ 4,395,383
Investments	10,074,222
Receivables	1,576,911
Due from other funds	568,837
Prepaid Legal	152
Inventories	<u>9,536</u>

TOTAL ASSETS **\$ 16,625,041**

LIABILITIES AND FUND BALANCES**Liabilities**

Accounts payable	\$ 239,881
Accrued payroll & other	<u>1,096,406</u>
Total Liabilities	<u>1,336,287</u>

Fund Balances

Nonspendable	9,536
Unassigned	<u>15,279,218</u>
Total Fund Balances	<u>15,288,754</u>

TOTAL LIABILITIES AND FUND BALANCES **\$ 16,625,041**

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

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

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

June 30, 2018

Total fund balances - governmental fund	\$	15,288,754
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$	15,444,054
Less: accumulated depreciation	<u>(9,109,552)</u>	6,334,502
Deferred Outflows of Resources - Pensions		
Pensions	5,389,363	
Other post-employment benefits	<u>53,571</u>	5,442,934
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund		
Claims and judgments payable	(100,000)	
Compensated absences payable	(1,995,787)	
Net Pension Liability	(13,335,590)	
Other post-employment benefits payable	<u>(35,643,809)</u>	(51,075,186)
Deferred Inflows of Resources - Pensions		
Pensions	(2,662,487)	
Other post-employment benefits	<u>-</u>	<u>(2,662,487)</u>
Total net position - governmental activities	\$	<u><u>(26,671,483)</u></u>

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

OUACHITA PARISH SHERIFF
Monroe, Louisiana

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

For the Year Ended June 30, 2018

REVENUES

Ad valorem taxes	\$ 13,329,149
Sales taxes	4,206,635
Intergovernmental revenues:	
Federal grants	174,615
State grants:	
State revenue sharing (net)	653,746
State supplemental pay	1,859,050
Other	94,882
Other grants and contributions	35,528
Fees, charges, and commissions for services:	
Services and programs	1,521,213
Civil and criminal fees	1,837,905
Court attendance	81,165
Feeding, keeping and transporting of prisoners	12,734,164
Tax notices, etc.	335,062
Use of money and property	163,623
Other	8,733
TOTAL REVENUES	<u>37,035,470</u>

EXPENDITURES

Public safety	
Current	
Personal services and related benefits	30,324,109
Operating services	2,155,394
Materials and supplies	2,098,764
Travel and other charges	627,632
Capital outlay	2,914,767
TOTAL EXPENDITURES	<u>38,120,666</u>

Excess of revenues over expenditures (1,085,196)

OTHER FINANCING SOURCES

Compensation for damage and sale of assets	117,005
Total other financing sources	<u>117,005</u>

Excess of Revenues and Other Sources Over Expenditures (968,191)

Fund Balance at Beginning of Year 16,256,945

FUND BALANCE AT END OF YEAR \$ 15,288,754

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

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

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

For the Year Ended June 30, 2018

Net change in fund balance - total governmental fund		\$ (968,191)
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 2,566,201	
Depreciation expense	<u>(705,031)</u>	1,861,170
Governmental funds reports annual premiums for other post-employment benefits as expenditures. However, in the statement of activities, only the current addition in the obligation is recognized as an expense.		
Change in Net Pension Liability	1,480,121	
Current year addition to the post-employment benefit payable	<u>(1,307,911)</u>	172,210
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures.		
Loss on Disposition of Assets	-	
Compensated absences	<u>(155,743)</u>	<u>(155,743)</u>
Change in net position - governmental activities		<u>\$ 909,446</u>

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

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Fiduciary Fund - Agency Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2018

ASSETS	
Cash and cash equivalents	\$ <u>2,687,157</u>
TOTAL ASSETS	\$ <u><u>2,687,157</u></u>
LIABILITIES	
Due to General Fund	\$ 568,837
Due to taxing bodies and others	<u>2,118,320</u>
TOTAL LIABILITIES	\$ <u><u>2,687,157</u></u>

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

OUACHITA PARISH SHERIFF

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

INTRODUCTION

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

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

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

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

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

(1) Summary of Significant Accounting Policies

A. Reporting Entity

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

OUACHITA PARISH SHERIFF

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

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. However, fiduciary funds are not included. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

OUACHITA PARISH SHERIFF

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

Fund Financial Statements (FFS)

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

Governmental Funds -

General Fund - The General Fund is the primary operating fund of the Sheriff and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and Federal laws and according to Sheriff policies. The General Fund is the only major fund of the Sheriff.

