

RED RIVER PARISH SHERIFF
Coushatta, Louisiana

Financial Statements
Year Ended June 30, 2017

RED RIVER PARISH SHERIFF
Coushatta, Louisiana

Financial Statements
Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT

Honorable Glen T. Edwards
Red River Parish Sheriff
Coushatta, 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 Red River Parish Sheriff (the Sheriff), Coushatta, Louisiana, as of and for the year then ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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 Red River Parish Sheriff as of June 30, 2017, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Schedule of Funding Progress and the Schedule of Employer Contributions for Other Post-Employment Benefit Plan, the Schedule of the Sheriff's Proportionate Share of the Net Pension Liability, and the Schedule of Contributions to the Sheriff's Pension and Relief Fund on pages 3 through 6, and 35 through 39, respectively, 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 an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The Sheriff's Affidavit presented on page 41 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2017 on our consideration of Red River Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 29, 2017

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2017

This section of Red River Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position increased \$410,051 or 1.48% over the course of this year's operations.
- Expenses for the year were \$5,603,725, an increase of \$705,554 over 2016 expenses of \$4,898,171 or 14.40%.
- During the year, the Sheriff's governmental fund expenditures were \$229,224 less than the \$6 million generated in ad valorem taxes, charges for services and operating grants for governmental programs.
- The General Fund's increase in fund balance was \$229,224. The General Fund ended the year with a \$30.2 million fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the financial statements, and required supplementary information, and other supplementary information. The financial statements include two kinds of statements that present different views of the Sheriff:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Sheriff's government, reporting the Sheriff's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the Sheriff acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net position and how they have changed. Net position—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

- Over time, increases or decreases in the Sheriff's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Sheriff you need to consider additional nonfinancial factors such as changes in the Sheriff's property tax base and growth of Red River Parish.

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2017

The government-wide financial statements of the Sheriff include:

- Governmental activities—most of the Sheriff's basic services are included here, such as police and general administration. Ad valorem taxes, state and federal grants, and fees, charges, and commissions for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Sheriff's most significant funds—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

- Governmental funds—Most of the Sheriff's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The Sheriff has one governmental fund – the General Fund.
- Fiduciary funds—Funds which are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net position. The Sheriff's net position is comprised of the following assets plus deferred outflows less liabilities and deferred inflows:

<i>June 30,</i>	2017	2016	Percentage Change
Current and other assets	\$ 30,401,269	\$ 30,232,440	0.6
Capital assets	818,482	594,860	37.6
Total assets	31,219,751	30,827,300	1.3
Deferred outflows of resources	1,546,175	614,391	151.7
Current and other liabilities	205,005	265,400	(22.8)
Long-term liabilities	4,145,411	3,055,179	35.7
Total liabilities	4,350,416	3,320,579	31.0
Deferred inflows of resources	272,579	388,232	(29.8)
Net position			
Net investment in capital assets	818,482	594,860	37.6
Unrestricted	27,324,449	27,138,020	0.7
Total net position	\$ 28,142,931	\$ 27,732,880	1.5

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2017

Net position of the Sheriff increased by \$410,051 or 1.48% from the previous fiscal year. The increase is the result of revenues exceeding operating and non-operating expense during the fiscal year ended June 30, 2017.

Changes in net position of government activities. The Sheriff's total revenues decreased by 7%. (See Table A-2.) Approximately 57% of the Sheriff's revenue comes from ad valorem tax collections from Red River Parish and approximately 31% comes from sales tax revenue. The remainder comes from prison fees and miscellaneous fees, commissions and other intergovernmental revenue.

The total cost of all programs and services increased approximately \$705,554 or 14.4%. The Sheriff's expenses cover all services performed by its office.

Table A-2
Statement of Activities

<i>For the years ended June 30,</i>	2017	2016	Percentage Change
General revenues	\$ 5,248,000	\$ 5,714,779	(8.2)
Fees, charges and commissions for services	471,500	443,785	6.2
Operating grants	<u>294,276</u>	<u>311,223</u>	<u>(5.4)</u>
Total revenues	<u>6,013,776</u>	<u>6,469,787</u>	<u>(7.0)</u>
General government expenses	<u>5,603,725</u>	<u>4,898,171</u>	<u>14.4</u>
Increase in net position	<u>\$ 410,051</u>	<u>\$ 1,571,616</u>	<u>(73.9)</u>

CAPITAL ASSETS

At the end of 2017, the Sheriff had invested \$818,482 in capital assets. (See Table A-3.)

Table A-3
Sheriff's Capital Assets
(Net of depreciation)

<i>June 30,</i>	2017	2016	Change
Land	\$ 22,278	\$ 22,278	\$ -
Buildings and improvements	11,735	3,223	8,512
Automobiles	541,309	435,255	106,054
Furniture and equipment	<u>243,160</u>	<u>134,104</u>	<u>109,056</u>
Total capital assets, net of depreciation	<u>\$ 818,482</u>	<u>\$ 594,860</u>	<u>\$ 223,622</u>

LONG-TERM DEBT

The Red River Parish Sheriff's long-term debt consists of its other post-employment benefits liabilities and its net pension liability. The Sheriff had \$1,328,499 in other post-employment benefits payable at year end compared to \$1,220,936 at the previous year end, an increase of \$107,563 or 8.88%. (See Table A-4.) The Sheriff's net pension liability was \$2,557,843 at year end, compared to \$1,633,921 at the previous year end, an increase of \$923,922 or 56.5%. (See Table A-4.)

