

WEBSTER PARISH SHERIFF
Minden, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2018
With Supplemental Information Schedules

WEBSTER PARISH SHERIFF
Minden, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2018
With Supplemental Information Schedules

CONTENTS

		<u>Page No.</u>
Independent Auditor's Report		3
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		7
Basic Financial Statements		
	<u>Statement</u>	<u>Page No.</u>
Government-Wide Financial Statements:		
Statement of Net Position	A	13
Statement of Activities	B	14
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	15
Reconciliation of the Governmental Funds Balance Sheet to The Statement of Net Position		16
Statement of Revenues, Expenditures, and Changes in Fund Balances	D	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities		19
Fiduciary - Agency Funds:		
Statement of Fiduciary Net Assets	E	20
Notes to the Financial Statements		21

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
Required Supplemental Information (Part II):		
Budget Comparison Schedules	1	45
Note to Budgetary Comparison Schedule		48
Employee Health Care Plan - Schedule of Funding Progress	2	49
Employer's Share of Net Pension Liability	3	50
Employer Contributions to Pension	4	51
Other Supplemental Schedules (Part III):		
Affidavit		53
Schedule of Compensation, Benefits and Other Payments to Agency Head	5	54
Fiduciary Fund Type - Agency Funds- Combining Schedule of Changes in Unsettled Deposits	6	56
Independent Auditor's Report Required by Government Auditing Standards (Part IV):		
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance <i>Government Auditing Standards</i>		60
Schedule of Findings and Questioned Costs	7	62
Summary Schedule of Prior Audit Findings	8	63
Agency Response to Findings		64
Agreed-Upon Procedures		65
Agency Agreed-Upon Procedures Response		75

Independent Auditor's Report

WEBSTER PARISH SHERIFF
Minden, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the Webster Parish Sheriff, a component unit of the Webster Parish Police Jury, as of June 30, 2018, 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 Webster 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 Webster 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.

WEBSTER PARISH SHERIFF
Minden, Louisiana
Independent Auditor's Report
June 30, 2018

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 governmental activities, each major fund, and the aggregate remaining fund information, which includes each fiduciary type of the Webster Parish Sheriff as of June 30, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison information on pages 45 through 48, the schedule of funding progress for the retiree healthcare plan on page 49, the schedule of the Sheriff's proportionate share of the net pension liability on pages 50 through 51, 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 managements'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 opinions on the financial statements that collectively comprise the Webster Parish Sheriff's office basic financial statements. The combining fiduciary funds statement of fiduciary net positions is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The combining fiduciary funds statement of fiduciary net position is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head, presented in accordance with Louisiana Revised Statutes (LRS) 24:513(A)(3), is on page 54 and the Sheriff's sworn statement presented on page 53 are presented for purposes of additional analysis and is not a required part of 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,

WEBSTER PARISH SHERIFF
Minden, Louisiana
Independent Auditor's Report
June 30, 2018

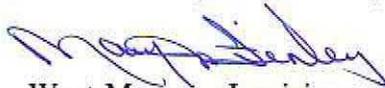
including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated September 24, 2018, on my consideration of the Webster 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Webster 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 September 24, 2018, 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
September 24, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

WEBSTER PARISH SHERIFF
Minden, Louisiana

Management's Discussion and Analysis

June 30, 2018

As management of the Webster Parish Sheriff, I offer readers of the Webster Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Webster Parish Sheriff for the fiscal year ended June 30, 2018. 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 Webster Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of Net Position* presents information on all of the Webster 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 Webster 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 Webster 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 Webster 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 Webster 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 funds 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 Webster 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 Webster Parish Sheriff's performance.

The Combining Schedules of Fiduciary Funds is 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 Webster Parish Sheriff exceeded liabilities by \$28,846,275. Approximately 12% of the Webster Parish Sheriff's net position reflects its investment in capital assets.

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

STATEMENT OF NET POSITION

	2018	2017
ASSETS		
Cash and cash equivalents	\$29,061,635	\$26,021,350
Investments	5,000,000	5,000,000
Receivables	507,934	599,148
Food Inventory	35,971	50,824
Capital assets (net of accumulated depreciation)	<u>3,095,678</u>	<u>3,270,807</u>
TOTAL ASSETS	<u>37,701,218</u>	<u>34,942,129</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>1,252,369</u>	<u>3,167,799</u>
TOTAL ASSETS	<u><u>38,953,587</u></u>	<u><u>38,109,928</u></u>
LIABILITIES		
Accounts payable	\$117,477	\$83,515
Salaries payable	200,929	195,052
Payroll deducts payable	4,846	19,714
Compensated absences payable	658,605	727,707
Long term liabilities:		
Net pension liability	3,366,654	5,043,408
Net OPEB obligation	<u>8,794,337</u>	<u>3,019,314</u>
TOTAL LIABILITIES	<u>13,142,848</u>	<u>9,088,710</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	964,464	839,848
NET POSITION		
Invested in capital assets, net of related debt	3,095,678	3,270,807
Unrestricted	<u>21,750,597</u>	<u>24,910,563</u>
TOTAL NET POSITION	<u><u>\$24,846,275</u></u>	<u><u>\$28,181,370</u></u>

STATEMENT OF ACTIVITIES

	2018	2017
Public Safety:		
Personal services	\$8,466,845	\$8,678,686
Operating services	1,806,416	1,607,108
Materials and supplies	660,662	639,364
Travel	42,720	39,661
Depreciation expense	<u>355,816</u>	<u>350,013</u>
Total Program Expenses	<u>11,332,459</u>	<u>11,314,832</u>
Program revenues:		
Commissions on licenses and taxes	70,612	82,737
Civil and criminal fees	415,939	452,342
Feeding and keeping prisoners	3,729,013	3,884,720
Other	<u>91,964</u>	<u>75,445</u>
Total program revenues	<u>4,307,528</u>	<u>4,495,244</u>
Net Program Expenses	<u>(7,024,931)</u>	<u>(6,819,588)</u>
General revenues:		
Taxes		

