

**JACKSON PARISH SHERIFF
JONESBORO, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2018**

Jackson Parish Sheriff
Jonesboro, Louisiana
June 30, 2018

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Jackson Parish Sheriff
Jonesboro, Louisiana
June 30, 2018

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JACKSON PARISH SHERIFF

P. O. Box 303
Jonesboro, LA 71458-0303

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Jackson Parish Sheriff, we offer readers of the Jackson Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Jackson Parish Sheriff as of and for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Sheriff's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources. Certain comparative information is presented to provide an overview of the Sheriff's operations.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities (Net Position) on June 30, 2018 and 2017, by \$12,235,396 and \$11,776,447, respectively. The Sheriff's net position increased by \$458,949 as a result of this year's operations. Total Net Position is comprised of the following:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Capital assets, net of accumulated depreciation	\$ 716,410	\$ 627,769
Unrestricted Net Position which represents the portion available to maintain continuing obligations to citizens and creditors	<u>11,518,986</u>	<u>11,148,678</u>
Total Net Position	<u>\$12,235,396</u>	<u>\$11,776,447</u>

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Sheriff as a whole and present a longer-term view of the Sheriff's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Sheriff uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact as short-term financing decreases. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two views.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies and deposits held pending court action. The Sheriff reports these as agency funds.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures, schedules of employer's share of net pension liability and contributions, schedule of changes in net OPEB liability and related ratios, schedule of compensation, benefits and other payments to the sheriff, and annual reporting requirement of sheriff as ex officio tax collector to LLA.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

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

CAPITAL ASSETS

The Sheriff's investment in capital assets as of June 30, 2018 is \$716,410 (net of accumulated depreciation). This investment in capital assets includes office furniture, radios, vehicles and buildings. The Sheriff's major capital assets are vehicles. Additional information on the Sheriff's capital assets can be found on page 28 of this report.

LONG-TERM OBLIGATIONS

At the end of the fiscal year, the Sheriff had total long-term obligations of \$9,161,428, consisting of post-employment benefits and net pension liability.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2018</u>	<u>2017</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$19,201,835	\$19,092,450
Receivables	1,057,797	1,762,754
Due from Other Funds	90	90
Non-current Assets-		
Capital Assets (net)	<u>716,410</u>	<u>627,769</u>
Total Assets	<u>\$20,976,132</u>	<u>\$21,483,063</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 2,131,553</u>	<u>\$ 2,344,424</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 862,506	\$ 1,323,439
Accrued Expenses	80,521	129,695
Non-current Liabilities-		
OPEB Payable	5,692,965	5,095,071
Net Pension Liability	<u>3,468,463</u>	<u>4,838,669</u>
Total Liabilities	<u>\$10,104,455</u>	<u>\$11,386,874</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 767,834</u>	<u>\$ 664,166</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 716,410	\$ 627,769
Unrestricted	<u>11,518,986</u>	<u>11,148,678</u>
Total Net Position	<u>\$12,235,396</u>	<u>\$11,776,447</u>

The Sheriff continues to maintain operations with no financing. This is an indication of the Sheriff's ability to pay obligations as they become due.

Summary of Statement of Activities

Comparative data for government-wide information is presented to assist analysis. The following table provides a summary of the Sheriff's changes in Net Position:

	<u>2018</u>	<u>2017</u>
REVENUES:		
Charges for Services/Fines	\$ 7,410,379	\$11,037,658
Operating and Capital Grants	3,993,449	269,827
Ad Valorem Taxes	4,456,111	4,731,695
Miscellaneous	<u>355,045</u>	<u>294,245</u>
Total Revenues	\$16,214,984	\$16,333,425
EXPENSES:		
Public Safety	<u>15,756,035</u>	<u>16,002,487</u>
Change in Net Position	\$ <u>458,949</u>	\$ <u>330,938</u>

The change in Net Position for 2018 is \$458,949, which is an increase of \$128,011 from the prior year. Total net position increased by 3% in the current year.