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2017

Table A-4
Sheriff's Long-Term Debt

<i>June 30,</i>	2017	2016	Change
Other post employment benefits obligation	\$ 1,328,499	\$ 1,220,936	\$ 107,563
Net pension liability	2,557,843	1,633,921	923,922
Accrued compensated absences	<u>141,817</u>	<u>95,965</u>	<u>45,852</u>
Total	<u>\$ 4,028,159</u>	<u>\$ 2,950,822</u>	<u>\$ 1,077,337</u>

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental funds reported a fund balance of \$30,196,264, an increase from last year's fund balance \$29,967,040, of \$229,224. This fund balance provides for operating revenues in periods of decreased revenue.

General Fund Budgetary Highlights

Over the course of the year, the Sheriff did amend the general fund budget. The general fund budget amendments reflect an increase in revenues of \$322,191 and an increase in expenditures of \$368,765 from the original budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem taxes for 56.9 percent and sales taxes for 30.66 percent of its revenues. The economy is not expected to generate any significant growth and property taxes are not expected to significantly increase. Budgeted expenditures for 2018 are expected to be consistent with 2017.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Red River Parish Sheriff's Office, PO Box 375, Coushatta, LA 71019.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Current assets	
Cash	\$ 17,774,088
Receivables	329,397
Investments	12,272,630
Prepaid expenses	25,154
Total current assets	30,401,269
Noncurrent assets	
Capital assets, net of accumulated depreciation	818,482
Total assets	31,219,751
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow amounts related to pension liability	1,546,175
LIABILITIES	
Current liabilities	
Accounts payable and accruals	205,005
Noncurrent liabilities	
Portion due within one year	
Accrued compensated absences	117,252
Portion due after one year	
Net other post-employment benefit obligation	1,328,499
Net pension liability	2,557,843
Accrued compensated absences	141,817
Total noncurrent liabilities	4,145,411
Total liabilities	4,350,416
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow amounts related to pension liability	272,579
NET POSITION	
Net investment in capital assets, net of related debt	818,482
Unrestricted	27,324,449
Total net position	\$ 28,142,931

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position	
<u>Functions/Programs</u>				
Governmental activities				
Public safety	\$ 5,603,725	471,500	294,276	\$ (4,837,949)
Total governmental activities	\$ 5,603,725	\$ 471,500	\$ 294,276	(4,837,949)
General revenues:				
Taxes			5,248,273	
State revenue sharing			65,161	
Investment income (loss)			(128,055)	
Miscellaneous			62,621	
Total general revenues			5,248,000	
Change in net position			410,051	
Net position, beginning of year			27,732,880	
Net position, end of year			\$ 28,142,931	

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 17,774,088
Receivables	329,397
Investments	12,272,630
Prepaid expenses	25,154
TOTAL ASSETS	<u>\$ 30,401,269</u>
LIABILITIES	
Accounts payable	\$ 96,308
Accrued liabilities	108,697
TOTAL LIABILITIES	<u>205,005</u>
FUND BALANCE	
Nonspendable	25,154
Unassigned	30,171,110
TOTAL FUND BALANCE	<u>30,196,264</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 30,401,269</u>

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Total fund balances - Governmental Funds		\$ 30,196,264
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Amounts reported in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the fund assets. This is the amount of capital assets, net of accumulated depreciation, in the current period

Cost of capital assets at June 30, 2017	\$ 2,308,275	
Less: accumulated depreciation as of June 30, 2017	<u>(1,489,793)</u>	818,482

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities. These liabilities consist of the following:

Net post-employment benefit obligation	(1,328,499)	
Compensated absences payable	(259,069)	
Net pension liability	<u>(2,557,843)</u>	(4,145,411)

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. These deferrals reported on the Statement of Net Position consist of :

Deferred outflows	1,546,175	
Deferred inflows	<u>(272,579)</u>	<u>1,273,596</u>

Total net position - Governmental Activities		<u>\$ 28,142,931</u>
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The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>
REVENUES	
Taxes	\$ 5,248,273
State revenue sharing	65,161
Intergovernmental revenues	318,783
Fees, charges and commissions for services	471,500
Investment income (loss)	(128,055)
Other	38,115
Total Revenues	<u>6,013,777</u>
 EXPENDITURES	
Public Safety	
Personal services	4,642,567
Operating services	335,724
Supplies	287,414
Travel	1,876
Professional services	53,157
Capital outlay	463,815
Total Expenditures	<u>5,784,553</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 229,224
 FUND BALANCE AT BEGINNING OF YEAR	 <u>29,967,040</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 30,196,264</u>

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - Governmental Funds \$ 229,224

Amounts reported in the statement of activities are 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. This is the amount by which capital outlay exceeds depreciation in the current period:

Capital outlay included in expenditures	463,815	
Depreciation expense for the year	<u>(240,193)</u>	223,622

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenditures consist of:

Net effects of changes in accrued compensated absences	(58,746)	
Net post-employment benefits earned by participants in excess of contributions made by the employer	(107,563)	
Net effects of changes in net pension liability	<u>123,514</u>	<u>(42,795)</u>

Total Changes in Net Position for year ended June 30, 2017 \$ 410,051

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 321,065
Total assets	<u>\$ 321,065</u>
LIABILITIES	
Unsettled balances due to others	\$ 283,423
Unsettled balances due to taxing bodies	<u>37,642</u>
Total liabilities	<u>\$ 321,065</u>
Total net position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. 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, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The accompanying financial statements of the Red River Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net position and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Section N50.