Fiduciary Funds -

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

C. Measurement Focus/Basis of Accounting

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

OUACHITA PARISH SHERIFF

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

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

Revenues

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

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

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

Expenditures

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

D. Budgets

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

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

OUACHITA PARISH SHERIFF

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

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

E. Cash and Interest-Bearing Deposits

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

F. Investments

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

OUACHITA PARISH SHERIFF

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

G. *Uncollectible Allowance*

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

H. *Short-Term Interfund Receivables/Payables*

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

I. *Deferred Outflows of Resources and Deferred Inflows of Resources*

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

J. *Capital Assets*

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Construction in progress is not depreciated until the asset is completed and placed into service. All capital assets except land and construction in progress are depreciated using the straight-line method over the following useful lives:

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

OUACHITA PARISH SHERIFF

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

K. Compensated Absences

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

At June 30, 2018, employees of the Sheriff have \$1,995,787 accumulated and vested employee leave benefits, which was computed in accordance with GASB Codification C60. This amount is recorded in long-term liabilities on the statement of net position.

L. Equity Classifications

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

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

OUACHITA PARISH SHERIFF

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

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

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

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

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

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

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

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

M. Estimates

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

OUACHITA PARISH SHERIFF

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

N. Contingencies

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering its property, automobiles, law enforcement professional liability, and surety bond coverage. The Ouachita Parish Police Jury maintains insurance coverage on the building and its contents. No claims were paid on any of the Sheriff's policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

O. Pension Plans

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

P. Subsequent Event Review

The Sheriff has evaluated subsequent events through December 14, 2018, the date which the financial statements were available to be issued resulting in no adjustments.

(2) Cash and Cash Investments

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the Sheriff has cash and interest-bearing deposits (book balances excluding \$4,200 petty cash) totaling \$7,078,340 as follows:

OUACHITA PARISH SHERIFF

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

	General Fund	Fiduciary Funds	Total
Noninterest-bearing deposits	\$ 5,323	\$ 457,949	\$ 463,272
Interest-bearing deposits	4,385,860	2,229,208	6,615,068
 Total	 \$ 4,391,183	 \$ 2,687,157	 \$ 7,078,340

Custodial credit risk – deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at June 30, 2018, are secured, as follows:

Bank balances	\$ 7,782,410
Federal deposit insurance	\$ 506,244
Pledged securities	14,247,211
 Total	 \$ 14,753,455

Custodial credit risk – investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Sheriff had no custodial credit risk related to its investments at June 30, 2018.

Credit risk. Under state law, the Sheriff may invest funds in obligations of the United States, in Federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Sheriff's investments consist of certificates of deposit which are covered by Federal deposit insurance or by pledged securities and participation in the Louisiana Asset Management Pool (LAMP). At June 30, 2018, the Sheriff had investments totaling \$10,074,222 stated at cost, which approximates market.

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

OUACHITA PARISH SHERIFF

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

The Sheriff participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment.

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

(3) *Ad Valorem Taxes*

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2018, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 12.11 mills on property with net assessed valuations (after homestead exemption) totaling \$1,103,426.

(4) *Receivables*

The following is a summary of receivables at June 30, 2018:

Federal	\$	21,012
State		327,229
Local		<u>1,228,670</u>
Total	\$	<u><u>1,576,911</u></u>

OUACHITA PARISH SHERIFF

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

(5) Interfund Transactions

Interfund receivables and payables consisted of amounts due to/from other funds for fees earned for services performed. They consisted of the following at June 30, 2018:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 568,837	\$ -
Agency Funds:		
Tax Collector	-	289,404
Inmate	-	279,433
	<u> </u>	<u> </u>
Total	<u>\$ 568,837</u>	<u>\$ 568,837</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Governmental activities:				
Capital assets not being depreciated				
Rifle range land	\$ 489,755	\$ -	\$ -	\$ 489,755
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>489,755</u>	<u>-</u>	<u>-</u>	<u>489,755</u>
Capital assets being depreciated				
Vehicles	5,410,846	554,209	-	5,965,055
Machinery and equipment	3,573,079	315,292	-	3,888,371
Buildings and building improvements	<u>3,404,173</u>	<u>1,696,700</u>	<u>-</u>	<u>5,100,873</u>
Total capital assets being depreciated	<u>12,388,098</u>	<u>2,566,201</u>	<u>-</u>	<u>14,954,299</u>
Less: accumulated depreciation	<u>8,404,521</u>	<u>705,031</u>	<u>-</u>	<u>9,109,552</u>
Governmental activities capital assets - net	<u>\$ 4,473,332</u>	<u>\$ 1,861,170</u>	<u>\$ -</u>	<u>\$ 6,334,502</u>

Depreciation expense for the year ended June 30, 2018 in the amount of \$705,031 was charged to public safety.