GOVERNMENTAL FUNCTIONAL EXPENSES

The functions of the Sheriff are public safety and law enforcement activities and parish-wide tax collections.

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2018, revenues and expenditures were within the 5% variance allowed.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year 2018-2019 budget is forecasted to provide \$15,775,277 in estimated surplus and revenues to fund costs of \$15,758,109. Capital Outlay is budgeted in the amount of \$45,000 to be used for the acquisition of vehicles and other law enforcement equipment.

CONTACTING THE SHERIFF'S OFFICE

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations and demonstrate the Sheriff's commitment to public accountability. If you have additional questions about this report or would like to request additional information, contact Andy Brown, Sheriff, 500 East Court Street, Jonesboro, LA 71251.

Johnson, Thomas & Cunningham

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INDEPENDENT AUDITOR'S REPORT

Andy Brown, Sheriff
of Jackson Parish
500 East Court Street
Jonesboro, LA 71251

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements, the Sheriff has adopted the provisions of GASB Statement 75 *Actuarial Valuation of Other Post-employment Benefits – Amendment of GASB Statement 45*. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is required by Louisiana R.S. 24:513 A.(3). The annual reporting requirement of sheriff as ex officio tax collector is require by Louisiana R.S. 24:513B.(1). The Schedule and report are listed as required supplementary information in the Table of Contents and presented for purposes of additional analysis. This schedule and report are not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the annual reporting requirement of sheriff as ex officio tax collector, and Combining Schedule of Changes in Net Position are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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, we have issued a report, dated December 3, 2018, on the results of our 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.


Johnson, Thomas & Cunningham, CPA's

December 3, 2018
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$19,201,835
Due from Other Funds	90
Revenue Receivable	<u>1,057,797</u>
Total Current Assets	<u>\$20,259,722</u>
Non-current Assets-	
Capital Assets (Net)	<u>716,410</u>
Total Assets	<u>\$20,976,132</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pensions	\$ 1,553,038
OPEB	<u>578,515</u>
Total Deferred Outflows of Resources	<u>\$ 2,131,553</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 862,506
Accrued Expenses	<u>80,521</u>
Total Current Liabilities	<u>\$ 943,027</u>
Long-term Liabilities-	
Net OPEB Obligation	\$ 5,692,965
Net Pension Liability	<u>3,468,463</u>
Total Long-term Liabilities	<u>\$ 9,161,428</u>
Total Liabilities	<u>\$10,104,455</u>
DEFERRED INFLOWS OF RESOURCES:	
Pensions	<u>\$ 767,834</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 716,410
Unrestricted	<u>11,518,986</u>
Total Net Position	<u>\$12,235,396</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Activities
June 30, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines Commissions, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public Safety	<u>\$15,756,035</u>	<u>\$7,410,379</u>	<u>\$3,993,449</u>	<u>\$ (4,352,207)</u>
		General Revenues:		
		Taxes-		
			Ad Valorem	\$ 4,456,111
			Nonemployer Pension Revenue	317,951
			Gain on Sale of Assets	7,785
			Miscellaneous	<u>29,309</u>
			Total General Revenues	<u>\$ 4,811,156</u>
			Change in Net Position	\$ 458,949
			Net Position at Beginning of Year (Restated see Note 1 H)	<u>11,776,447</u>
			Net Position at End of Year	<u>\$12,235,396</u>

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENTS

Jackson Parish Sheriff
Jonesboro, Louisiana
Balance Sheet-Governmental Funds
June 30, 2018

