

MADISON PARISH SHERIFF
Tallulah, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2019
With Supplemental Information Schedules

MADISON PARISH SHERIFF
Tallulah, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules

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Independent Auditor's Report

MADISON PARISH SHERIFF
Tallulah, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the Madison Parish Sheriff, a component unit of the Madison Parish Police Jury, as of June 30, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Madison Parish Sheriff'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 Madison Parish Sheriff's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, major fund information and fiduciary fund information of the Madison Parish Sheriff as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report,
June 30, 2019

Emphasis of a Matter

As described in Note 1N to the financial statements, errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease Net Position by \$442,947. My opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Madison Parish Sheriff's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 53 and the Sheriff's sworn affidavit presented on page 52 are presented for the purpose of additional analysis and are not a required part of the financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 my opinion, the schedule of compensation, benefits and other payments and the Sheriff's sworn affidavit are fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated November 5, 2019, on my consideration of the Madison Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report,
June 30, 2019

Government Auditing Standards in considering the Madison Parish Sheriff's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated November 5, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
November 5, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

MADISON PARISH SHERIFF
Tallulah, Louisiana

Management's Discussion and Analysis
June 30, 2019

As management of the Madison Parish Sheriff, I offer readers of the Madison Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Madison Parish Sheriff for the fiscal year ended June 30, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Madison Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Madison Parish Sheriff's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Madison Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Madison Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Madison Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Madison Parish Sheriff maintains 2 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other fund is in a single, aggregated presentation.

The Madison Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue funds. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Madison Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Madison Parish Sheriff's performance.

The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Madison Parish Sheriff exceeded liabilities by \$6,394,676. Approximately 10% of the Madison Parish Sheriff's net position reflects its investment in capital assets (equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Madison Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets having been included in the statement of net position.

STATEMENT OF NET POSITION

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$9,307,686	\$9,487,875
Receivables	179,981	270,713
Due from other funds	2,509	235
Capital assets (net of accumulated depreciation)	<u>629,191</u>	<u>496,850</u>
TOTAL ASSETS	<u>10,119,367</u>	<u>10,255,673</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension and OPEB related	<u>714,296</u>	<u>2,801,573</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$10,833,663</u>	<u>\$13,057,246</u>
LIABILITIES		
Accounts payable	\$13,359	\$19,499
Salaries payable		63,689
Long term liabilities:		
Net pension liability	812,750	935,114
Net OPEB Obligation	<u>2,560,364</u>	<u>2,773,243</u>
TOTAL LIABILITIES	<u>3,386,473</u>	<u>3,791,545</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related	1,052,514	3,443,554
NET POSITION		
Invested in capital assets, net of related debt	629,191	496,850
Unrestricted	<u>5,765,485</u>	<u>5,325,297</u>
TOTAL NET POSITION	<u>6,394,676</u>	<u>5,822,147</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$10,833,663</u></u>	<u><u>\$13,057,246</u></u>

STATEMENT OF ACTIVITIES

	<u>2019</u>	<u>2018</u>
Public safety:		
Personal services	\$1,308,032	\$1,657,509
Operating services	269,529	278,533
Materials and supplies	226,742	241,512
Travel	19,701	24,079
Depreciation expense	269,006	199,838
Total Program Expenses	<u>2,093,010</u>	<u>2,401,471</u>
Program revenues:		
Commissions on license and taxes	404,718	416,712
Civil and criminal fees	173,121	184,073
Court attendance	3,230	3,536
Transportation of prisoners	17,075	12,363
Feeding and keeping prisoners	31,934	52,223
Tax notices	810	1,570
Other	86,529	97,921
Total program revenues	<u>717,417</u>	<u>768,398</u>
Net Program Expenses	<u>(1,375,593)</u>	<u>(1,633,073)</u>
General revenues:		
Taxes		
Ad valorem	878,943	917,962
Sales tax	666,107	657,751
Grants and contributions not restricted to specific programs:		
Federal sources	13,260	11,571
State sources		
State revenue sharing (net)	43,056	43,065
State supplemental pay	139,033	145,984
Other	457,250	467,783
Local sources	107,230	107,914
Use of money and property	89,219	52,616
Special items:		
Gain (loss) on sale/disposal of assets	(3,029)	(637)
Change in Net Position	<u>1,015,476</u>	<u>770,936</u>
Net Position - Beginning of year as restated	<u>5,379,200</u>	<u>5,051,211</u>
Net Position - End of year	<u><u>\$6,394,676</u></u>	<u><u>\$5,822,147</u></u>

Financial Analysis of the Government's Funds

As noted earlier, the Madison Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2019, combined governmental fund balances of \$9,476,817 showed a decrease of \$198,818 over June 30, 2018. The General Fund's portion of the unassigned, fund balance of \$9,467,518 shows a decrease (of approximately \$199,258) from the prior year amount.