OUACHITA PARISH SHERIFF

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

(7) *Pension Plan*

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

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

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

Plan Description:

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

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

OUACHITA PARISH SHERIFF

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

2006, final average compensation is based on the average monthly earnings during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12 month period within the 36 month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12 month period within the 60 months shall not exceed 115% of the preceding 12 month period.

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

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

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

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

OUACHITA PARISH SHERIFF

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

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

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

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75%. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2018.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Parish Sheriff's

OUACHITA PARISH SHERIFF

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

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

Year	LSRPF
2018	\$ 995
2019	995
2020	995
2021	995
2022 and beyond	1,993
	<u>\$ 5,973</u>

Actuarial Assumptions

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.50%, net of investment expense
Discount Rate	7.4%
Projected salary increases	5.5% (2.775% inflation, 2.725% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table

Cost of Living Adjustments

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

OUACHITA PARISH SHERIFF

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	60%	7.40%	4.40%
Bonds	25%	2.60%	0.70%
Alternative Investments	15%	4.20%	0.60%
Total	100%		5.70%
Inflation			2.60%
Expected Arithmetic Nominal Return			8.30%

Discount Rate

The discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

OUACHITA PARISH SHERIFF

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.40%	7.40%	8.40%
OPSO Share of			
NPL	\$ 27,474,829	\$ 13,335,590	\$ 1,439,344

(8) – Postemployment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The Ouachita Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Ouachita Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical/dental coverage for the retiree only (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 but must have 20 years of service with Ouachita Parish Sheriff’s Office to obtain medical coverage paid by the employer.

Life insurance coverage is continued to retirees by election. The employer pays for \$10,000 of life insurance after retirement for retirees but it is based on the blended active/retired rate and there is thus an implied subsidy. The employer also pays the "cost" of up to \$15,000 if the retiree elects to continue the full 2.5 times salary insurance amount into retirement with a similar implied subsidy for this amount. Also, although the retiree pays the "cost" of the excess elected benefit it is based on the blended rate and there is thus an additional implied subsidy. Since GASB 74/75 requires the use of "unblended" rates, we have used the valuation mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. 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 20% of future retirees will decline life insurance, 10% will elect only the basic \$10,000 and 70% will elect to continue the full 2.5 times salary. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

OUACHITA PARISH SHERIFF

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

Employees covered by benefit terms – At July 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	107
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>398</u>
	<u>505</u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$35,643,809 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

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

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2008 to June 30, 2018.

OUACHITA PARISH SHERIFF

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

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 34,282,327
Changes for the year:	
Service cost	830,429
Interest	1,187,391
Differences between expected and actual experience	57,397
Benefit payments and net transfers	(713,735)
Net changes	<u>1,361,482</u>
 Balance at June 30, 2018	 <u>\$ 35,643,809</u>

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

	1.0% Decrease (2.5%)	Current Discount Rate (3.5%)	1.0% Increase (4.5%)
Total OPEB liability	\$ 42,477,688	\$ 35,643,809	\$ 30,395,417

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 30,162,080	\$ 35,643,809	\$ 42,756,411

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

OUACHITA PARISH SHERIFF

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$2,021,646. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,571	\$ -
Total	\$ 53,571	\$ -

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

Years ending June 30:	
2018	\$ 3,826
2019	3,826
2020	3,826
2021	3,826
2022	3,826
2023	3,826
Thereafter	30,615

(8) Changes in General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended June 30, 2018:

	Compensated Absences	Claims and Judgements	Other Post Employment Benefits	Total
Long-term obligations at July 1, 2017 (restated)	\$ 1,840,044	\$ 100,000	\$ 53,400,127	\$ 55,340,171
Additions	155,743	-	(4,420,728)	(4,264,985)
Deductions	-	-	-	-
Long-term obligations at June 30, 2018	\$ 1,995,787	\$ 100,000	\$ 48,979,399	\$ 51,075,186
Amounts due within one year	\$ 1,995,787	\$ -	\$ -	\$ 1,995,787