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> Jury Service <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS:			
Cash & Cash Equivalents	\$19,190,012	\$11,823	\$19,201,835
Due from Other Funds	0	90	90
Revenue Receivable	<u>1,057,797</u>	<u>0</u>	<u>1,057,797</u>
Total Assets	<u>\$20,247,809</u>	<u>\$11,913</u>	<u>\$20,259,722</u>
LIABILITIES:			
Accounts Payable	\$ 862,506	\$ 0	\$ 862,506
Accrued Expenses	<u>80,521</u>	<u>0</u>	<u>80,521</u>
Total Liabilities	<u>\$ 943,027</u>	<u>\$ 0</u>	<u>\$ 943,027</u>
FUND BALANCE:			
Restricted for:			
Jury Notices	\$ 0	\$11,913	\$ 11,913
Unassigned	<u>19,304,782</u>	<u>0</u>	<u>19,304,782</u>
Total Fund Balance	<u>\$19,304,782</u>	<u>\$11,913</u>	<u>\$19,316,695</u>
Total Liabilities and Fund Balance	<u>\$20,247,809</u>	<u>\$11,913</u>	<u>\$20,259,722</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2018

Total Fund Balance for the Governmental Funds at June 30, 2018	\$19,316,695
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Capital Assets	2,020,216
Less, Accumulated Depreciation	(1,303,806)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Fund Balance Sheet-	2,131,553
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Net OPEB Obligation	(5,692,965)
Net Pension Liability	(3,468,463)
Deferred Inflows of Resources are not due and payable in the current period and, therefore are not reported in the Governmental Fund Balance Sheet-	<u>(767,834)</u>
Total Net Position of Governmental Activities at June 30, 2018	<u>\$12,235,396</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> Jury Service <u>Fund</u>	Total Governmental <u>Funds</u>
REVENUES:			
Taxes-			
Ad Valorem	\$ 4,456,111	\$ 0	\$ 4,456,111
Fees, Fines, Commissions & Charges for Services-			
Civil & Criminal Fees	36,744	0	36,744
Commissions-Sheriff's Revenue Sharing	63,480	0	63,480
Commissions-Fines & Bonds	28,253	0	28,253
Commissions-Judicial Sales & Seizures	37,692	0	37,692
Commissions-Correctional Center	173,334	0	173,334
Prisoner Maintenance	6,820,292	0	6,820,292
Other Fees, Fines, Commissions & Charges for Services	249,069	1,515	250,584
Operating Grants & Contributions-			
Reimbursement-Correctional Center	3,701,427	0	3,701,427
State Supplemental Pay	253,472	0	253,472
State Revenue Sharing	38,550	0	38,550
Miscellaneous-			
Interest	<u>29,277</u>	<u>32</u>	<u>29,309</u>
Total Revenues	<u>\$15,887,701</u>	<u>\$ 1,547</u>	<u>\$15,889,248</u>
EXPENDITURES:			
Public Safety-			
Current-			
Personnel Services & Related Benefits	\$ 8,099,560	\$ 0	\$ 8,099,560
Operating Services	7,286,167	649	7,286,816
Materials & Supplies	258,956	0	258,956
Travel & Other Charges	18,650	0	18,650
Capital Outlay	<u>342,142</u>	<u>0</u>	<u>342,142</u>
Total Expenditures	<u>\$16,005,475</u>	<u>\$ 649</u>	<u>\$16,006,124</u>

Continued next page

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff
Jonesboro, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Year Ended June 30, 2018

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> Jury Service <u>Fund</u>	Total Governmental <u>Funds</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (117,774)	\$ 898	\$ (116,876)
OTHER FINANCING SOURCES:			
Sale of Capital Assets	<u>31,411</u>	<u>0</u>	<u>31,411</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ (86,363)	\$ 898	\$ (85,465)
Fund Balance-Beginning of Year	<u>19,391,145</u>	<u>11,015</u>	<u>19,402,160</u>
Fund Balance-End of Year	<u>\$19,304,782</u>	<u>\$11,913</u>	<u>\$19,316,695</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff
Jonesboro, Louisiana
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balance - Governmental Funds \$ (85,465)

Amounts reported for Governmental Activities
in the Statement of Activities are different because:

Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is 342,142

Depreciation expense on capital assets is reported in the Government-wide financial statements, but they do not require the use of current financial resources and are not reported in the Fund Financial Statements. Current year depreciation expense is (229,875)