General Fund and Major Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget for the General Fund were due primarily to an increase in capital outlay and a decrease in personal services, operating services, materials and supplies and travel and other charges. The difference in revenues in the general fund were due to increases in anticipated local grants, civil and criminal fees, transportation of prisoners, use of money and property and proceeds from disposal of assets and decreases in ad valorem tax, sales tax, state supplemental pay, and feeding and keeping prisoners.

Capital Asset and Debt Administration

Capital assets. The Madison Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$629,191 (net of accumulated depreciation). This investment includes buildings, furniture, and equipment. The increase in capital assets for the year was \$412,152. Deletions for the year were \$304,147.

Long-term debt. The Madison Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2019 is \$2,560,364. Net Pension liability obligation associated with the Pension Plan at June 30, 2019 is \$812,750.

Requests for Information

This financial report is designed to provide a general overview of the Madison Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Madison Parish Sheriff, Courthouse Building, Tallulah LA 71282.

November 5, 2019

BASIC FINANCIAL STATEMENTS

MADISON PARISH SHERIFF
Tallulah, Louisiana

STATEMENT OF NET POSITION
June 30, 2019

ASSETS

Cash and cash equivalents	\$9,307,686
Receivables	179,981
Due from other funds	2,509
Capital assets (net of accumulated depreciation)	<u>629,191</u>
TOTAL ASSETS	<u>10,119,367</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension and OPEB related	<u>714,296</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$10,833,663</u></u>

LIABILITIES

Accounts payable	\$13,359
Long term liabilities:	
Net pension liability	812,750
Net OPEB Obligation	<u>2,560,364</u>
TOTAL LIABILITIES	<u>3,386,473</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	1,052,514
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NET POSITION

Invested in capital assets, net of related debt	629,191
Unrestricted	<u>5,765,485</u>
TOTAL NET POSITION	<u>6,394,676</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$10,833,663</u></u>

The accompanying notes are an integral part of this statement.

Statement B

MADISON PARISH SHERIFF
Tallulah, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2019

Public safety:	
Personal services	\$1,308,032
Operating services	269,529
Materials and supplies	226,742
Travel	19,701
Depreciation expense	269,006
Total Program Expenses	<u>2,093,010</u>
Program revenues:	
Commissions on licenses and taxes	404,718
Civil and criminal fees	173,121
Court attendance	3,230
Transportation of prisoners	17,075
Feeding and keeping prisoners	31,934
Tax notices	810
Other	86,529
Total program revenues	<u>717,417</u>
Net Program Expenses	<u>(1,375,593)</u>
General revenues:	
Taxes	
Ad valorem	878,943
Sales tax	666,107
Grants and contributions not restricted to specific programs:	
Federal sources	13,260
State sources:	
State revenue sharing (net)	43,056
State supplemental pay	139,033
Other	457,250
Local sources	107,230
Use of money and property	89,219
Special item - gain (loss) on disposal of assets	(3,029)
Change in Net Position	<u>1,015,476</u>
NET POSITION	
Beginning of year - as restated	<u>5,379,200</u>
End of year	<u>\$6,394,676</u>

The accompanying notes are an integral part of this statement.

Statement C

**MADISON PARISH SHERIFF
Tallulah, Louisiana
GOVERNMENTAL FUNDS**

Balance Sheet, June 30, 2019

	MAJOR FUND	NON MAJOR FUND GRANT	TOTAL
	GENERAL FUND	FUND	
ASSETS			
Cash and cash equivalents	\$9,298,387	\$9,299	\$9,307,686
Receivables	179,981		179,981
Due from other funds	2,509		2,509
TOTAL ASSETS	\$9,480,877	\$9,299	\$9,490,176
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$13,359		13,359
Total Liabilities	13,359	NONE	13,359
Fund Equity - Fund Balances			
Assigned		\$9,299	9,299
Unassigned	9,467,518		9,467,518
Total Fund Equity	9,467,518	9,299	9,476,817
TOTAL LIABILITIES AND FUND EQUITY	\$9,480,877	\$9,299	\$9,490,176

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2019

Total Fund Balances at June 30, 2019 - Governmental Funds (Statement C)		<u>\$9,476,817</u>
Deferred outflows of resources		714,296
Cost of capital assets at June 30, 2019	\$1,905,128	
Less: Accumulated depreciation as of June 30, 2019	<u>(1,275,937)</u>	629,191
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net OPEB obligation		(2,560,364)
Net pension liability		(812,750)
Deferred inflows of resources		<u>(1,052,514)</u>
Net Position at June 30, 2019 (Statement A)		<u>\$6,394,676</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
GOVERNMENTAL FUND TYPES