OUACHITA PARISH SHERIFF

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

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

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

	<u>Balance</u>				<u>Balance</u>
	<u>June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>		<u>June 30, 2018</u>
Agency Fund					
Tax Collector \$	412,922	\$ 129,123,672	\$ 128,228,441		\$ 1,308,153
Civil	180,159	8,713,928	8,687,038		207,049
Bond	438,491	259,396	274,779		423,108
Inmate	284,718	4,697,602	4,802,310		180,010
	<hr/>	<hr/>	<hr/>		<hr/>
Total	\$ <u>1,316,290</u>	\$ <u>142,794,598</u>	\$ <u>141,992,568</u>		\$ <u>2,118,320</u>

(11) Litigation, Claims and Commitments

At June 30, 2018, the Sheriff was involved in several lawsuits. The potential liability for lawsuits pending has been estimated to be \$100,000. No provision for any other liability resulting from lawsuits has been made in the accompanying financial statements.

The Sheriff has entered into various cancelable operating leases for office and communication equipment. Rental expense under all cancelable operating leases for the year ended June 30, 2018 was \$48,024.

(12) On-Behalf Payments

Certain employees of the Sheriff receive supplemental pay from the State of Louisiana. In accordance with GASB Statement No. 24, the Sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$1,859,050.

OUACHITA PARISH SHERIFF

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

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

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

(14) Deferred Compensation Plan

The Sheriff also offers employees the ability to participate in the Louisiana 457 Deferred Compensation Plan (the Plan). All current full-time employees are immediately eligible to participate in the Plan. For 2018, the maximum participant contribution amount is 100% of the employees' eligible compensation or \$18,000, whichever is less. Participants who will attain the age of 50 by the end of the year are permitted to make certain "catch-up" contributions up to an additional \$6,000 in 2018. The Sheriff matches 40% of the employee's contribution up to \$5,000. Participants are able to direct their investments into an array of mutual funds that the Plan offers. The Sheriff's contributions to the Plan (including employee contributions) for the years ended June 30, 2018, 2017, and 2016, were \$933,203, \$941,296 and \$906,520 respectively.

(15) Prior Period Adjustment – New Accounting Standard

For the year ended June 30, 2018, the Sheriff implemented the following pronouncement: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Statement is summarized below:

GASB Statement No. 75 requires governments that participate in defined benefit other post-employment benefit (OPEB) plans to report in the statement of net position a net OPEB liability. The net OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust restricted to paying benefits to current employees, retirees and beneficiaries. The Statement requires cost-sharing employers to record a liability and expenses equal to their proportionate share of the collective net OPEB liability and expense for the cost-sharing plan. The Statement will also improve the comparability and consistency of how governments calculate the OPEB liabilities and expense.

The restatement of the beginning of the year net position is as follows:

<u>Government Activities</u>	
Net Position as previously stated July 1, 2017	\$ (6,696,509)
Net Change of Net Position due to increase in OPEB liability from Adoption of GASB 75	<u>(20,884,420)</u>
Net Position as restated July 1, 2017	<u>\$ (27,580,929)</u>

OUACHITA PARISH SHERIFF

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

(16) Federal Financial Assistance

The Sheriff participated in the following Federal financial assistance programs during the year ended June 30, 2018:

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Federal Expenditures
U. S. Department of Justice:		
Direct Programs:		
Pass-Through Programs:		
Louisiana Commission on Law Enforcement:		
Domestic Violence Investigation	16.588	67,427
Domestic Violence High Risk Program 2	16.575	2,778
Enhanced Domestic Violence Case Program 2	16.575	<u>180,388</u>
Total Department of Justice		<u>250,593</u>
Total Expenditures of Federal Awards		\$ <u>250,593</u>