The statement of activities presents a comparison between direct expenses and program revenues for each function 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

FUND FINANCIAL STATEMENTS (FFS):

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds.

The Sheriff reports the following major governmental funds:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include sales tax, commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

The Sheriff reports the following non-major fund types:

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The only funds accounted for in this category by the Sheriff are agency funds.

Agency funds are used to account for assets held in a trustee capacity. The Sheriff's Agency Funds are used as depositories for civil suits, cash bonds, taxes, fees, etc. Disbursements from these funds are made to various parish agencies, litigants in suits, etc., in the manner prescribed by law.

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

The agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus.

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff's basic financial statements include all funds that are controlled by the Sheriff as an independently elected Parish official. As an independently elected official, the Sheriff is solely responsible for the operations of his office. Other than certain operating expenditures of the Sheriff that are paid or provided by the Red River Parish Police Jury as required by Louisiana Law, the Sheriff is financially independent. Accordingly, the Sheriff is a primary government for reporting purposes.

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, etcetera. The Sheriff has no component units.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The Governmental-Wide Financial Statements (GWFS) and fiduciary fund statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all property tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

D. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2017, was made available for public inspection and comments from taxpayers at the Sheriff's office during June 2016. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

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

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. INTERFUND ACTIVITY

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government wide financial statements.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute and the Sheriff's investment policy, which allows for investment in obligations of the U.S. Agencies, certificates of deposit and investment grade commercial paper of domestic United States corporations. Investments are carried at fair market value as of the balance sheet date.

H. CAPITAL ASSETS

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Sheriff is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

I. COMPENSATED ABSENCES

Full-time employees that have been employed one year earn one week of vacation and two weeks of sick leave and employees that have been employed two to fifteen years earn two weeks of vacation and two weeks of sick leave per year. After fifteen years of service, employees earn three weeks of vacation a year. Vacation leave accumulates to a maximum carryover of 240 hours (six weeks) from one fiscal year to the next. Sick leave accumulates from one fiscal year to the next and can be accumulated up to a maximum of four weeks; however, accumulated sick leave is not paid upon termination.

J. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions. To handle such risk of loss, the Sheriff maintains commercial insurance policies, workers' compensation insurance, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended June 30, 2017.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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.

L. NET POSITION

For the government-wide statement of net position, the net position is classified and displayed in three components:

Net investment in capital assets – This component 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 borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Fund balance is classified into categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending restraints:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Sheriff had \$25,154 in prepaid insurance which is a nonspendable resource as of June 30, 2017.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Sheriff did not have any restricted resources as of June 30, 2017.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Sheriff. These amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Sheriff did not have any committed resources as of June 30, 2017.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

- Assigned: This classification includes amounts that are constrained by the Sheriff's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Sheriff or by an official or body to which the Sheriff delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Sheriff did not have any assigned resources as of June 30, 2017.
- Unassigned: This classification includes the residual fund balance for the General Fund and also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. General Fund had \$30,171,110 at June 30, 2017, classified as unassigned.

The Sheriff would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

N. SALES TAX

The Red River Parish Sheriff receives a one percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for salaries and benefits of deputies and acquiring, maintaining and operating of sheriff's vehicles and equipment.

O. PENSION PLAN

The Red River Parish Sheriff's Office is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund) as described in Note 9. 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. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Sheriff has one item that meets this criterion, contributions made to the pension plan in the 2017 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Sheriff has one item that meets the criterion for this category, a deferral of pension expense.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. ON-BEHALF PAYMENTS

On-behalf payments for fringe benefits and salaries - The Sheriff receives on-behalf payments from the State of Louisiana to be used for supplemental pay to qualified law enforcement officers. On-behalf payments to the Sheriff totaled \$166,016 for the fiscal year ended June 30, 2017. Such payments are recorded as intergovernmental revenue (state supplemental pay) and public safety expenses (personnel services and related benefits) in the GAAP basis government-wide and general fund financial statements.

2. LEVIED TAXES

The Red River Parish Sheriff levies taxes on real and business personal property located within its boundaries. Ad valorem taxes are assessed on a calendar year basis, levied and become due on November 15 of each year. The following is a summary of authorized and levied ad valorem taxes as of June 30, 2017:

	Authorized Millage	Levied Millage	Expiration Date
Law enforcement	14.59	13.71	Statutory

3. CHANGES IN FIDUCIARY NET POSITION

A summary of changes in fiduciary net position due to taxing bodies and others follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Agency Funds				
Fines, bonds and costs fund	\$ 349,467	\$ 303,866	\$ 404,161	\$ 249,172
Civil fund	30,284	134,468	130,501	34,251
Tax collections fund	36,249	23,663,064	23,661,671	37,642
Total	\$ 416,000	\$ 24,101,398	\$ 24,196,333	\$ 321,065

4. RECEIVABLES

The accounts receivables at June 30, 2017 are as follows:

Class of receivable	
Sales tax	\$ 221,799
Fees, charges and commissions for tax services and intergovernmental	71,515
Accrued interest on investments	36,083
Total	\$ 329,397