Ad valorem	\$3,836,965	\$3,944,275
Sales tax	3,138,928	2,722,610
Grants and contributions not restricted to specific programs:		
Federal sources	15,623	18,606
State sources:		
State supplemental pay	337,572	362,831
State revenue sharing (net)	103,822	103,799
Video poker	342,064	345,083
Other	11,716	22,482
Interest earned	280,289	261,703
Other	1,893,906	1,825,237
Special items:		
Gain/Loss on asset disposal	3,522	1,081
Change in Net Position	2,939,476	2,788,119
NET POSITION		
Beginning of year as restated	21,906,799	25,393,251
End of year	<u>\$24,846,275</u>	<u>\$28,181,370</u>

Financial Analysis of the Government's Funds

As noted earlier, the Webster 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, unreserved 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, 2018, combined governmental fund balances of \$34,282,288 shows an increase of \$2,909,247 over June 30, 2017. The General Fund's portion of the unreserved, undesignated fund balance of \$12,884,568 shows an increase (of approximately \$1,081,002) from the prior year amount. The Detention Center portion of the unreserved, undesignated fund balance of \$11,176,581 shows an increase (of approximately \$909,232) from the prior year amount.

General Fund and Major Fund Budgetary Highlights

There were no budget amendments for the general fund, BDCC fund, or the salary fund.

Capital Asset and Debt Administration

Capital assets. The Webster Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$3,095,678 (net of accumulated depreciation). This investment includes land, buildings, furniture, and equipment. The increase in capital assets for the year was \$184,860. There were deletions of \$176,817 for the year.

Long-term debt. At the end of the fiscal year, Webster Parish Sheriff had \$12,819,596 debt outstanding. Debt is made up of \$658,605 compensated absences, and \$8,794,337 net OPEB obligation. Net Pension liability obligation associated with the Pension Plan at June 30, 2018 is \$3,366,654.

Requests for Information

This financial report is designed to provide a general overview of the Webster 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 Webster Parish Sheriff, 410 Main Street, Minden LA 71055.

September 24, 2018

BASIC FINANCIAL STATEMENTS

WEBSTER PARISH SHERIFF
Minden, Louisiana

STATEMENT OF NET POSITION
June 30, 2018

ASSETS

Cash and cash equivalents	\$29,061,635
Investments	5,000,000
Receivables	507,934
Food Inventory	35,971
Capital assets (net of accumulated depreciation)	<u>3,095,678</u>
TOTAL ASSETS	<u>37,701,218</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension and OPEB related	<u>1,252,369</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$38,953,587</u></u>

LIABILITIES

Accounts payable	\$117,477
Salaries payable	200,929
Payroll deducts payable	4,846
Compensated absences payable	658,605
Long term liabilities:	
Net pension liability	3,366,654
Net OPEB obligation	<u>8,794,337</u>
TOTAL LIABILITIES	<u>13,142,848</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>964,464</u>
-----------------	----------------

NET POSITION

Invested in capital assets, net of related debt	3,095,678
Unrestricted	<u>21,750,597</u>
TOTAL NET POSITION	<u>24,846,275</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

\$38,953,587

The accompanying notes are an integral part of this statement.

WEBSTER PARISH SHERIFF
Minden, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2018

Public Safety:	
Personal services	\$8,466,845
Operating services	1,806,416
Materials and supplies	660,662
Travel	42,720
Depreciation expense	355,816
Total Program Expenses	<u>11,332,459</u>
Program revenues:	
Commissions on licenses and taxes	70,612
Civil and criminal fees	415,939
Feeding and keeping prisoners	3,729,013
Other	91,964
Total program revenues	<u>4,307,528</u>
Net Program Expenses	<u>(7,024,931)</u>
General revenues:	
Taxes	
Ad valorem	3,836,965
Sales tax	3,138,928
Grants and contributions not restricted to specific programs:	
Federal sources	15,623
State sources:	
State supplemental pay	337,572
State revenue sharing (net)	103,822
Video poker	342,064
Other	11,716
Interest earned	280,289
Other	1,893,906
Special items:	
Gain (loss) on asset disposal	3,522
Change in Net Position	<u>2,939,476</u>
NET POSITION	
Beginning of year as restated	<u>21,906,799</u>
End of year	<u>\$24,846,275</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH SHERIFF
Minden, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

MAJOR FUNDS.....			
	GENERAL FUND	DETENTION CENTER	SALARY FUND	TOTAL
ASSETS				
Cash and cash equivalents	\$12,909,905	\$10,931,209	\$5,220,521	\$29,061,635
Investments			5,000,000	5,000,000
Receivables	103,182	404,134	618	507,934
Inventory		35,971		35,971
TOTAL ASSETS	<u>\$13,013,087</u>	<u>\$11,371,314</u>	<u>\$10,221,139</u>	<u>\$34,605,540</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$24,127	\$93,350		\$117,477
Salaries payable	99,893	101,036		200,929
Payroll deducts payable	4,499	347		4,846
Total Liabilities	<u>128,519</u>	<u>194,733</u>	<u>NONE</u>	<u>323,252</u>
Fund Equity:				
Restricted		11,140,610	10,221,139	21,361,749
Committed - inventory		35,971		35,971
Unassigned	12,884,568			12,884,568
Total Fund Equity	<u>12,884,568</u>	<u>11,176,581</u>	<u>10,221,139</u>	<u>34,282,288</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$13,013,087</u>	<u>\$11,371,314</u>	<u>\$10,221,139</u>	<u>\$34,605,540</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH SHERIFF
Minden, Louisiana