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

OUACHITA PARISH SHERIFF
Monroe, Louisiana

General Fund
Budgetary Comparison Schedule

For the Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Budgetary Fund Balance - Beginning of year	\$ 16,256,945	\$ 16,256,945	\$ 16,256,945	\$ -
Resources (Inflows)				
Ad valorem taxes	13,185,000	13,381,807	13,329,149	(52,658)
Sales taxes	4,500,000	4,148,307	4,206,635	58,328
Intergovernmental revenues				
Federal grants	177,788	185,443	174,615	(10,828)
State grants				
State revenue sharing (net)	625,000	664,520	653,746	(10,774)
State supplemental pay	1,848,000	1,865,449	1,859,050	(6,399)
Other	70,000	91,292	94,882	3,590
Other grants and contributions	75,000	35,128	35,528	400
Fees, charges, and commissions for services				
Services and programs	1,722,442	1,499,398	1,521,213	21,815
Civil and criminal fees	1,600,000	1,856,320	1,837,905	(18,415)
Court attendance	75,000	77,159	81,165	4,006
Feeding, keeping and transporting of prisoners	12,700,332	12,616,703	12,734,164	117,461
Tax notices, etc.	200,000	315,171	335,062	19,891
Use of money and property	80,000	160,753	163,623	2,870
Other	25,500	4,532	8,733	4,201
Total resources	<u>36,884,062</u>	<u>36,901,982</u>	<u>37,035,470</u>	<u>133,488</u>
Other financing sources				
Compensation for damage and sale of assets	-	35,342	117,005	81,663
Total other financing sources	<u>-</u>	<u>35,342</u>	<u>117,005</u>	<u>81,663</u>
Amounts available for appropriations	53,141,007	53,194,269	53,409,420	215,151
Charges to appropriations (Outflows)				
Public safety				
Current				
Personal services and related benefits	30,854,431	30,183,952	30,324,109	(140,157)
Operating services	1,830,291	2,246,950	2,155,394	91,556
Materials and supplies	2,593,565	2,098,341	2,098,764	(423)
Travel and other charges	678,275	776,836	627,632	149,204
Capital outlay	927,500	3,046,395	2,914,767	131,628
Total charges to appropriations	<u>36,884,062</u>	<u>38,352,474</u>	<u>38,120,666</u>	<u>231,808</u>
Budgetary Fund Balance - End of Year	<u>\$ 16,256,945</u>	<u>\$ 14,841,795</u>	<u>\$ 15,288,754</u>	<u>\$ 446,959</u>

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios

For the Year Ended June 30, 2018

Total OPEB Liability		
Service cost	\$	830,429
Interest		1,187,391
Changes of benefit terms		-
Differences between expected and actual experience		57,397
Changes of assumptions		-
Benefit payments		(713,735)
Net change in total OPEB liability		<u>1,361,482</u>
Total OPEB liability - beginning		<u>34,282,327</u>
Total OPEB liability - ending (a)	\$	<u>35,643,809</u>
Covered-employee payroll	\$	17,585,740
Net OPEB liability as a percentage of covered-employee payroll		202.69%

Notes to Schedule:

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

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

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

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Schedule of Employer Contributions

For the Year Ended June 30, 2018

Actuarially determined contribution		\$ 2,694,405
Contributions in relation to the actuarially determined contribution		
Employer contributions to trust	-	
Employer-paid retiree premiums	(713,735)	
		(713,735)
Contribution deficiency (excess)		<u>\$ 1,980,670</u>
Covered annual payroll		<u>\$ 17,585,740</u>
Contributions as a percentage of covered employee payroll		4.06%

Notes to Schedule:

Valuation date	7/1/2017
Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.	
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.5% annually
Healthcare trend	Flat 5.5% annually
Salary increases	4.0% annually
Investment return	3.5% annually
Retirement age	4 years after the attainment of age 55 and 20 years of service.
Mortality	RP-2000 without projection, 50% unisex blend
Turnover	Age specific table with an average of 7.5% when applied to the active census

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

OUACHITA PARISH SHERIFF'S OFFICE
Monroe, Louisiana

Schedule of Proportionate Share of Net Pension Liability
Sheriffs' Pension and Relief Fund
For the Year Ended June 30, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability (Asset)	3.0386%	3.0248%	3.0122%	3.0796%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 12,032,717	\$ 13,483,045	\$ 19,117,800	\$ 13,335,590
Employer's Covered-Employee Payroll	\$ 19,903,775	\$ 20,531,401	\$ 21,330,422	\$ 21,653,773
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	60.45%	65.67%	89.63%	61.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.34%	86.61%	82.10%	88.49%

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

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

OUACHITA PARISH SHERIFF'S OFFICE
Monroe, Louisiana

Schedule of the Employer's Contributions
Sheriffs' Pension and Relief Fund
For the Year Ended June 30, 2018