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

5. CAPITAL ASSETS

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

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Governmental activities				
Capital assets not being depreciated				
Land	\$ 22,278	\$ -	\$ -	\$ 22,278
	<u>22,278</u>	<u>-</u>	<u>-</u>	<u>22,278</u>
Capital assets being depreciated				
Buildings and improvements	31,068	9,115	-	40,183
Automobiles	1,354,247	294,350	-	1,648,597
Equipment	436,867	160,350	-	597,217
	<u>1,822,182</u>	<u>463,816</u>	<u>-</u>	<u>2,285,997</u>
Less accumulated depreciation				
Buildings and improvements	27,845	602	-	28,447
Automobiles	918,992	188,297	-	1,107,289
Equipment	302,763	51,294	-	354,057
	<u>1,249,600</u>	<u>240,193</u>	<u>-</u>	<u>1,489,793</u>
Total capital assets being depreciated, net	<u>572,582</u>	<u>223,622</u>	<u>-</u>	<u>796,204</u>
Capital assets, net	<u>\$ 594,860</u>	<u>\$ 223,622</u>	<u>\$ -</u>	<u>\$ 818,482</u>

For the year ended June 30, 2017, depreciation expense was \$240,193.

6. CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2017, the Sheriff has unrestricted cash and cash equivalents (book balances) as follows:

Governmental funds	
Petty cash	\$ 600
Interest bearing and non-interest bearing demand deposits	17,773,488
Total governmental funds	<u>\$ 17,774,088</u>
Fiduciary funds	
Interest bearing demand deposits	\$ 321,065
Total fiduciary funds	<u>\$ 321,065</u>
Total	<u>\$ 18,095,153</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. As of June 30, 2017 all bank balances covered by FDIC insurance and a pledge of securities totaled \$18,059,591.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

7. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2017, \$8,618 was not collateralized in accordance with Louisiana RS 39:1211 through 39:1273 and was reported as a finding at 2017-001.

8. INVESTMENTS

The Sheriff maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Sheriff may invest in obligations of the U.S. Treasury and U.S. Agencies, certificates of deposit and commercial paper of domestic United States corporations. Investments are carried at fair market value as of the balance sheet date.

As of June 30, 2017, the Sheriff's investment balances were as follows:

	Fair Value Level	
Federal Agency Obligations	\$ 12,127,295	2
Certificates of Deposit	145,335	2
Total	\$ 12,272,630	

Fair Value Measurement

The investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 - Investments reflect prices quoted in active markets.
- Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

As of June 30, 2017 the Sheriff had the following investment types and maturities for investments subject to interest rate risk:

		Remaining Maturity				
		Fair Value	Less than one year	1-5	6 - 10	11 - 15
Federal Agency Obligations	\$ 12,127,295	\$ 773,893	\$ 2,461,400	\$ 2,779,989	\$ 5,021,597	\$ 1,090,417
Certificates of Deposit	145,335	-	145,335	-	-	-
	\$ 12,272,630	\$ 773,893	\$ 2,606,735	\$ 2,779,989	\$ 5,021,597	\$ 1,090,417

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

8. INVESTMENTS (continued)

Credit Risk

As of June 30, 2017, the Sheriff investments in Federal Agency Obligations were rated AAA by Moody's Investors Service or AA+ by Standard & Poor's

Concentration of Credit Risk

Excluding investments issued or guaranteed by the U.S. Government, the Sheriff had investments in three organizations for which the total amount invested represented five percent or more of the Sheriff's investments, listed as follows:

<u>Agency</u>	<u>June 30, 2017</u>	<u>of Total</u>
Federal Home Loan Bank	\$ 6,514,934	53%
Federal Home Loan Mortgage Corp.	3,320,961	27%
Federal National Mortgage Association	1,990,849	16%
Federal Farm Credit Bank	148,520	1%
Government National Mortgage Association	152,031	1%
Barclay's Bank	145,335	1%
Total	<u>\$ 12,272,630</u>	<u>100%</u>

Custodial credit risk-investments. For an investment, this 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 has a custodial credit risk exposure for the investment balance because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities.

The Sheriff does not have a policy addressing interest rate risk or credit risk.

9. PENSION PLAN

Plan Description

The Sheriffs' Pension and Relief Fund (the "Fund") was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The Fund is a cost-sharing multiple-employer defined pension plan.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

9. PENSION PLAN (continued)

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

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

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

Disability Benefits

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

Survivor's Benefits

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

Deferred Benefits

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

9. PENSION PLAN (continued)

Back Deferred Retirement Option Plan (Back-DROP)

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

Contribution Refunds

Upon withdrawal from service, members are not entitled to a retirement allowance who have remained out of service for a period of thirty days are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued benefits in the system.

Cost-of-Living Adjustments

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ended June 30, 2017 and 2016, the actuarially determined employer contribution rates were 13.25% and 13.75%, respectively, with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the years ended June 30, 2017 and 2016 were \$415,442 and \$379,318, respectively. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

For 2017, plan members are required by state statute to contribute 10.25% of their annual covered salary. For the year ended June 30, 2017, in addition to the required employer contribution, the Sheriff elected to contribute the employee's required portion on behalf of its plan members. The total extra contributions paid by the Sheriff on behalf of the plan member were \$320,134 for the year ended June 30, 2017.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

9. PENSION PLAN (continued)

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

At June 30, 2017, the Sheriff's liability was \$2,557,843 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Sheriff's proportion was 0.403007%, which is an increase of 0.036457% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the Sheriff recognized total pension expense of \$448,400.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 268,289
Changes of assumptions	208,968	-
Net difference between projected and actual earnings on pension plan investments	640,612	-
Changes in proportion	281,153	4,290
Differences between contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	415,442	-
Total	<u>\$ 1,546,175</u>	<u>\$ 272,579</u>