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2019

	MAJOR FUND GENERAL FUND	NON MAJOR FUND GRANT FUND	TOTAL
REVENUES			
Taxes			
Ad valorem	\$878,943		\$878,943
Sales tax	666,107		666,107
Intergovernmental revenues:			
Federal grants	13,260		13,260
State grants:			
State revenue sharing (net)	43,056		43,056
State supplemental pay	139,033		139,033
Other	457,250		457,250
Local grants	107,018	\$212	107,230
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	404,718		404,718
Civil and criminal fees	172,712	409	173,121
Court attendance	3,230		3,230
Transportation of prisoners	17,075		17,075
Feeding and keeping of prisoners	31,934		31,934
Tax notices	810		810
Use of money and property	89,089	130	89,219
Total revenues	<u>3,024,235</u>	<u>751</u>	<u>3,024,986</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	2,303,456		2,303,456
Operating services	269,529		269,529
Materials and supplies	226,431	311	226,742
Travel and other charges	19,701		19,701
Capital outlay	412,152		412,152
Total expenditures	<u>3,231,269</u>	<u>311</u>	<u>3,231,580</u>

(Continued)

Statement D

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 GOVERNMENTAL FUND TYPES
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance

	MAJOR FUND GENERAL FUND	NON MAJOR FUND GRANT FUND	TOTAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$207,034)	\$440	(\$206,594)
OTHER FINANCING SOURCE- Proceeds from disposal of assets	7,776		7,776
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(199,258)	440	(198,818)
FUND BALANCE AT BEGINNING OF YEAR	9,666,776	8,859	9,675,635
FUND BALANCE AT END OF YEAR	\$9,467,518	\$9,299	\$9,476,817

(Concluded)

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2019

Total net change in fund balances - governmental funds (Statement D)	(\$198,818)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period.	143,146
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(10,805)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	376,024
Non-employer contributions to cost-sharing pension plan.	86,529
Pension expense	<u>619,400</u>
Change in net position of governmental activities (Statement B)	<u>\$1,015,476</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2019

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	SPECIAL ASSET FORFEITURE FUND	TOTAL
ASSETS					
Cash and cash equivalents	\$176,037	\$35,745	\$236,557	\$23,758	\$472,097
Investment	52,747				52,747
Total Assets	<u>\$228,784</u>	<u>\$35,745</u>	<u>\$236,557</u>	<u>\$23,758</u>	<u>\$524,844</u>
LIABILITIES					
Unsettled deposits due to:					
Other funds	\$2	\$430	\$2,077		\$2,509
Others	\$228,782	35,315	234,480	\$23,758	522,335
Total Liabilities	<u>\$228,784</u>	<u>\$35,745</u>	<u>\$236,557</u>	<u>\$23,758</u>	<u>\$524,844</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

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 also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

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

The accompanying financial statements of the Madison Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) 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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides partial funding for equipment, furniture and supplies of the sheriff's office, the sheriff was determined to be a component unit of the Madison Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Madison Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Allocation of Indirect Expenses - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three

MADISON PARISH SHERIFF

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Notes to the Financial Statements (Continued)

categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources such as grants and state and parish funds for maintaining state and parish prisoners. Those revenues are restricted to expenditures for specified purposes.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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Notes to the Financial Statements (Continued)

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

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

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

MADISON PARISH SHERIFF
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 Notes to the Financial Statements (Continued)

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the sheriff has cash and equivalents (book balances) totaling \$9,779,783 as follows:

Demand deposits	\$5,720,457
Time deposits	4,056,706
Petty cash	<u>2,620</u>
Total	<u>\$9,779,783</u>

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

Cash and cash equivalents (bank balances) at June 30, 2019, are secured as follows:

MADISON PARISH SHERIFF
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 Notes to the Financial Statements (Continued)

Bank balances	<u>\$9,779,780</u>
Federal deposit insurance	\$1,041,773
Pledged securities (uncollateralized)	<u>11,833,233</u>
Total	<u>\$12,875,006</u>

F. INVESTMENTS

Investments held at June 30, 2019 consist of \$52,747 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2019 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1000 for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

H. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2019.

I. VACATION AND SICK LEAVE

All employees are granted from one to two weeks of vacation leave each year, depending on length of service. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

J. PENSION PLANS

The Madison Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

K. OPEB PLAN

The Sheriff's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Sheriff. The Sheriff's OPEB plan is a single employer defined benefit OPEB plan administered by the Sheriff. Louisiana Revised Statute 13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the Sheriff, with the Sheriff determining the contribution requirements of the retirees.

L. EQUITY CLASSIFICATIONS

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

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

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

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

The General Fund has an unassigned fund balance of \$9,467,518. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

M. ESTIMATES

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

N. RESTATEMENT OF NET POSITION

Errors were made during the GASB 68 (499,381) and GASB 75 ((56,434)) calculations in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the Sheriff by \$442,947.

The effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2018, as previously stated	\$5,822,147
Net Change in Net Pension and OPEB at June 30, 2019	<u>(442,947)</u>
Total Net Position, June 30, 2019, Restated	<u><u>\$5,379,200</u></u>

2. RECEIVABLES

The receivables of \$179,981, at June 30, 2019, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>
Intergovernmental revenues:	
Federal grants	\$13,260
State grants	114,146
Local funds	2,520
Fees, charges, and commissions for services:	
Commissions on licenses, taxes, etc.	5,448
Civil and criminal fees	37,476
Court attendance	510
Transportation of prisoners	3,078
Feeding and keeping prisoners	1,948
Miscellaneous	<u>1,595</u>
Total	<u><u>\$179,981</u></u>

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

3. ON-BEHALF PAYMENTS

Certain employees of the Madison Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$139,033.

4. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2019, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
General Fund				
Vehicles	\$930,396	\$381,573	(\$288,001)	\$1,023,968
Equipment	637,750	30,579	(9,186)	659,143
Sub-total General Fund	<u>\$1,568,146</u>	<u>\$412,152</u>	<u>(\$297,187)</u>	<u>\$1,683,111</u>
Detention Center:				
Furniture and equipment	228,977		(6,960)	222,017
Sub-total Detention Center	<u>228,977</u>	NONE	<u>(6,960)</u>	<u>222,017</u>
Total assets	<u>\$1,797,123</u>	<u>\$412,152</u>	<u>(\$304,147)</u>	<u>\$1,905,128</u>

A summary of assets net of accumulated depreciation follows:

Total assets	<u>\$1,905,128</u>
Prior year accumulated depreciation	(1,300,273)
Current year depreciation	(269,006)
Depreciation on deletions	<u>293,342</u>
Net capital assets	<u>\$629,191</u>

5. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER

The Sheriff contributes to the Sheriffs' Pension and Relief Fund (Fund) which is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of the sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. Membership in the Fund is required for all eligible sheriffs and deputies. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund, which can be obtained at www.la.state.la.us.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies.

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

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

Pension Amount Netting.

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

Plan Description.

The Fund was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of 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.

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

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Plan Benefits

Retirement Benefits

For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to 3.33 percent of their final-average compensation for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For a member whose first employment making him eligible for membership in the Fund 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 3.33 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 Fund 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 Fund began after June 30, 2006 and before 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 125% of the preceding twelve-month period.

For a member whose first employment making him eligible for membership in the Fund 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.

MADISON PARISH SHERIFF

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Notes to the Financial Statements (Continued)

Disability Benefits

A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the 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 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 members' 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 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.

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

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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.

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75%.

In accordance with state statute, the Fund also 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.

The Sheriff's contractually required composite contribution rate for the year ended June 30, 2018 was 12.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The Madison Parish Sheriff's contributions to the Fund for the years ended June 30, 2019, 2018, and 2017 were \$184,653, \$185,995, and \$198,189, respectively, equal to the required contributions for each year.

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

At June 30, 2018, the Sheriff reported a liability of \$812,750 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2018, the Sheriffs' proportion was .212 percent, which was an increase of .004 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$192,326. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$228,154
Changes in assumptions	\$240,258	
Net difference between projected and actual earnings on pension plan		48,247
Changes in employer's proportion of beginning NPL	49,116	775,845
Differences between employer and proportionate share of contributions	48,907	268
Sheriff contributions subsequent to the measurement date	184,653	
Total	\$522,934	\$1,052,514

\$184,653 reported as deferred outflows of resources related to pensions resulting from the Madison Parish Sheriffs' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	(\$580,063)
2020	10,489
2021	(104,481)
2022	(28,633)
2023	(11,545)
Total	(714,233)

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2018
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25%

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

Projected salary increases	5.5% (2.60% inflation, 2.90% 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	7 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.

The discounted rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected 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.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	6.9%	4.3%
Fixed Income	23	3.2	0.7
Alternative Investments	15	4.5	0.7
Totals	100%		5.7
Inflation			2.5
Expected Arithmetic Nominal Return			8.2%

The long-term expected rate of return on pension plan investments was determined using a building block method.

Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.25 %, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Sheriffs' proportionate share of the net pension liability	\$1,839,362	\$812,750	(\$51,540)

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Madison Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Madison Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

Benefits Provided - Medical, dental and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical and dental coverage for the retirees (not dependents), See the section below for details on Life Insurance benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: (1) For any sheriff or deputy sheriff who retired before July 1, 2009, 100% of the premium costs of medical and dental insurance, and the first \$10,000 of life insurance if the member retired satisfying the following criteria:

- (1) (a) At least 15 years of service and was at least 55 years old
 (b) Worked for the Madison Parish Sheriff's Department for at least 30 years.
- (2) For any employee who retired on or after July 1, 2009, 100% of the medical, dental, and life insurance is paid for by the employer provided that the employee had 15 years of continuous service with the Madison Parish Sheriff's Department as of June 30, 2009.
- (3) For any employee who retired on and after July 1, 2009, 100% of the medical, dental, and life insurance is paid for by the employer provided that the employee worked for 30 or more consecutive years with the Madison Parish Sheriff's Department.
- (4) For any employees that retires on and after July 1, 2017, 100% of the medical, dental, and life insurance is paid for by the employer if the employee retires with at least 24 consecutive years of service with the Madison Parish Sheriff's Department and is at least 55.

Life insurance coverage is continued to retirees by election and based on a blended rate for active employees and retirees. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the volume in excess of \$10,000, if any. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms - At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>32</u>
Total employees	<u><u>41</u></u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$2,986,122 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Actuarial Assumptions and other inputs - The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior Discount rate	3.62
Discount rate	3.50%
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index on the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projections with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$2,773,243
Changes for the year:	
Service cost	19,090
Interest	100,737
Differences between expected and actual	17,354
Changes of assumptions	157,752
Benefit payments and net transfers	(82,054)
Net Changes	<u>212,879</u>
Balance at June 30, 2019	<u><u>\$2,986,122</u></u>

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

	1.0% Decrease (2.5%)	Current Discount Rate (3.5%)	1.0% Increase (4.5%)
<u>Total OPEB liability</u>	<u>\$3,615,441</u>	<u>\$2,986,122</u>	<u>\$2,503,863</u>

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

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

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$2,606,324	\$2,986,122	\$3,682,058

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

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$131,787. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenditures	\$42,890	NONE
Changes in assumptions	148,472	
Total	<u>\$191,362</u>	<u>NONE</u>

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

Year ended June 30:	
2020	\$11,960
2021	11,960
2022	11,960
2023	11,960
2024	11,960
Thereafter	\$131,562

7. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2019, are as follows:

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

	<u>Due To</u>	<u>Due From</u>
General Fund:		
Civil Fund		\$430
Criminal Fund		2,077
License Fund		2
Agency Funds:		
Civil Fund	\$430	
Criminal Fund	2,077	
License Fund	2	
Total	<u>\$2,509</u>	<u>\$2,509</u>

8. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Tax Collector Fund	Civil Fund	Criminal Fund	Special Asset Forfeiture Fund	Total
Balance at June 30, 2018	\$197,930	\$33,147	\$169,490	\$24,753	\$425,320
Additions	11,905,837	509,970	1,470,385	362	13,886,554
Reductions	<u>(11,874,985)</u>	<u>(507,802)</u>	<u>(1,405,395)</u>	<u>(1,357)</u>	<u>(13,789,539)</u>
Balance at June 30, 2019	<u>\$228,782</u>	<u>\$35,315</u>	<u>\$234,480</u>	<u>\$23,758</u>	<u>\$522,335</u>

9. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2019, the tax collector has cash and equivalents (book balances) totaling \$228,782 as follows:

Licenses	\$4,782
Protest taxes	50,513
In Lieu of Taxes	171,199
Interest on tax account	54
Interest on protest taxes	<u>2,234</u>
Total	<u>\$228,782</u>

10. AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2019, by taxing body as follows:

Louisiana Forestry Service	\$9,745
Fifth District Levee Board	404,545
Louisiana Tax Commission	25,352

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

Madison Parish Assessor	\$607,042
Madison Parish Police Jury	4,202,345
Madison Parish School Board	2,210,819
Madison Parish Sheriff	880,254
Madison Parish Library	557,009
Hospital Service District	1,283,144
Madison Parish Port Commission	284,577
Madison Parish 911	293,694
Madison Fire Protection District	202,549
Madison Parish Council on Aging	98,235
Total	<u>\$11,059,310</u>

11. TAX UNCOLLECTED AND UNSETTLED

The tax collector has collected and disbursed all the taxes for the year ended June 30, 2019.