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

For the Year Ended June 30, 2018

Total Fund Balances at June 30, 2018 - Governmental Funds (Statement C)		<u>\$34,282,288</u>
Deferred outflows - pension related		1,252,369
Cost of capital assets at June 30, 2018	\$8,601,716	
Less: Accumulated depreciation as of June 30, 2018	<u>(5,506,038)</u>	3,095,678
Long term liabilities at June 30, 2018:		
Net OPEB obligation	3,366,654	
Compensated absences payable	658,605	
Net pension liability	<u>8,794,337</u>	(12,819,596)
Deferred inflows of resources		<u>(964,464)</u>
Net Position at June 30, 2018 (Statement A)		<u>\$24,846,275</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH SHERIFF
Minden, Louisiana
GOVERNMENTAL FUND TYPES

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2018

MAJOR FUNDS.....			TOTAL
	GENERAL FUND	DETENTION CENTER	SALARY	
REVENUES				
Taxes:				
Ad valorem	\$3,836,965			\$3,836,965
Sales tax			\$3,138,928	3,138,928
Intergovernmental revenues:				
Federal grants	15,623			15,623
State grants:				
State supplemental pay	212,537	\$125,035		337,572
State revenue sharing (net)	103,822			103,822
Video poker	342,064			342,064
Other	11,716			11,716
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	70,612			70,612
Civil and criminal fees	415,919	20		415,939
Feeding and keeping of prisoners		3,729,013		3,729,013
Other	64,400	27,564		91,964
Use of money and property	46,983	219,847	13,459	280,289
Miscellaneous	55,885	1,529,403		1,585,288
Total revenues	<u>5,176,526</u>	<u>5,630,882</u>	<u>3,152,387</u>	<u>13,959,795</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and related benefits	5,400,942	2,962,643		8,363,585
Operating services	757,440	1,048,976		1,806,416
Materials and supplies	258,966	401,696		660,662
Travel and other charges	37,240	5,480		42,720
Capital outlay	159,820	25,040		184,860
Total expenditures	<u>6,614,408</u>	<u>4,443,835</u>	<u>NONE</u>	<u>11,058,243</u>

(Continued)

Statement D

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

	GENERAL FUNDMAJOR FUNDS..... DETENTION CENTER	SALARY	TOTAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$1,437,882)	\$1,187,047	\$3,152,387	\$2,901,552
OTHER FINANCING SOURCES (Use):				
Proceeds from sale of assets	7,695			7,695
Operating transfer in	2,511,189		277,815	2,789,004
Operating transfers out		(277,815)	(2,511,189)	(2,789,004)
Total Other Financing Sources (Use)	2,518,884	(277,815)	(2,233,374)	7,695
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	1,081,002	909,232	919,013	2,909,247
FUND BALANCE AT BEGINNING OF YEAR	<u>11,803,566</u>	<u>10,267,349</u>	<u>9,302,126</u>	<u>31,373,041</u>
FUND BALANCE AT END OF YEAR	<u>\$12,884,568</u>	<u>\$11,176,581</u>	<u>\$10,221,139</u>	<u>\$34,282,288</u>

(Concluded)

The accompanying notes are an integral part of this statement.

WEBSTER PARISH SHERIFF
Minden, 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, 2018

Total net change in fund balances - governmental funds (Statement D)	\$2,909,247
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 depreciation exceeds capital outlay in the period.	(170,956)
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.	(4,173)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	69,102
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.	(361,519)
Non-employer contributions to cost-sharing pension plan.	308,618
Pension expense	<u>189,157</u>
Change in Net Position of governmental activities (Statement B)	<u>\$2,939,476</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH SHERIFF
Minden, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	<u>TAX COLLECTOR FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>INMATE FUNDS</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	<u>\$23,164</u>	<u>\$644</u>	<u>\$104,254</u>	<u>\$197,823</u>	<u>\$325,885</u>
LIABILITIES					
Unsettled deposits due to others	<u>\$23,164</u>	<u>\$644</u>	<u>\$104,254</u>	<u>\$197,823</u>	<u>\$325,885</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH SHERIFF
Minden, Louisiana

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

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 Webster 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Webster Parish Police Jury is the financial reporting entity for Webster 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Webster Parish Police Jury

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

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 Webster 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 Webster 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 funds). 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 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;

WEBSTER PARISH SHERIFF

Minden, Louisiana

Notes to the Financial Statements (Continued)

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 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.

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.

WEBSTER PARISH SHERIFF

Minden, Louisiana

Notes to the Financial Statements (Continued)

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.

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.

The sheriff's office current year financial statements include the following major governmental funds:

WEBSTER PARISH SHERIFF

Minden, Louisiana

Notes to the Financial Statements (Continued)

The General Fund is the sheriff's primary operating fund. It accounts for all financial resources of the general government, except for the detention center and those required to be accounted for in another fund.

The Bayou Dorcheat Detention Center Fund accounts for the cost of housing prisoners convicted of state and federal offenses at the parish prison. Financing is provided by fees charged by the federal, state and local governments

The Salary Fund is for salaries for the sheriff's department and detention center employees. It is funded by a sales tax dedicated to salaries.

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, 2018, the sheriff has cash and equivalents (book balances) totaling \$29,387,520 as follows:

Demand deposits	\$29,035,400
Time deposits	350,000
Petty Cash	<u>2,120</u>
Total	<u>\$29,387,520</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.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or

WEBSTER PARISH SHERIFF
 Minden, Louisiana
 Notes to the Financial Statements (Continued)

custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2018, are secured as follows:

Bank balances	<u>\$29,966,394</u>
Federal deposit insurance	\$600,000
Pledged securities (uncollateralized)	<u>35,000,000</u>
Total	<u>\$35,600,000</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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 has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

F. INVESTMENTS

Under state law, the sheriff may invest funds in obligations of the United States, in federally insured investments, investment grade (A-1/P-1) commercial paper of domestic corporations or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments are grouped into three categories of credit risk:

1. Insured or registered, or for which the securities held by the sheriff or its agent in the sheriff's name.
2. Uninsured and unregistered, with securities held by the bank's trust department or agent in the sheriff's name.
3. Uninsured and unregistered, with securities held by the bank, or by its trust department or agent but not in the sheriff's name.