The Sheriff reported a total of \$415,442 as deferred outflow of resources related to pension contributions made subsequent to the measurement period which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

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

Year	LSRPF
2018	\$ (122,604)
2019	(126,884)
2020	(313,482)
2021	(229,760)
2022	(32,754)
2023	(32,670)
	<u>\$ (858,154)</u>

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

9. PENSION PLAN (continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.6%, net of investment expense
Discount Rate	7.50%
Projected Salary Increases	5.5% (2.875% Inflation, 2.625% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	2016-7 years 2015-6 years 2014-6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

9. PENSION PLAN (continued)

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 and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60%	6.4%	3.9%
Bonds	25%	1.9%	0.5%
Alternative Investments	15%	4.3%	0.6%
Cash and Cash Equivalents	0%	0.0%	0.0%
Totals	<u>100%</u>		<u>5.0%</u>
Inflation			<u>2.7%</u>
Expected Arithmetic Nominal Return			<u>7.7%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates. 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 the 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:

Rate	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	6.50% \$ 4,339,642	7.50% \$ 2,557,843	8.50% \$ 1,087,180

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

9. PENSION PLAN (continued)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Sheriff recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$156,550 for its participation in the Sheriff's Pension and Relief Fund.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Sheriffs' Pension and Relief Fund Audit Report at www.lla.la.gov. The Sheriffs' Pension and Relief Fund issues a publicly available audit report that includes financial statements and required supplementary information.

Payables to the Pension Plan

The Sheriff recorded accrued liabilities to the Retirement System for the year ended June 30, 2016 mainly due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the caption accrued liabilities. The balance due to the retirement system at June 30, 2017 was \$83,289.

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

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description – The Red River Parish Sheriff's Office's medical, dental and life insurance benefits are provided to employees upon actual retirement based on at least the following provisions: 30 years of service at any age or at age 55 and 15 years of service.

Employees hired on and after January 1, 2012 have the same retirement eligibility requirements except that they must be at least age 55 with 30 years of service, age 60 with 20 years of service or age 62 with 12 years of service.

Life insurance coverage is continued to retirees by election and is based on a blended rate for active employees and retirees. The employer pays for retiree life insurance after retirement, but the "cost" is based on the blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below 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. Thus, the implicit subsidy by the employer has been determined by applying the unblended rate (as described above) to the full coverage. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Fund Policy – Until 2009, Red River Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (Red River Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, Red River Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$83,866 and \$77,654, respectively.

Effective July 1, 2009, Red River Parish Sheriff implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

	2017
Normal cost	\$ 96,697
30-year UAL amortization amount	123,212
Annual required contribution (ARC)	\$ 219,909

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

	2017
Beginning Net OPEB Obligation	\$ 1,220,936
Annual required contribution	219,909
Interest on Net OPEB Obligation	48,838
ARC Adjustment	(70,608)
OPEB Cost	198,139
Contribution to Irrevocable Trust	-
Current year retiree premium	(90,576)
Change in Net OPEB Obligation	107,563
Ending Net OPEB Obligation	\$ 1,328,499

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	\$ 198,139	45.71%	\$ 1,328,499
June 30, 2016	\$ 191,603	43.77%	\$ 1,220,936
June 30, 2015	\$ 185,390	41.89%	\$ 1,113,199
June 30, 2014	\$ 551,247	30.85%	\$ 1,005,463
June 30, 2013	\$ 394,377	20.51%	\$ 624,262

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Funded Status and Funding Progress – In 2017 and 2016, Red River Parish Sheriff made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$2,215,808 which is defined as that portion, as determined by a particular actuarial cost method (Red River Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2017
Actuarial Accrued Liability (AAL)	\$2,215,808
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	\$2,215,808
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$3,271,031
UAAL as a percentage of covered payroll	67.74%

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

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

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

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 12.5%.

Post-employment Benefit Plan Eligibility Requirements – Based on historical experience, it has been assumed that entitlement to benefits will commence four (4) years after the earliest eligibility to retire or enter D.R.O.P. Medical benefits are provided to employees upon actual retirement.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

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

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

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the blended rate, as required by GASB Codification Section P50 for valuation purposes. Dependent coverage is not provided for retirees. Dental insurance has been included with the medical valuation but without trend.

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

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

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

11. LITIGATION AND CLAIMS

At June 30, 2017, the Sheriff was not involved in any lawsuits

12. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE POLICE JURY

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Red River Police Jury and are not included in the accompanying financial statements.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

13. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand and available for settlements as of June 30, 2017 was \$37,642. As of June 30, 2017, \$18,986 of the taxes assessed in Red River Parish from the 2016 tax roll was not collected. The uncollected taxes are the result of change orders, adjustments and no responses to collection efforts. Those not responding properties will have tax liens placed on them. The amount of taxes collected for the current year by taxing authority is as follows:

Entity	Mills/Rate	Assessed taxes	Uncollected Taxes	Current Taxes Collected
Parish Tax	3.63	\$ 811,830	\$ 591	\$ 811,239
Parish Tax Inside	1.81	18,339	57	18,282
Forestry Tax	0.08	8,975	40	8,935
Red River Levee District	4.55	651,828	77	651,751
Red River Levee Per Acre	0.05	3,833	(0)	3,833
Red River Per Mile	-	3,353	(0)	3,353
Bossier Levee	4.22	21,106	0	21,106
Library Tax	7.09	1,657,478	1,377	1,656,101
Health Unit Tax	2.02	472,226	392	471,834
Public Facilities Tax	3.04	710,682	590	710,092
School Consul.	2.25	525,996	437	525,559
School Constitutional	4.97	1,161,867	971	1,160,896
School C/R/E	5.62	1,313,822	1,101	1,312,721
School Maintenance and Operation	16.32	3,815,232	3,177	3,812,055
School Salaries and Benefits	16.18	3,782,506	3,150	3,779,356
Sheriff Tax	14.59	3,410,797	2,841	3,407,956
Red River Waterway	2.34	544,850	454	544,396
Fire District	7.58	1,772,023	1,468	1,770,555
Council on Aging	0.95	222,087	183	221,904
LA Tax Commission - Public Utilities	0.40	29,942	0	29,942
LA Tax Commission - Financial Instruments	0.15	243	0	243
Red River Tax Assessor	9.63	2,251,272	1,873	2,249,399
John K Kelly Grand Bayou	1.00	233,777	207	233,570
Total		<u>\$ 23,424,064</u>	<u>\$ 18,986</u>	<u>\$ 23,405,078</u>

14. SUBSEQUENT EVENTS

The Red River Parish Sheriff has evaluated subsequent events through the date that the financial statements were available to be issued, December 29, 2017, and determined that no events have occurred that would require additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 5,000,000	\$ 5,100,405	\$ 5,248,273	\$ 147,868
State revenue sharing	63,000	63,815	65,161	1,346
Intergovernmental revenue	313,000	343,746	318,783	(24,963)
Fees, charges, and commissions for services	325,500	473,540	471,500	(2,040)
Interest and investment income	245,000	269,685	367,340	97,655
Other	65,000	82,500	38,115	(44,385)
Total Revenues	<u>6,011,500</u>	<u>6,333,691</u>	<u>6,509,172</u>	<u>175,481</u>
EXPENDITURES				
General Government				
Personal services	5,300,000	5,575,000	4,642,567	932,433
Operating services	300,000	350,000	335,724	14,276
Supplies	350,000	340,000	287,414	52,586
Travel	10,000	43,000	1,876	41,124
Professional services	75,000	50,017	53,157	(3,140)
Capital outlay	300,000	345,748	463,815	(118,067)
Total Expenditures	<u>6,335,000</u>	<u>6,703,765</u>	<u>5,784,553</u>	<u>919,212</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(323,500)	(370,074)	724,619	1,094,693
FUND BALANCE, beginning of year				
	<u>29,967,040</u>	<u>29,967,040</u>	<u>29,967,040</u>	<u>-</u>
FUND BALANCE, end of year				
	<u>\$ 29,643,540</u>	<u>\$ 29,596,966</u>	<u>\$ 30,691,659</u>	<u>\$ 1,094,693</u>

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

Budget to GAAP Reconciliation: Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures are as follows:

	General Fund
Actual amount of revenue reported at the Statement of Revenue, Expenditures and Change	\$ 6,013,777
The amount of unrealized loss from investments that is not a budgetary resource for financial reporting purposes	495,395
Total revenue as reported on the General Fund Budgetary Comparison Schedule	\$ 6,509,172
Actual amount of expenses reported at the Statement of Revenue, Expenditures and Change	\$ 5,784,553
Other financing uses	-
Total expenses as reported on the General Fund Budgetary Comparison Schedule	\$ 5,784,553

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2017**

Actuarial Valuation Date (1)	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
7/1/2012	\$ -	\$ 5,191,216	\$ 5,191,216	0.0%	\$ 2,147,383	241.7%
7/1/2013	\$ -	\$ 5,191,216	\$ 5,191,216	0.0%	\$ 3,815,000	136.1%
7/1/2014	\$ -	\$ 2,048,639	\$ 2,048,639	0.0%	\$ 2,561,287	80.0%
7/1/2015	\$ -	\$ 2,130,584	\$ 2,130,584	0.0%	\$ 2,808,594	75.9%
7/1/2016	\$ -	\$ 2,215,808	\$ 2,215,808	0.0%	\$ 3,271,031	67.7%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	(a) Annual OPEB Cost	(b) Annual Contributed	(b/a) Percentage of Annual OPEB Costs Contributed	(a-b) Increase (Decrease) to Net OPEB Obligation	(PY + (a-b)) Net OPEB Obligation
6/30/2013	\$ 394,377	\$ 80,878	20.51%	\$ 313,499	\$ 624,262
6/30/2014	\$ 551,247	\$ 170,046	30.85%	\$ 381,201	\$ 1,005,463
6/30/2015	\$ 185,390	\$ 77,654	41.89%	\$ 107,736	\$ 1,113,199
6/30/2016	\$ 191,603	\$ 83,866	43.77%	\$ 107,737	\$ 1,220,936
6/30/2017	\$ 198,139	\$ 90,576	45.71%	\$ 107,563	\$ 1,328,499

(1)

The 7/1/2012 and 7/1/2013 valuations were performed by RRPSO accounting personnel using the simplified method allowed by GASB 45. The 7/1/2014, and thereafter, valuations were actuarially determined.