	2015	2016	2017	2018
Contractually Required Contribution ¹	\$ 2,857,813	\$ 2,828,851	\$ 2,826,352	\$ 2,760,903
Contributions in Relation to Contractually Required Contribution ²	2,857,813	2,828,851	2,826,352	2,760,903
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll ³	\$ 19,903,775	\$ 20,531,401	\$ 21,330,422	\$ 21,653,773
Contributions as a % of Covered Employee Payroll	14.36%	13.78%	13.25%	12.75%

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

For reference only:

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

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

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

OTHER SUPPLEMENTAL INFORMATION

OUACHITA PARISH SHERIFF
Monroe, Louisiana

Fiduciary Fund Type - Agency Funds
Combining Balance Sheet

June 30, 2018

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Bond Fund</u>	<u>Inmate Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,597,557	\$ 207,049	\$ 423,108	\$ 459,443	\$ 2,687,157
TOTAL ASSETS	<u>\$ 1,597,557</u>	<u>\$ 207,049</u>	<u>\$ 423,108</u>	<u>\$ 459,443</u>	<u>\$ 2,687,157</u>
LIABILITIES					
Due to General Fund	\$ 289,404	\$ -	\$ -	\$ 279,433	\$ 568,837
Due to taxing bodies and others	<u>1,308,153</u>	<u>207,049</u>	<u>423,108</u>	<u>180,010</u>	<u>2,118,320</u>
TOTAL LIABILITIES	<u>\$ 1,597,557</u>	<u>\$ 207,049</u>	<u>\$ 423,108</u>	<u>\$ 459,443</u>	<u>\$ 2,687,157</u>

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

**Schedule of Assessed Taxes, Collections,
and Uncollected Balances
For the Year Ended June 30, 2018**

Taxing Authority	Taxes Assessed	Tax Adjustments	Taxes Due	Collected Taxes	Refunds	Uncollected Taxes
Law Enforcement	\$ 13,383,391	\$ (81,174)	\$ 13,302,217	\$ 13,163,065	24,707	\$ 163,859
Parish Schools - Parishwide	3,699,390	(19,271)	3,680,119	3,638,345	6,949	48,723
Parish Schools - School Maintenance/Operation	17,247,138	(89,840)	17,157,298	16,962,539	32,399	227,158
Parish Schools - East Ouachita School Bond	9,214,141	(62,340)	9,151,801	9,058,911	32,349	125,239
Monroe City Schools - Maintenance/Operational/Additional Support	10,802,917	(82,420)	10,720,497	10,625,835	19,304	113,966
Monroe City Schools - Bonds	5,336,957	(40,721)	5,296,236	5,249,471	9,537	56,302
Parish General Fund	3,433,273	(20,479)	3,412,794	3,374,117	6,837	45,514
Parish Wide - Library Maintenance	8,443,349	(51,210)	8,392,139	8,304,351	15,587	103,375
Parish Wide - Health Unit	828,923	(5,031)	823,892	815,271	1,530	10,151
Parish Wide - Mosquito Abatement	1,547,220	(9,384)	1,537,836	1,521,749	2,856	18,943
Parish Wide - GB Cooley Hospital	1,580,376	(9,585)	1,570,791	1,554,358	2,918	19,351
Parish Wide -Detention Home	3,204,984	(19,443)	3,185,541	3,152,218	5,917	39,240
Parish Wide - Jail Maintenance and Improvements	10,167,388	(61,667)	10,105,721	10,000,008	18,770	124,483
Parish Wide - Assessment District	2,022,437	(12,266)	2,010,171	1,989,141	3,734	24,764
Municipal - Sterlington General Fund	151,647	(32)	151,615	151,346	-	269
Forestry Fee / Per Acre	13,144	(11)	13,133	13,134	1	-
Tensas Basin Levee District	2,340,250	(15,544)	2,324,706	2,303,976	5,118	25,848
Parish Fire Maintenance	10,737,170	(62,295)	10,674,875	10,538,629	24,088	160,334
East Ouachita Recreation Maintenance	1,715,470	(5,175)	1,710,295	1,706,080	1,691	5,906
Road Lighting District Fees	156,469	(652)	155,817	155,843	86	60
LA Tax Commission	84,169	-	84,169	82,210	-	1,959
Drainage District Fees	20,976	-	20,976	20,976	-	-
Parish Abatement Fees	45,424	(11,553)	33,871	28,689	-	5,182
City of Monroe	11,952,925	(173,675)	11,779,250	11,674,905	14,574	118,919
City of West Monroe	1,336,733	(2,812)	1,333,921	1,326,367	86	7,640
Municipal-Richwood General and Maintenance	145,416	(2,396)	143,020	142,362	-	658
Total	\$ 119,611,677	\$ (838,976)	\$ 118,772,701	\$ 117,553,896	229,038	\$ 1,447,843