Investments in marketable securities (United States Treasury Bonds) of \$5,000,000 are reported at their cost on Statement A. There is an unrealized gain of \$35,565.

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 \$500 for capitalizing capital assets.

WEBSTER PARISH SHERIFF
 Minden, Louisiana
 Notes to the Financial Statements (Continued)

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, 2018.

I. SALES TAX

On January 15, 2005, voters of the parish approved a one-half of one per cent (½%) sales tax dedicated for the purpose of payment of salaries and benefits of deputies. The sheriff's office has entered into an agreement with the Webster Parish Sales Tax Commission for collection of the tax.

J. VACATION AND SICK LEAVE

After one year of service, all employees are granted 14 days of vacation leave each year. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Upon termination, unused vacation leave is paid to employees at the rate of their present salary. Vacation leave cannot be accumulated past the year it is earned. Sick leave is granted as needed and justified. Employees earn compensatory time, which can be carried forward. Upon termination, unused compensatory time is paid to employees at their current rate of pay.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. At

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

June 30, 2018, employees of the sheriff's office have \$658,605 of accumulated compensatory time.

K. PENSION PLANS

The Webster 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.

L. EQUITY CLASSIFICATIONS

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB Statement 54 for the year ended June 30, 2018. As such, fund balances of the governmental funds are classified as follows:

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

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

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

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

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

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

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

M. INTERFUND TRANSACTIONS

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

N. 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.

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

O. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS AND RESTATEMENT OF NET POSITION

The Webster Parish Sheriffs' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a restatement of Net Position. The net effect of the restatement will be to decrease net position of the Sheriff by \$5,466,076.

As of July 1, 2014, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions - Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

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 of the Sheriff by \$808,495.

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

Total Net Position, June 30, 2017, as previously stated	(\$28,181,370)
Net Change at June 30, 2018	<u>6,274,571</u>
Total Net Position, June 30, 2018, Restated	<u><u>(\$21,906,799)</u></u>

2. RECEIVABLES

The receivables of \$507,934 at June 30, 2018, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Salary</u>	<u>Total</u>
Intergovernmental revenues:				
Federal grants	\$869			\$869
State grants	74,905	\$22,746		97,651
Feeding and housing prisoners		216,534		216,534
Fees, charges, and commissions for services:				
Civil and criminal fees	19,800			19,800
Other fees, charges and commissions	6,859	1,988		8,847
Miscellaneous	749	162,866	\$618	164,233
Total	<u>\$103,182</u>	<u>\$404,134</u>	<u>\$618</u>	<u>\$507,934</u>

3. ON-BEHALF PAYMENTS

Certain employees of the Webster 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

WEBSTER PARISH SHERIFF
 Minden, Louisiana
 Notes to the Financial Statements (Continued)

General Fund and the Bayou Dorcheat Correctional Center Fund. Revenues and expenditures under this arrangement totaled \$337,572.

4. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2018, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
General Fund				
Buildings	\$6,035,028			\$6,035,028
Vehicles	1,884,743	\$115,752	(\$127,084)	1,873,411
Equipment	665,929	69,108	(49,733)	685,304
DARE Equipment	7,973			7,973
Total assets	<u>\$8,593,673</u>	<u>\$184,860</u>	<u>(\$176,817)</u>	<u>\$8,601,716</u>

A summary of assets net of accumulated depreciation follows:

Total assets	<u>\$8,601,716</u>
Prior year accumulated depreciation	(5,322,866)
Current year depreciation	(355,816)
Deletions	<u>172,644</u>
Net capital assets	<u>\$3,095,678</u>

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

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

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

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

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 compensation, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

Plan Description.

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

The Sheriffs' Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

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 salary 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 system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

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

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

Disability Benefits

A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for 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

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

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 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.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Webster Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Webster Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Webster Parish Sheriff's contributions to the System for the years ended June 30, 2018, 2017, and 2016 were \$704,811, \$712,482, and \$744,936, respectively, equal to the required contributions for each year.

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

At June 30, 2017, the Sheriff reported a liability of \$3,366,654 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the Sheriffs' proportion was .777469 percent, which was a decrease of .0172 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$617,556. At June 30, 2017, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$586,056
Changes in assumptions	\$592,380	
Net differences between projected and actual earnings on plan investments		48,322
Changes in employers portion of beginning NPL		327,889
Differences between employer and proportionate share of contributions	7,750	2,197
Subsequent Measurement Contributions	704,811	
Total	\$1,304,941	\$964,464

\$704,811 reported as deferred outflows of resources related to pensions resulting from the Webster 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, 2018. 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:	
2018	(\$233,257)
2019	126,721
2020	30,263
2021	(283,950)
2022	(5,725)

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

2023	1,614
Total	(\$364,334)

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2017
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.4%
Projected salary increases	5.5% (2.775% inflation, 2.725% 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 system 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.

The discounted rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the 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.

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

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 7.4%, 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 (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
Sheriffs' proportionate share of the net pension liability	\$6,936,194	\$3,366,654	\$363,371

6. LONG-TERM OBLIGATIONS

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

	Compensated Absences
Long-term obligations, June 30, 2017	\$727,707
Additions	429,383
Deletions	(500,445)
Adjustments	1,960
Long-term obligations, June 30, 2018	<u>\$658,605</u>

7. OTHER POST EMPLOYMENT BENEFITS

Plan Description. The Webster Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Webster 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.*

Benefits Provided - Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of 30 years of service at any age or, age 55 and 15 years of service.