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**SCHEDULE OF SHERIFF'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2017 (*)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability	0.4031%	0.3666%	0.3412%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,557,843	\$ 1,633,921	\$ 1,351,035
Employer's Covered-Employee Payroll	\$ 2,758,674	\$ 2,430,310	\$ 2,183,404
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	92.72%	67.23%	61.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension	82.10%	86.61%	87.34%

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 the measurement date of June 30, 2014.

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

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**SCHEDULE OF CONTRIBUTIONS TO THE SHERIFFS' PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016	2015
Contractually Required Contribution ¹	\$ 415,442	\$ 379,318	\$ 346,319
Contributions in Relation to Contractually Required Contribution ²	415,442	379,318	346,319
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll ³	\$ 3,135,411	\$ 2,758,674	\$ 2,430,310
Contributions as a % of Covered Employee Payroll	13.25%	13.75%	14.25%

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

For reference only:

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

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

³ Employer's covered employee payroll amount for the fiscal years ended June 30, 2017, 2016 and 2015

**Notes to Required Supplementary Information
June 30, 2017**

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2017.

Changes of Assumptions

For the actuarial valuation for the year ended June 30, 2016, the discount rate was reduced from 7.6% to 7.5%, the salary increase assumption was unchanged at 5.5%, and the inflation assumption was unchanged at 2.875%.

OTHER SUPPLEMENTARY INFORMATION

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
AFFIDAVIT

STATE OF LOUISIANA, PARISH OF Red River

AFFIDAVIT

Glen T. Edwards (Sheriff's Name), Sheriff of Red River (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, Glen T. Edwards, the sheriff of Red River Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 37,641 is the amount of cash on hand in the tax collector account on

June 30, 2017 (Date);

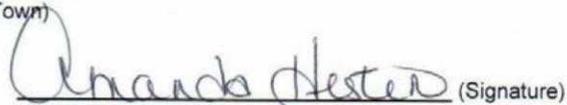
He further deposed and said:

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

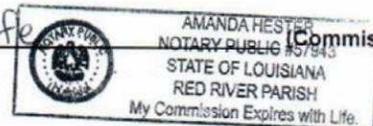
All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.


Signature
Sheriff of Red River
(Parish)

SWORN to and subscribed before me, Notary, this 29th day of December in my office in the Coushatta, Louisiana.
(City/Town)

 (Signature)

Amanda Hester (Print), # 07943
Notary Public

with Life (Commission)


RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

Red River Parish Sheriff, Glen T. Edwards

Purpose	Amount
Salary	\$ 165,676
Benefits - insurance	10,262
Benefits - retirement	39,762
Benefits - medicare	2,402
Travel	1,276
Registration fees	370
Housing	-
Other	-
	<hr/>
	\$ 219,748
	<hr/> <hr/>

**OTHER REPORTS REQUIRED
BY GOVERNMENT AUDITING STANDARDS**



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

Honorable Glen T. Edwards
Red River Parish Sheriff
Coushatta, 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 the Red River Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Red River Parish Sheriff's basic financial statements, and have issued our report thereon dated December 29, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

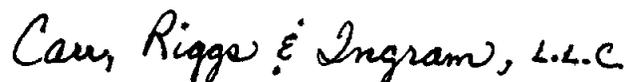
As a part of obtaining reasonable assurance about whether the Red River Parish Sheriff's Office financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2017-001.

Red River Parish Sheriff's Response to Findings

The Sheriff's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 29, 2017

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section I – Summary of Auditors’ Report

Type of auditors’ report issued on the basic financial statements:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered material weaknesses?	No
Noncompliance material to the basic financial statements noted?	No
Federal awards	N/A
Was a management letter issued?	No

Section II – Financial Statement Findings

Current Year Findings

2017-001 Under Collateralized Deposits

Criteria or Specific Requirement:

As required by Louisiana RS 39:1211 through 39:1273, all deposits are required to be insured or collateralized.

Condition:

As of June 30, 2017, deposits held by the Bank of Coushatta were not fully insured or collateralized, causing Red River Parish Sheriff to have bank balances totaling \$8,619 to be under collateralized and therefore in violation of Louisiana RS 13:1211 through 39:1273.

Cause:

Periodic review by the depository bank did not identify the uncollateralized deposits as of June 30, 2017 and the bank did not take appropriate action in a timely manner to prevent the violation.

Effect:

The Sheriff was not in compliance with Louisiana RS 39:1211 through 39:1273, stating all deposits must be insured or collateralized.

Recommendation:

We recommend the Sheriff direct the depository bank to perform an adequate review of the Sheriff’s balances to the collateral and FDIC coverage to ensure the Sheriff is in compliance with these state laws at each reporting period.

Views of responsible officials and planned corrective actions:

We will coordinate with the bank to ensure that there is sufficient collateral on all deposits in the future.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017**

2016-001 Material Adjustment

Criteria or Specific Requirement:

The internal controls of an organization are to be designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

A deficiency in internal controls is defined as a condition where 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. It defines a material weakness as a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements may not be prevented, or detected and corrected on a timely basis.

The identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the Sheriff's internal control is an indicator of a material weakness in internal control.

Status

Resolved.

Red River Parish Sheriff
Coushatta, Louisiana

AGREED-UPON PROCEDURES REPORT

June 30, 2017



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INGRAM
CPAs and Advisors

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To Red River Parish Sheriff Glen T. Edwards and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, including receiving, recording, and preparing deposits.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment: RRPSO has no written policies and procedures.