Governmental Funds report the entire amount received from sales of assets as revenues, but the undepreciated cost of the asset reduces the gain from the sale in the Statement of Activities (23,625)

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

Non-Employer Pension Revenue	317,951
OPEB Expense	(19,380)
Pension Expense	<u>157,201</u>

Change in Net Position of Governmental Activities \$ 458,949

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff
Jonesboro, Louisiana
Fiduciary Fund Type-Agency Funds
Statement of Fiduciary Net Position
For the Year Ended June 30, 2018

	Sheriff's Civil <u>Fund</u>	Sheriff's Criminal <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$5,902</u>	<u>\$107,757</u>	<u>\$1,236,799</u>	<u>\$1,350,458</u>
LIABILITIES:				
Due to Other Funds	\$ 0	\$ 90	\$ 0	\$ 90
Due to Other Governments	<u>5,902</u>	<u>107,667</u>	<u>1,236,799</u>	<u>1,350,368</u>
Unsettled Deposits	<u>\$5,902</u>	<u>\$107,757</u>	<u>\$1,236,799</u>	<u>\$1,350,458</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2018

Introduction:

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the ex-officio tax collector of the parish, the Sheriff is responsible for the collection and distribution of ad valorem property taxes and state revenue sharing funds.

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

In accordance with certain laws the Sheriff accounts for the collection and disbursement of bonds, fines and costs and forfeitures imposed by the district court.

1. **Summary of Significant Accounting Policies:**

A. Reporting Entity-

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

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

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2018

B. Basis of Presentation-

Government-Wide Financial Statements-

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

Fund Financial Statements-

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

Governmental Funds-

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422 is the Sheriff's only major fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary source of revenue is from revenues from the State of Louisiana for prisoner maintenance. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and various other reimbursements, fees, grants, and commissions. General operating expenditures are paid from this fund.

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Special Revenue Fund - Jury Service Fund

The special revenue fund is used to account for the proceeds of specific revenue sources. Those revenues are legally restricted to expenditures for specified purposes. Per criteria for Fund Financial Statements above, this fund is presented as a nonmajor fund in the governmental fund financial statements.

Fiduciary Funds-

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements present a Statement of Fiduciary Net Position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds, which are custodial in nature (assets equal liabilities); do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting-

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

Accrual Basis - Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are 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"

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if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

D. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Sheriff.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Vehicles	5 years
Radios	10 years
Buildings	25-40 years

Pensions-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund (System) and additions to/deductions from the System' fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

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

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

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

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- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$19,304,782. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

E. Budget-

Prior to the beginning of each fiscal year, the Sheriff adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

F. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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.

G. Compensated Absences-

Employees are not allowed to carry leave forward from year to year, therefore, no entry is made for compensated absences.

H. Impact of Recently Issued Accounting Principles-

As of July 1, 2017, the Sheriff implemented Governmental Standards Board (GASB) Statement 75 *Actuarial Valuation of Other Post-employment Benefits – Amendment of GASB Statement 45*, which resulted in a cumulative change in accounting principle and also a restatement of net position. The net effect of the restatement was to decrease the net position of the Sheriff by \$1,413,490.

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2. Levied Taxes:

The Sheriff levied the following millages for ad valorem taxes for 2017.

Constitutional	12.52	indefinite
Law Enforcement Sheriff	<u>8.43</u>	expires 2025
Total	20.95	

The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed. The property tax calendar is as follows:

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes due	December 31
Penalties & interest added	January 31 of ensuing year
Tax Sale	May 15 of ensuing year

Total assessed value was \$224,096,560 in 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property tax. In 2017, this homestead exemption was \$20,631,280 of the total assessed value. The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
ETC Tiger Pipeline	\$47,786,620	21.3%
Compass Energy Operating, LLC	\$46,142,850	20.6%
Regency Intrastate Pipeline	\$21,637,490	9.7%
WestRock	\$19,104,510	8.5%
Enable Gas Transmission	\$10,982,180	4.9%

3. Cash and Cash Equivalents:

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Sheriff will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory

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requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

At June 30, 2018, the Sheriff had cash and cash equivalents with a bank balances totaling \$21,015,434. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the Sheriff. All of the Sheriff's deposits were properly secured at June 30, 2018. Of the \$21,015,434 in bank balances, \$668,491 was secured by federal deposit insurance and \$20,346,943 was secured by pledged securities.