12. COLLECTIONS FOR OTHERS

At June 30, 2019, the tax collector has collected and disbursed the following:

	<u>Total</u>	<u>Collection</u>	<u>Final</u>
Occupational Licenses - Madison Parish Police Jury	\$97,216	\$14,582	\$82,634

13. LITIGATION AND CLAIMS

At June 30, 2019, the Madison Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

**14. EXPENDITURES OF THE SHERIFF'S OFFICE
 PAID BY THE PARISH POLICE JURY**

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

REQUIRED SUPPLEMENTARY INFORMATION

PART II

MADISON PARISH SHERIFF
Tallulah, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes				
Ad valorem	\$915,000	\$878,000	\$878,943	\$943
Sales tax	650,000	625,000	666,107	41,107
Intergovernmental revenues:				
Federal grants	11,000	11,000	13,260	2,260
State grants:				
State revenue sharing (net)	42,000	42,000	43,056	1,056
State supplemental pay	140,000	139,000	139,033	33
Other	446,000	446,000	457,250	11,250
Local grants	100,000	105,000	107,018	2,018
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	413,000	413,000	404,718	(8,282)
Civil and criminal fees	150,000	170,000	172,712	2,712
Court attendance	3,500	3,000	3,230	230
Transportation of prisoners	11,000	14,500	17,075	2,575
Feeding and keeping of prisoners	46,000	34,000	31,934	(2,066)
Tax notices	1,000	1,000	810	(190)
Use of money and property	58,500	86,000	89,089	3,089
Other	4,000	4,000		(4,000)
Total revenues	<u>2,991,000</u>	<u>2,971,500</u>	<u>3,024,235</u>	<u>52,735</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	2,429,050	2,398,550	2,303,456	95,094
Operating services	335,650	324,950	269,529	55,421
Materials and supplies	295,000	264,000	226,431	37,569
Travel and other charges	28,580	21,580	19,701	1,879
Capital outlay	410,000	413,000	412,152	848
Total expenditures	<u>3,498,280</u>	<u>3,422,080</u>	<u>3,231,269</u>	<u>190,811</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>(507,280)</u>	<u>(450,580)</u>	<u>(207,034)</u>	<u>243,546</u>
OTHER FINANCING SOURCE-				
Proceeds from disposal of assets		7,776	7,776	
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES				
	<u>(507,280)</u>	<u>(442,804)</u>	<u>(199,258)</u>	<u>243,546</u>
FUND BALANCES AT BEGINNING OF YEAR				
	<u>9,749,964</u>	<u>9,749,964</u>	<u>9,666,776</u>	<u>(83,188)</u>
FUND BALANCES AT END OF YEAR				
	<u>\$9,242,684</u>	<u>\$9,307,160</u>	<u>\$9,467,518</u>	<u>\$160,358</u>

MADISON PARISH SHERIFF
Tallulah, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2019

Proposed budgets, prepared on the modified accrual basis of accounting, for the General Fund is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Madison Parish Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary. The budgets are established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

Madison Parish Sheriff
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2019

Schedule of Funding Progress

Total OPEB Liability	<u>2018</u>	<u>2019</u>
Service cost	\$18,534	\$19,090
Interest	98,558	100,737
Changes of benefits terms	NONE	NONE
Differences between expected and actual experience	29,876	17,354
Changes of assumptions	NONE	157,752
Benefit payments	<u>(77,776)</u>	<u>(82,054)</u>
Net change in total OPEB liability	69,192	212,879
Total OPEB liability - beginning	<u>2,704,051</u>	<u>2,773,243</u>
Total OPEB liability - ending	<u><u>\$2,773,243</u></u>	<u><u>\$2,986,122</u></u>
Covered employee payroll	\$1,244,346	\$1,281,676
Net OPEB liability as a percentage of covered-employee payroll	222.87%	232.99%
<i>Benefit Changes</i>	None	None
<i>Changes in Assumptions</i>	None	None
<i>Discount Rate</i>	3.62%	3.50%

Note:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2019

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

Madison Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2019

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.214798%	\$850,601	\$3,493,277	24.35%	87.34%
2015	0.239656%	\$1,068,271	\$1,588,954	67.23%	86.61%
2016	0.234652%	\$1,489,312	\$1,602,557	92.93%	82.09%
2017	0.215948%	\$935,114	\$1,495,767	62.52%	88.49%
2018	0.211949%	\$812,750	\$1,458,783	55.71%	90.41%

* Amounts presented were determined as of the measurement date (previous fiscal year end).

Note: - Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Madison Parish Sheriff
Schedule of Employer Contributions
June 30, 2019

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$485,216	\$485,216	\$0	\$3,493,277	13.89%
2015	\$226,426	\$226,426	\$0	\$1,588,954	14.25%
2016	\$220,352	\$220,352	\$0	\$1,602,557	13.75%
2017	\$198,189	\$198,189	\$0	\$1,495,767	13.25%
2018	\$185,995	\$185,995	\$0	\$1,458,783	12.75%

* Amounts presented were determined as of the end of the fiscal year.

Note: - Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

PART III

STATE OF LOUISIANA

PARISH OF MADISON

**AFFIDAVIT
LARRY G. COX, SHERIFF OF MADISON PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, LARRY G. COX, SHERIFF OF MADISON PARISH, State of Louisiana, who after being duly sworn, deposed and said:

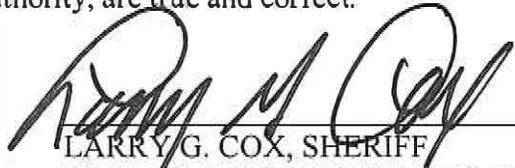
The following information is true and correct:

\$228,782 is the amount of cash on hand in the tax collector account on June, 30, 2019.