WEBSTER PARISH SHERIFF
 Minden, Louisiana
 Notes to the Financial Statements (Continued)

Life insurance coverage is continued to retirees upon the actual retirement for which the employer pays 100% of the cost of the first \$10,000. The retiree may elect to continue additional voluntary insurance amounts in force at time of retirement, subject to an age-related reduction formula (reducing to 65% at age 65, 55% at age 70, 30% at age 75, 20% at age 80 and 15% at age 85). The retiree pays for the additional voluntary insurance but both that cost and the employer cost are based on the blended active/retired rate and there is thus an implied subsidy.

Employees covered by benefit terms - At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>136</u>
Total employees	<u><u>171</u></u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$8,794,337 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.62%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

Year ended June 30:	
2019	\$3,286
2020	3,286
2021	3,286
2022	3,286
2023	3,286
Thereafter	\$32,857

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	Inmate Funds	Total
Balance at June 30, 2017	\$13,117	\$627	\$129,406	\$159,993	\$303,143
Additions	27,431,358	706,679	913,561	2,001,435	31,053,033
Reductions	(27,421,311)	(706,662)	(938,713)	(1,963,605)	(31,030,291)
Balance at June 30, 2018	<u>\$23,164</u>	<u>\$644</u>	<u>\$104,254</u>	<u>\$197,823</u>	<u>\$325,885</u>

9. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2018, the tax collector has cash and equivalents (book balances) totaling \$23,164 as follows:

Now account interest	\$2,685
Protest taxes	20,434
Interest on protest taxes	<u>45</u>
Total	<u>\$23,164</u>

10. AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2018, by taxing body as follows:

Louisiana Forestry Service	\$16,078
Louisiana Tax Commission	16,195
Webster Parish Assessor	1,501,447
Webster Parish Police Jury	5,276,933
Webster Parish School Board	10,998,035

WEBSTER PARISH SHERIFF
Minden, Louisiana
Notes to the Financial Statements (Continued)

Webster Parish Sheriff	\$3,659,185
N.W. Industrial District	524,612
City of Minden	469,077
Cotton Valley	16,025
Village of Doyline	13,424
City of Sarepta	131,611
City of Cullen	20,956
CVFD #8	280,980
Cullen FD #6	218,956
Sarepta FD #5	139,060
Shongaloo FD #9	320,534
Dixie Inn FD #7	\$277,395
Dubberly FD #4	182,904
Minden FD #10	271,446
Evergreen FD	165,113
Fire District #3	144,422
Springhill #11	122,021
Sibley FD #2	55,789
Heflin FD	95,096
	<hr/>
Total	<u>\$24,917,294</u>

11. TAX UNCOLLECTED AND UNSETTLED

The tax collector has not collected and disbursed the following taxes for the year ended June 30, 2018, by taxing body as follows:

Webster Parish Assessor	\$1,230
Webster Parish Police Jury	4,271
Webster Parish School Board	10,078
Webster Parish Sheriff	2,996
N.W. Industrial District	355
Sibley Fire District #2	10
Fire District #3	12
Fire District #7	10
Cullen Fire District #6	148
Fire District #8	(2)
Fire District #10	360
Springhill Fire District #11	348
City of Minden	607
Cullen	63
Serepta	66
Cotton Valley	(1)
	<hr/>
Total	<u>\$20,551</u>

12. LITIGATION AND CLAIMS

At June 30, 2018, the Webster 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.

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

The Webster 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 Webster Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

WEBSTER PARISH SHERIFF
Minden, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$3,600,000	\$3,836,965	\$236,965
Intergovernmental revenues:			
Federal grants	71,000	15,623	(55,377)
State grants:			
State supplemental pay	203,000	212,537	9,537
State revenue sharing (net)	100,000	103,822	3,822
Video poker	300,000	342,064	42,064
Other	19,500	11,716	(7,784)
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	86,000	70,612	(15,388)
Civil and criminal fees	372,500	415,919	43,419
Other	2,550	64,400	61,850
Use of money and property	30,000	46,983	16,983
Miscellaneous	45,500	55,885	10,385
Total revenues	<u>4,830,050</u>	<u>5,176,526</u>	<u>346,476</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and benefits	5,492,480	5,400,942	91,538
Operating services	912,300	757,440	154,860
Materials and supplies	449,000	258,966	190,034
Travel and other charges	25,750	37,240	(11,490)
Capital outlay	505,000	159,820	345,180
Total expenditures	<u>7,384,530</u>	<u>6,614,408</u>	<u>770,122</u>
EXCESS (Deficiency) OF REVENUES	<u>(2,554,480)</u>	<u>(1,437,882)</u>	<u>1,116,598</u>
OTHER FINANCING SOURCES			
Proceeds from sale of assets	11,000	7,695	(3,305)
Operating transfers in	2,543,480	2,511,189	(32,291)
Total other financing sources	<u>2,554,480</u>	<u>2,518,884</u>	<u>(35,596)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	NONE	1,081,002	1,081,002
FUND BALANCES AT BEGINNING OF YEAR	NONE	11,803,566	11,803,566
FUND BALANCES AT END OF YEAR	NONE	<u>\$12,884,568</u>	<u>\$12,884,568</u>

(Continued)

WEBSTER PARISH SHERIFF
Minden, Louisiana

BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER
For the Year Ended June 30, 2018