Board (or Finance Committee, if applicable)

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

Comment: CRI noted RRPSO does not have a board; therefore, no board meetings took place in the fiscal year.

Bank Reconciliations

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

Comment: No exceptions noted in the procedures performed.

- 4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:
 - a) Bank reconciliations have been prepared;

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

Comment: *Three bank accounts had outstanding items greater than six months old. Per discussion with management, these items have not been investigated.*

Collections

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

Comment: *No exceptions noted in the procedures performed.*

- 6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Comment: *Four (4) of the five (5) cash collectors are not bonded. One (1) cash collector is also responsible for collecting cash. One (1) cash collector is also responsible for recording the transaction to the general ledger. One (1) cash collector also reconciles the related bank account. Three (3) cash collectors are required to share the same cash register/drawer with another employee.*

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

Comment: *RRPSO has no written policies; however, there is a process implemented to reconcile cash collections to the general ledger and/or subsidiary ledgers.*

- c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we reported the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and reported any exceptions.

Comment: The date funds are collected is not retained, therefore CRI could not determine the days from collection to date deposited.

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

Comment: RRPSO has a process specifically defined to determine completeness of all cash collections; however, RRPSO does not have a process in place to determine completeness of checks received.

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

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.

Comment: No exceptions noted in the procedures performed.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Comment: Four (4) purchases were not initiated using a requisition/purchase order system or an equivalent electronic system. However, the Sheriff approved the purchase.

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

Comment: Six (6) purchases did not have a purchase order approved by a person who did not initiate the purchase. However, the Sheriff approved the purchase.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Comment: Six (6) disbursements did not have an approved purchase requisition/order. Five (5) disbursements did not have a receiving report. However, the Sheriff approved the purchase.

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

Comment: *The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.*

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

Comment: *No exceptions noted in the procedures performed.*

12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.

Comment: *No exceptions noted in the procedures performed.*

13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks were likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

Comment: *No exceptions noted in the procedures performed.*

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

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

Comment: *No exceptions noted in the procedures performed.*

15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

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

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

Comment: *CRI noted the September 30, 2016 American Express statement, along with the supporting documentation for transactions, was not reviewed and approved in writing.*

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

Comment: No finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a) For each transaction, we reported whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Comment: CRI noted the business/public purpose was not documented on one hotel receipt; however, RRPSO did have additional paperwork displaying the details of the travel purpose.

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

Comment: No exceptions noted in the procedures performed.

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

Comment: No exceptions noted in the procedures performed.

Travel and Expense Reimbursement

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

Comment: No exceptions noted in the procedures performed.

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

Comment: No exceptions noted in the procedures performed.

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

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

Comment: *No exceptions noted in the procedures performed.*

- b) We reported whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.

Comment: *Per discussion with management, RRPSO had no written contracts in the fiscal year.*

21. Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:

- a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.

Comment: *No written contracts in the fiscal year.*

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.

Comment: *No written contracts in the fiscal year.*

- c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Comment: *No written contracts in the fiscal year.*

- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

Comment: *No written contracts in the fiscal year.*

- e) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: *No written contracts in the fiscal year.*

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. We randomly selected five employees/officials, obtained their personnel files, and:

- a) We reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Comment: *No exceptions noted in the procedures performed.*

- b) We reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.

Comment: *RRPSO has no written policies. Therefore, CRI could not compare changes in pay to written policy; however, per discussion with management, step up raises are automatic every year at each employee's anniversary date.*

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

- a) We reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Comment: *No exceptions noted in the procedures performed.*

- b) We reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *CRI identified two instances where retirement contributions were submitted late.*

Ethics (excluding nonprofits)

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *RRPSO did not have any debt in fiscal period. No exceptions noted in the procedures performed.*

Debt Service (excluding nonprofits)

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

Comment: *RRPSO did not have any debt in fiscal period. No exceptions noted in the procedures performed.*

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

Comment: *RRPSO did not have any debt in fiscal period. No exceptions noted in the procedures performed.*

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

Comment: *RRPSO did not have any debt in fiscal period. No exceptions noted in the procedures performed.*

Other

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

Comment: *Per discussion with management, there were no misappropriations of public funds or assets in the fiscal period.*

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

Comment: *No exceptions noted in the procedures performed.*

33. If the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Comment: *No exceptions noted in the procedures performed.*

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.

This report is intended solely for the information and use of the Sheriff and management of Red River Parish Sheriff and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC
Shreveport, Louisiana
December 30, 2017

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GLEN T. EDWARDS
SHERIFF

GREG MOORE
CHIEF DEPUTY

December 29, 2017

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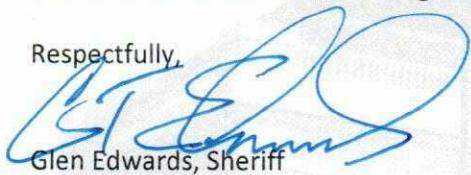
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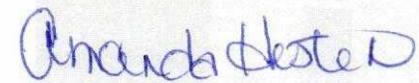
Re: Management Response to Agreed-Upon Procedures

We, the Red River Parish Sheriff's Office, has reviewed and agreed to the Agreed-Upon Procedures (AUP) audit findings provided by Carr, Riggs and Ingram, LLC. We will take appropriate actions to rectify and resolve the issues and findings that were brought to our attention.

Respectfully,



Glen Edwards, Sheriff



Amanda Hester, Chief Civil Deputy