4. On-Behalf Payments:

Certain employees of the Jackson Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$253,472.

5. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2018, are as follows:

Governmental Activities	Balance 07-01-17	Additions	Deletions	Balance 06-30-18
Capital Assets:				
Office Furniture, Fixtures and Equipment	\$ 482,798	\$ 7,650	\$118,027	\$ 372,421
Radios	278,258	7,693	60,426	225,525
Vehicles	1,208,827	326,799	158,588	1,377,038
Buildings	<u>45,232</u>	<u>0</u>	<u>0</u>	<u>45,232</u>
Total Assets	<u>\$2,015,115</u>	<u>\$342,142</u>	<u>\$337,041</u>	<u>\$2,020,216</u>
Less, Accumulated Depreciation:				
Office Furniture, Fixtures and Equipment	\$ 357,000	\$ 44,643	\$118,027	\$ 283,616
Radios	187,066	17,560	58,842	145,784
Vehicles	823,583	166,201	136,547	853,237
Buildings	<u>19,698</u>	<u>1,471</u>	<u>0</u>	<u>21,169</u>
Total Depreciation	<u>\$1,387,347</u>	<u>\$229,875</u>	<u>\$313,416</u>	<u>\$1,303,806</u>
Net Capital Assets	<u>\$ 627,768</u>	<u>\$112,267</u>	<u>\$ 23,625</u>	<u>\$ 716,410</u>

Depreciation expense of \$229,875 for the year ended June 30, 2018, was charged to the Public Safety function.

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6. Receivables:

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

Class of Receivable – General Fund

Correctional Center Reimbursement	\$ 160,864
Deputy Supplemental pay	22,927
Fees, Charges and Commissions-	
Civil and Criminal Fees	4,409
Fines and Bonds	1,580
Judicial Sales & Seizures	250
Feeding and Keeping Prisoners	828,712
Other Fees, Fines, and Commissions	<u>39,055</u>
Total	<u>\$1,057,797</u>

7. Pension Plan:

Plan Description

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

Benefits Provided

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

Retirement

For members who become eligible for membership on or before December 31, 2011:

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

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For members whose first employment making them eligible for membership in the system began on or after January 1, 2012:

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

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

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

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

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Cost of Living Adjustments:

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2017, the actual employer contribution rate was 13.25% with an additional -0-% allocated from the Funding Deposit Account.

In accordance with state statute, the System also receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017. Non-employer contributions for the year ended June 30, 2017 were \$317,951.

The Sheriff's contractually required composite contribution rate for the year ended June 30, 2017 was 12.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Sheriff for the years ended June 30, 2018 and June 30, 2017 were \$778,760 and \$734,507 respectively.

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

At June 30, 2018 and 2017, the Sheriff reported a liability of \$3,468,463 and \$4,838,669 respectively, for its proportionate share of the Net Pension Liabilities. 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 Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Sheriff's proportion was .800980%, which was an increase of .03861% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$636,231 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$15,206.

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In addition to the pension expense referred to in the preceding paragraph, the Sheriff also pays the plan members' required contribution for any employee with at least two years of service. For the year ended June 30, 2018, this amount is \$430,257.