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State supplemental pay	\$147,000	\$125,035	(\$21,965)
Fees, charges, and commissions for services -			
Feeding and keeping of prisoners	3,602,800	3,729,013	126,213
Civil and criminal fees		20	20
Other		27,564	27,564
Use of money and property	17,000	219,847	202,847
Other revenue	1,290,400	1,529,403	239,003
Total revenues	<u>5,057,200</u>	<u>5,630,882</u>	<u>573,682</u>
EXPENDITURES			
Personal services and benefits	3,099,920	2,962,643	137,277
Operating services	1,043,700	1,048,976	(5,276)
Materials and supplies	462,000	401,696	60,304
Travel and other charges	16,100	5,480	10,620
Capital outlay	250,000	25,040	224,960
Total expenditures	<u>4,871,720</u>	<u>4,443,835</u>	<u>427,885</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	185,480	1,187,047	1,001,567
OTHER FINANCING SOURCE (Use)			
Transfers In			
Transfers Out	(185,480)	(277,815)	92,335
Total Other Financing Source (Use)	<u>(185,480)</u>	<u>(277,815)</u>	<u>92,335</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	NONE	909,232	1,093,902
FUND BALANCES AT BEGINNING OF YEAR	NONE	10,267,349	10,267,349
FUND BALANCES AT END OF YEAR	<u>NONE</u>	<u>\$11,176,581</u>	<u>\$11,361,251</u>

(Continued)

WEBSTER PARISH SHERIFF
Minden, Louisiana

BUDGETARY COMPARISON SCHEDULE
SALARY
For the Year Ended June 30, 2018

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Sales tax	\$2,700,000	\$3,138,928	\$438,928
Use of money and property	8,000	13,459	5,459
Total Revenues	<u>2,708,000</u>	<u>3,152,387</u>	<u>444,387</u>
OTHER FINANCING SOURCE (USE)			
Transfer in		277,815	277,815
Transfer out	(2,708,000)	(2,511,189)	196,811
TOTAL OTHER FINANCING SOURCE (USE)	<u>(2,708,000)</u>	<u>(2,233,374)</u>	<u>474,626</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	NONE	919,013	919,013
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>9,302,126</u>	<u>9,302,126</u>
FUND BALANCES AT END OF YEAR	<u>NONE</u>	<u>\$10,221,139</u>	<u>\$9,302,126</u>

(Concluded)

WEBSTER PARISH SHERIFF
Minden, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2016

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Webster Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is 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 schedules include the original adopted budget amounts and budget amendments.

Webster Parish Sheriff
 Schedule of Changes in Net OPEB Liability and Related Ratios
 FYE June 30, 2018

Schedule of Funding Progress

Total OPEB Liability

Service cost	\$238,186
Interest	315,793
Changes of benefits terms	NONE
Differences between expected and actual experience	55,858
Changes of assumptions	NONE
Benefit payments	<u>(300,890)</u>
Net change in total OPEB liability	308,947
Total OPEB liability - beginning	<u>8,485,390</u>
Total OPEB liability - ending	<u><u>\$8,794,337</u></u>
Covered employee payroll	\$5,720,603
Net OPEB liability as a percentage of covered-employee payroll	153.73%

Note:

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

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

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

Webster Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2018

Actuarial Valuation Date	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
June 30, 2015	0.835715%	\$3,309,436	\$5,442,230	60.81%	87.34%
June 30, 2016	0.817515%	\$3,644,043	\$5,417,713	67.26%	99.23%
June 30, 2017	0.794626%	\$5,043,408	\$5,377,270	93.79%	82.10%
June 30, 2018	0.777469%	\$3,366,654	\$5,527,931	60.90%	88.49%

Note: - Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Webster Parish Sheriff
Schedule of Employer Contributions
June 30, 2018

Actuarial Valuation Date	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
June 30, 2015	\$775,518	\$775,518	\$0	\$5,442,230	14.25%
June 30, 2016	\$744,936	\$744,936	\$0	\$5,417,713	13.75%
June 30, 2017	\$712,488	\$712,488	\$0	\$5,377,270	13.25%
June 30, 2018	\$704,811	\$704,811	\$0	\$5,527,931	12.75%

Note: - Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

PART III

STATE OF LOUISIANA

PARISH OF WEBSTER

**AFFIDAVIT
GARY SEXTON, SHERIFF OF WEBSTER PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, GARY SEXTON, SHERIFF OF WEBSTER PARISH, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$23,164 the amount of cash on hand in the tax collector account on June, 30, 2018.

He further deposed and said:

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

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


GARY SEXTON, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 24th day of September, 2018, in my office in Minden, Louisiana.


SHARON B. BRYCE, NOTARY PUBLIC #53266
WEBSTER PARISH, LOUISIANA

WEBSTER PARISH SHERIFF
Minden, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018

GARY SEXTON, SHERIFF

PURPOSE	AMOUNT
Salary	\$145,761
Expense Allowance	14,576
Benefits-insurance	11,707
Benefits-retirement	21,144
Benefits-deferred compensation	1,300
Cellphone	697
Per diem	296
Meals	60
Registration fees	760
Housing and lodging	3,446
Membership dues	375
Membership dues-Sheriffs Association	12,147

WEBSTER PARISH SHERIFF
Minden, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2018

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.