He further deposed and said:

All itemized statements of the amount of taxes collected for the tax year, 2018, 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.



LARRY G. COX, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 5th day of November, 2019, in my office in Madison, Louisiana.



LISA BYRD, NOTARY PUBLIC #033958
MADISON PARISH, LOUISIANA

MADISON PARISH SHERIFF
Tallulah, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

LARRY COX, SHERIFF

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$145,761
Expense allowance	14,576
Benefits-insurance	9,863
Benefits-retirement	39,774
Per diem	372
Registration fees	50
Cellphone	1,331
Housing and lodging	1,580
Membership dues - Sheriffs Association	12,262
Other benefits paid on behalf of sheriff	45

MADISON PARISH SHERIFF
Tallulah, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2019

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes, licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CIVIL FUND

The Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments. Payment of these collections to recipients are made in accordance with applicable laws.

CRIMINAL FUND

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

SPECIAL ASSET FORFEITURE FUND

The Special Asset Forfeiture Fund was established in compliance with Louisiana Revised Statute 40:2616 and consists of seized property and controlled substances that, if not rightfully claimed, is subject to forfeiture to law enforcement agencies that participated in the seizing process.

MADISON PARISH SHERIFF
Tallulah, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2019

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	SPECIAL ASSET FORFEITURE FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$197,930</u>	<u>\$33,147</u>	<u>\$169,490</u>	<u>\$24,753</u>	<u>\$425,320</u>
ADDITIONS					
Deposits :					
Fines, bond forfeitures and costs			1,470,385		1,470,385
Suits and seizures		400,374			400,374
Garnishments		109,596			109,596
Taxes, fees, etc. paid to tax collector	11,905,837				11,905,837
Interest earnings				362	362
Total additions	<u>11,905,837</u>	<u>509,970</u>	<u>1,470,385</u>	<u>362</u>	<u>13,886,554</u>
Total	<u>12,103,767</u>	<u>543,117</u>	<u>1,639,875</u>	<u>25,115</u>	<u>14,311,874</u>
REDUCTIONS					
Deposits, taxes, fees, etc. settled to:					
Madison Parish:					
Sheriff's General Fund	950,614	61,423	174,839		1,186,876
Clerk of Court	210	9,176	116,216		125,602
Police jury	4,407,887		421,484		4,829,371
School board	2,277,058				2,277,058
Assessor	631,811				631,811
Louisiana Department of Agriculture	9,753				9,753
Louisiana Tax Commission	25,365				25,365
Levee district	424,439				424,439
District Attorney			198,104		198,104
Indigent defender board			227,568		227,568
Judicial Expense fund			24,313		24,313
Hospital service district	1,315,217				1,315,217
Library	572,747				572,747
Port commission	299,035				299,035
Communications district	297,932				297,932
Council of Aging	99,652				99,652
Pension funds	324,607				324,607
Attorneys, appraisers, etc.		1,800			1,800
Litigants		425,194			425,194

(Continued)

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS
 Combining Schedule of Changes in Balances
 Due to Taxing Bodies and Others, 2019

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	SPECIAL ASSET FORFEITURE FUND	TOTAL
REDUCTIONS (CONTD.)					
Deposits settled to (contd.):					
Northwest Louisiana Crime Lab			\$147,754		\$147,754
Commission on Law Enforcement			11,840		11,840
Dept. Of Public Safety - LSP			1,422		1,422
Delta Recovery			475		475
Division A Judicial Expense Fund			2,971		2,971
Supreme Court Judicial ADM-CM			14,427		14,427
Louisiana Head/Spinal Injury			21,575		21,575
Fire Protection District	\$205,471				205,471
Refunds	7,808	\$7,349	19,925		35,082
Other reductions	25,379	2,860	22,482	\$1,357	52,078
Total reductions	<u>11,874,985</u>	<u>507,802</u>	<u>1,405,395</u>	<u>1,357</u>	<u>13,789,539</u>
UNSETTLED BALANCES					
DUE TO TAXING BODIES					
AND OTHERS AT END OF YEAR	<u>\$228,782</u>	<u>\$35,315</u>	<u>\$234,480</u>	<u>\$23,758</u>	<u>\$522,335</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent Auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**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***

MADISON PARISH SHERIFF
Tallulah, Louisiana

I 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 fiduciary funds of the Madison Parish Sheriff, a component unit of the Madison Parish Police Jury, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Madison Parish Sheriff's basic financial statements, and have issued my report thereon dated November 5, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist 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 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.