STATE OF LOUISIANA
PARISH OF OUACHITA

AFFIDAVIT

JAY RUSSELL, SHERIFF OF OUACHITA PARISH

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

The following information is true and correct:

\$728,764 is the amount of cash on hand in the tax collector account on June 30, 2018;

All itemized statements of the amounts of taxes collected for tax year 2017, by taxing authority, are true and correct.

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



JAY RUSSELL, SHERIFF

Sworn to and subscribed before me, Notary, this 19TH day of DEC, 2018, in my office in MONROE, Louisiana.



(Signature)

SHAN R MURRAY (Print) # 40629

Notary Public

LIFETIME (Commission)

OUACHITA PARISH SHERIFF
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2018

Agency Head
 Sheriff Jay Russell

Salary		\$ 145,069
Benefits		
Retirement	41,395	
Medical Insurance	7,674	
Dental Insurance	191	
Life Insurance	1,803	
Deferred Compensation	3,600	
Expense Allowance	14,576	
Total Benefits	69,239	
Travel - LSA/LS PRF/FBI/NSA		5,594
Registration Fees - FBI/LSA		225
Dues - FBI/NSA		285
Conference Fees - LSA/NSA		1,020
Total		\$ 221,432

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

Ouachita Parish Sheriff Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 14, 2018.

Internal Control Over Financial Reporting

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

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

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

Ouachita Parish Sheriff
Monroe, Louisiana

Compliance and Other Matters

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

Purpose of this Report

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

Cameron, Hines & Company (APAC)

December 14, 2018
West Monroe, Louisiana

OUACHITA PARISH SHERIFF

**Schedule of Findings and Responses
As of and For the Year Ended June 30, 2018**

We have audited the financial statements of the Ouachita Parish Sheriff as of and for the year ended June 30, 2018, and have issued our report thereon dated December 14, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2018, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

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

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

Section II- Financial Statement Findings

None

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

OUACHITA PARISH SHERIFF

**Schedule of Prior Year Findings
As of and For the Year Ended June 30, 2018**

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

No prior year findings.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Ouachita Parish Sheriff and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Ouachita Parish Sheriff (Sheriff) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Sheriff's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Sheriff's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: No exceptions were noted.

Bank Reconciliations

- 2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Sheriff's main operating account. Select the Sheriff's main operating account and randomly select 4 additional accounts³ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

² The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

³ Accounts selected may exclude savings and investment accounts that are not part of the THE SHERIFF's daily business operations.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: One exception was noted where there was no documentation reflecting that the Sheriff had researched reconciling items that had been outstanding for more than 12 months from the statement closing date.

Collections

3. Obtain a listing of deposit sites⁴ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

4. For each deposit site selected, obtain a listing of collection locations⁵ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Findings: No exceptions noted.

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Findings: No exceptions were noted.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if

⁴ A deposit site is a physical location where a deposit is prepared and reconciled.

⁵ A collection location is a physical location where cash is collected. An THE SHERIFF may have one or more collection locations whose collections are brought to a deposit site for deposit.

multiple deposits are made on the same day)⁶. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: No exceptions were noted.

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

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

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

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

Findings: No exceptions noted.

9. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10)

⁶ If "bank reconciliations" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Findings: No exceptions noted.

Travel and Travel-Related Expense Reimbursements⁷ (excluding card transactions)

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

Findings: No exceptions were noted.

Payroll and Personnel

11. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings: No exceptions were noted.

12. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

⁷ Non-travel reimbursements are not required to be tested under this category.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the Sheriff's cumulative leave records.

Findings: No exceptions were noted.

- 13. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Findings: No exceptions were noted.

- 14. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: We obtained management's representation.

Management's Response

We concur with the results of the procedures and are working diligently to improve controls.

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

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

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
November 16, 2018