INMATE FUND

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

WEBSTER PARISH SHERIFF
Minden, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2018

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	INMATE FUNDS	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$13,117</u>	<u>\$627</u>	<u>\$129,406</u>	<u>\$159,993</u>	<u>\$303,143</u>
ADDITIONS					
Deposits :					
Civil suits, sales, and seizures		706,662			706,662
Fines and forfeitures			913,548		913,548
Ad valorem taxes	26,018,478				26,018,478
State Revenue Sharing	796,620				796,620
Interest on -					
Delinquent taxes	49,516				49,516
Protested taxes held in escrow	33				33
Redemptions	121,175				121,175
Tax notices	103,472				103,472
Other additions	342,064	17	13	2,001,435	2,343,529
Total additions	<u>27,431,358</u>	<u>706,679</u>	<u>913,561</u>	<u>2,001,435</u>	<u>31,053,033</u>
Total	<u>27,444,475</u>	<u>707,306</u>	<u>1,042,967</u>	<u>2,161,428</u>	<u>31,356,176</u>
REDUCTIONS					
Deposits, taxes, fees, etc. settled to:					
Louisiana Department of Agriculture	16,089				16,089
Louisiana Tax Commission	16,195				16,195
Webster Parish:					
Assessor	1,646,253				1,646,253
Clerk of Court	29,342	51,278	46,362		126,982
Police Jury	5,615,900		242,709		5,858,609
School Board	11,517,506				11,517,506
Sheriff	3,909,178	103,761	179,797		4,192,736
Industrial Districts	525,602				525,602
Fire protection districts	2,298,559				2,298,559

WEBSTER PARISH SHERIFF
Minden, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUND
Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others, etc.

	<u>TAX COLLECTOR FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>INMATE FUNDS</u>	<u>TOTAL</u>
Pension funds	\$745,248				\$745,248
City of Minden	481,688				481,688
Village of Doyline	13,719				13,719
City of Sarepta	132,085				132,085
City of Cullen	21,369				21,369
City of Cotton Valley	16,139				16,139
District attorney			\$98,926		98,926
Judicial expense fund			83,411		83,411
Refunds	340,499				340,499
Redemptions	95,940	\$4,294			100,234
Indigent defender board			79,143		79,143
Northwest Louisiana Crime Laboratory			85,747		85,747
Litigants		98,441			98,441
Attorneys, appraisers, etc.		14,080			14,080
Other reductions		434,808	122,618	\$1,963,605	2,521,031
Total reductions	<u>27,421,311</u>	<u>706,662</u>	<u>938,713</u>	<u>1,963,605</u>	<u>31,030,291</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>\$23,164</u>	<u>\$644</u>	<u>\$104,254</u>	<u>\$197,823</u>	<u>\$325,885</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 Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

WEBSTER PARISH SHERIFF
Minden, 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 and the major funds of the Webster Parish Sheriff as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Webster Parish Sheriff's basic financial statements, and have issued my report thereon dated September 24, 2018.

Internal Control Over Financial Reporting

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

WEBSTER PARISH SHERIFF

Minden, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2018

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Webster 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2018-001.

Webster Parish Sheriff's Response to Findings

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

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 Webster 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 Webster Parish Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana

September 24, 2018

WEBSTER PARISH SHERIFF
Minden, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Finding 2018-001 Need to Comply with Louisiana Local Government Budget Act

Condition: The sheriff's office did not allow 10 days between the date of publication of the public hearing and the public hearing.

Criteria: The Local Government Budget Act, LSA-R.S. 39:1310-1311 requires, among other things, that the political subdivisions with proposed expenditures greater than five hundred thousand dollars shall afford the public an opportunity to participate in the budgetary process.

Cause of Condition: Management did not advertise at least 10 days prior to the public hearing. The advertisement for the public hearing was advertised on June 29, 2017 and the public hearing was June 30, 2017.

Effect of Condition: The Sheriff is in violation of the Local Government Budget Act and related statutes.

Recommendation: Management should comply with all the requirements of the Louisiana Local Government Budget Act.

Response: Management will comply with the Louisiana Local Government Budget Act in the future.

WEBSTER PARISH SHERIFF
Minden, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

There were no audit findings reported in the audit for the year ended June 30, 2017.



SHERIFF

WEBSTER PARISH

GARY SEXTON

410 Main

P.O. Box 877

Minden, Louisiana 71058-0877

(318) 377-1515

September 24, 2018

Budget Finding – The public notice was overlooked and not advertised. The notice was published but with less than required notice days in order to adopt the budget by June 30, 2017. Reminders have been set in place to insure public notices are not overlooked

A handwritten signature in cursive script, appearing to read "Gary S. Sexton".

Gary S Sexton, Sheriff

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 329-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Accountant's Report on Applying Agreed-Upon Procedures

Webster Parish Sheriff
410 Main Street
Minden, LA 71055

To the Webster Parish Sheriff's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Webster 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, 2017 through June 30, 2018. Management of Webster 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):

The Sheriff provided a policy and procedures manual to test against the agreed upon procedures.

- A. Budgeting, including preparing, adopting, monitoring, and amending the budget.

The budgeting policy and procedure is in compliance with the agree upon procedures guidelines.

- 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.

The purchasing policies and procedures are in compliance with the agreed upon procedures guidelines. The Sheriff uses purchase orders or requisitions. The designated employees initiate the purchases and supervisors approve all purchases. The financial administrator adds any new vendors. The policy and procedures outlines any purchases requiring compliance with the bid law.

C. Disbursements, including processing, reviewing, and approving

The purchasing policies and procedures are in compliance with the agree upon procedures guidelines. The designated employees initiate all purchases and supervisors approve all purchases.

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).

The Sheriff has a written policy and procedures for receipts, recording and preparing documents. The Sheriff is not in accordance with AUP guidelines. All employees receive money and work out of the same cash drawers. The Sheriff has employee theft insurance coverage for the employees.

E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The Sheriff has policies and procedures pertaining to payroll/personnel. It addresses several areas such as leave time, holiday time, compensatory time. The financial administrator is responsible for tracking the leave time and other compensatory time. All employees track time worked and leave time taken. Employee leave time is audited every year. The Sheriff is in compliance with the AUP guidelines.

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

The Sheriff has written policies and procedures concerning contracting. The Sheriff is in compliance with the AUP guidelines.

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)

The Sheriff has a written polices and procedures addressing credit cards. The cards are in the name of the Sheriff or the financial administrator. The financial administrator attaches the backup to the statements. The Sheriff in not in compliance with the AUP guidelines.

- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The Sheriff has policies and procedures in place to cover travel and expense reimbursements. The Sheriff is in compliance with the AUP guidelines.

- 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.

The Sheriff has ethics policies and procedures in place. All employees are required to take the online ethics course. There was no signature verification that the employees have read the agency policy on ethics.

- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Sheriff has a written policies and procedures in place for debt service and is in compliance with the AUP guidelines. At this time, the Sheriff has no outstanding debt.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. The Webster 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);

The agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. The agency had a total of 14 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

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.

- B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation(e.g., initialed and dated, electronically logged); and

For the 5 bank accounts selected above, it was determined that the all 5 bank reconciliations were performed by the employee responsible for that fund and reviewed by the financial administrator.

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

For the 5 bank accounts selected above, 2 of the 5 accounts had no outstanding reconciling items over 12 months. Three accounts 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.

The agency has 2 collection locations with two cash drawers at the Sheriff's office. There is no cash drawer at the detention center. Multiple deputies work out of the cash drawers. All collection payments are posted to the fund when received by the deputies. One of the deputies reconciles the cash drawer and another deputy makes the deposit. After the deposit is made, the employee assigned to each fund posts the deposits to the Quickbooks accounting system. Bank reconciliations are prepared by the employee assigned to the fund and reviewed by the financial administrator.

- 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.

The cash register is reconciled daily and deposits are made daily. The deposit is made by an employee that also may be reconciling the cash register, since several deputies take turns reconciling the cash register and making the deposits. The collections are posted to the software

and services system when collected. The deposits are posted by the employee assigned to that fund to the quickbooks accounting system daily.

- 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.

The deputies take turns reconciling the cash drawers on a daily basis. The deposit information is given to the employee assigned to each fund who posts the information to the Quickbooks software.

- 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 deputies take turns reconciling the cash drawers on a daily basis. The deputy reconciling the cash drawer also collects money in the cash drawers the Sheriff's office use.

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

The Sheriff has employee theft insurance coverage on the employees.

- 7. Randomly select tow deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- A) Observe that receipts are sequentially pre-numbered.

The Sheriff does not use pre-numbered receipts, the system generates receipts when money is collected.

- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,

Deposit documentation was traced to the cash register information for the days receipts.

- C) Trace the deposit slip total to the actual deposit per the bank statement.

The deposit slips selected were traced to the bank statement.

- D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

The Sheriff's office makes daily deposits.

- E) Trace the actual deposit per the bank statement to the general ledger.

The deposits were traced to the posting in the quickbooks accounting software.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Agency provided a complete list of locations that process payments and represented that the list was complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- A) At least two employees are involved in initialing a purchase request, approving a purchase, and placing an order/making the purchase.

The Sheriff uses a purchase order system or purchase requisitions. The designed employees initiate purchases and supervisors approve all purchases. The Sheriff has ultimate approval on all major purchases.

- B) At least two employees are involved in processing and approving payments to vendors.

The Sheriff uses a purchase order system or purchase requisitions. The designed employees initiate checks and another designated employee signs the checks. The Sheriff has ultimate approval on all major purchases.

- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The Sheriff uses a purchase order system or purchase requisitions. The designed employees can add vendors, but must be approved by the financial administrator. The Sheriff has ultimate approval on all major purchases.

- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Sheriff uses a purchase order system or purchase requisitions. The designated employees initiates disbursements and another designated employee signs the checks. The checks are returned to the employee responsible for that fund and mailed to vendors.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- A) Observe that the disbursement matched the related original invoice/billing statement.

All disbursements selected to be tested had the proper support documentation.

- B) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The employees assigned to the fund initiates the purchase and supervisors approve all purchases. The employee assigned to the fund initiates all checks and another employee and the sheriff sign all checks. The employee assigned to the fund also reconciles the bank statement and the financial administrator reviews all reconciliations.

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

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

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

- 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) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

The financial administrator reviews all credit card statements and attaches proper support to the statement. The chief criminal deputy reviews all fuel credit card statements and approves them for payment.

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

For the card tested, there were service charges or interest charges noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation for the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

All transactions tested had the proper documentation. The financial administrator or authorized card holder initiates all purchases and the financial administrator approves all purchases. All transactions tested appeared to be for business purposes.

TRAVEL AND EXPENSE REIMBURSEMENT

14. The Webster 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 Webster 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 Webster Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
17. The Webster Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
18. The Webster Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Webster 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. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:

A) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Agency provided support for ethics training for the five randomly selected employees above.

B) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Agency did not have any documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

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

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

OTHER

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Sheriff's office has no known misappropriation of funds during the test period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises.

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
September 24, 2018



SHERIFF

WEBSTER PARISH

GARY SEXTON

410 Main
P.O. Box 877
Minden, Louisiana 71058-0877
(318) 377-1515

Responses to Independent Accountant's Report
On Applying Agreed-Upon Procedures
FYE June 30, 2018

WRITTEN POLICIES AND PROCEDURES

1. E. Quotes are being obtained to consider the feasibility of separate cash drawers.
- G. Approved requisitions are now required prior to all purchases including credit card purchases.
- I. Ethics classes are taken and verified. In the future, employees will verify by signature the policy and procedure has been read.

BANK RECONCILIATION

3. C. Accounts are now tested for outstanding transactions monthly.

COLLECTIONS

5. A. Further separation of duties is not feasible with the number of employees in the department.
- B. Further separation of duties is not feasible with the number of employees in the department.
7. A. The cost of changing software to add receipt numbers is not feasible.

CREDIT CARDS / FUEL CARDS

12. B. Approval is now obtained by requisition prior to purchase insuring timely payment.

ETHICS

20. B. In the future, employees will verify by signature the policy and procedure has been read.

Gary S Sexton, Sheriff
Webster Parish Sheriff
September 24, 2018