My 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

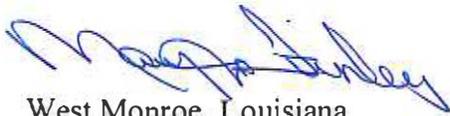
MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2019

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison Parish Sheriff's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Madison Parish Sheriff'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 Madison Parish Sheriff'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.



West Monroe, Louisiana
November 5, 2019

MADISON PARISH SHERIFF
Tallulah, Louisiana

Schedule of Findings and Responses
For the Year Ended June 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unmodified opinion on the basic financial statements of the Madison Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the Madison Parish Sheriff was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**MADISON PARISH SHERIFF
Tallulah, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019**

There were no audit findings reported in the audit for the year ended June 30, 2018.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Madison Parish Sheriff
100 N Cedar
Tallulah, LA 71282

To the Madison Parish Sheriff's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Madison Parish Sheriff's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. Management of Madison Parish Sheriff's Office 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, I 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:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operation):
 - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - C. Disbursements, including processing, reviewing, and approving
 - D. Receipts/Collections, including receiving, recording, and preparing deposits. Also policies and procedures should include management's actions to determine the completeness of all collections

for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification personnel, processes, and tools needed to recover operations after a critical event.

The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period. The Disaster Recovery/Business Continuity policy and procedures was added as required.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. The Madison Parish Sheriff's office does not have a board or a finance committee therefore this procedure is not applicable.

BANK RECONCILIATIONS

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating

account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation(e.g., initialed and dated, electronically logged);
- C) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. January, 2019 was randomly selected to be tested. A random sample of 5 bank accounts were selected to test. For the 5 bank accounts selected above, it was determined that the bank reconciliations were dated to show evidence that they were reconciled within 2 months of the closing date of the statements. It was determined that the all 5 bank reconciliations were performed by the Chief Financial Officer and that the reconciliations were reviewed by the accounts payable deputy. 4 of the 5 accounts had no outstanding reconciling items over 12 months. One account had items over 12 months.

COLLECTIONS

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

Agency provided me with a certified list of deposit sites and I verified that it was complete.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- A) Employees that are responsible for cash collections do not share cash drawers/registers.
- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 2 collection locations with one cash drawer at the Sheriff's office and one at the jail. Multiple deputies work out of the cash drawer for tax collections and criminal fund. Two deputies reconcile the cash drawer and give to the accounts payable deputy to verify that the deposit is reconciled to support. A uniformed deputy makes the deposit and gives the deposit slip to the accounts payable clerk for filing. Collections over the counter for tax collector and criminal fund are posted to the accounting software when collected. The mail is opened by the 2 front office deputies who give general fund and civil fund checks to the Chief Financial Officer who posts the checks to the accounting software. The Chief Financial Officer gives the checks and accounting reports to the accounts payable clerk who verifies and prepares the bank deposit. Bank reconciliations are prepared by the Chief Financial Officer and there was written documentation that the reconciliations are reviewed by the accounts payable deputy.

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

The Sheriff does not have employee theft insurance coverage on the employees. The Chief Financial Officer and the Sheriff have surety bond coverage.

8. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

9. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

10. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

11. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

12. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

A) The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

B) Observe that finance charges and late fees were not assessed on the selected statements.

For the card tested, there were no interest charges on the credit card statement.

13. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

TRAVEL AND EXPENSE REIMBURSEMENT

14. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

CONTRACTS

15. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

PAYROLL AND PERSONNEL

16. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

17. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

18. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

19. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

ETHICS (EXCLUDING NONPROFITS)

20. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

DEBT SERVICE

21. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
22. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

OTHER

23. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
24. The Madison Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



Mary Jo Finley, CPA
November 5, 2019



**MADISON PARISH
SHERIFF'S DEPARTMENT**

LARRY G. COX, SHERIFF & EX-OFFICIO TAX COLLECTOR

**Response to Independent Accountant's Report
On Applying Agreed-Upon Procedures
Fiscal Year Ending June 30, 2019**

COLLECTIONS

- 4 Because of the layout and size of the collection area, one cash drawer is shared between two ladies that share the one office. The two deputies balance the drawer together and turn funds over to the Accounts Payable Deputy for verification. No problems in balancing have occurred, however the Sheriff will consider using two cash drawers.

We are reviewing our current insurance policy and will research the options to insure or bond the employees that collect and deposit funds.

6. We are reviewing our current insurance policy and will research the options to insure or bond all employees that collect and deposit funds.

Signed this 5th day of NOVEMBER, 2019, in Madison Parish, Tallulah, Louisiana.

LARRY G. COX, SHERIFF
MADISON PARISH, LOUISIANA

LGC/lb