At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$603,779
Changes in assumption	610,294	0
Net difference between projected and actual earnings on pension plan investments	0	49,783
Changes in employer's proportion of beginning net pension liability	162,320	113,715
Differences between employer contributions and proportionate share of employer contributions	1,664	557
Subsequent Measurement Contributions	778,760	0
Total	\$1,553,038	\$767,834

The deferred outflows of resources related to pensions resulting from Jackson Parish Sheriff contributions subsequent to the measurement date in the amount of \$778,760, will be recognized as a reduction of the Net Pension Liabilities in the year of June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$(150,534)
2019	220,331
2020	96,429
2021	(243,841)
2022	42,798
2023	41,261
2024	0
Total	\$ 6,444

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Actuarial Assumptions

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

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 for disabled annuitants
Expected Remaining Service Lives	2017 – 7 years 2016 – 7 years 2015 – 6 years 2014 – 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the 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. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2017 were as follows:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Rate of Return</u>	
		<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Equity Securities	60%	7.4%	4.4%
Bonds	25	2.6	0.7
Alternative Investments	15	4.2	0.6
Cash and Cash Equivalents	<u>-</u>	-	<u>-</u>
Totals	100%		5.7%
Inflation			<u>2.6</u>
Expected Arithmetic Nominal Return			<u>8.3%</u>

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

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

The following presents the Sheriff's proportionate share of the Net Pension Liability using the discount rate of 7.4%, as well as what the Sheriff's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.4%) than the current rate:

	1.0% Decrease (6.4%)	Current Discount Rate (7.4%)	1.0% Increase (8.4%)
Employer's proportionate share of net pension liability	\$7,145,948	\$3,468,463	\$374,360

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Sheriffs' Pension and Relief Fund Annual Financial Report at www.la.la.gov.

8. Post-employment Benefits Other Than Pensions:

Plan description – The Jackson Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Jackson 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/dental/vision and life insurance benefits are provided to employees upon actual retirement. The employer pays a 100% of the medical, dental, and vision coverage for the retiree only (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 15 years of service. Hired after January 1st, 2012, age 55 and 30 years of service, age 60 and 20 years of service, and age 62 with 12 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

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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	15
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	184
	199

Total OPEB Liability

The Sheriff's total OPEB liability of \$5,692,965 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	3.0%, including inflation	
Discount rate	3.87%, 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.

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 5,095,070
Changes for the year:	
Service cost	409,771
Interest	213,038
Differences between expected and actual experience	578,515
Benefit payments and net transfers	(603,429)
Net changes	597,895
Balance at June 30, 2018	\$ 5,692,965

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2018

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

	1.0% Decrease (2.5%)	Current Discount Rate (3.5%)	1.0% Increase (4.5%)
Total OPEB liability	\$6,768,928	\$5,692,965	\$4,839,363

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$4,793,065	\$5,692,965	\$6,842,162

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$645,949. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$578,515
Total	\$0	\$578,515

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

Years ending June 30:	
2019	\$ 23,141
2020	23,141
2021	23,141
2022	23,141
2023	<u>23,141</u>
Thereafter	<u>\$439,671</u>

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2018

9. Changes in Agency Balances:

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

Governmental Activities	Balance 07-01-17	Additions	Deletions	Balance 06-30-18
Sheriff's Civil Fund	\$ 8,267	\$ 313,148	\$ 315,513	\$ 5,902
Sheriff's Criminal Fund	174,113	357,917	424,273	107,757
Tax Collector's Fund	<u>4,072</u>	<u>24,704,850</u>	<u>23,472,123</u>	<u>1,236,799</u>
Total	<u>\$186,452</u>	<u>\$25,375,915</u>	<u>\$24,211,909</u>	<u>\$1,350,458</u>

10. Leases:

On September 12, 1985, the Jackson Parish Sheriff entered into a 99-year property lease of three acres of land to be used as a firearms and training complex. Total consideration on this lease is \$10 for the entire lease period.

The Jackson Parish Sheriff entered into two property lease agreements as of June 30, 2012. The first lease at Lots 4, 5, and 6 of Block 38, Town of Jonesboro, LA for the patrol and K-9 offices. The term of this lease is for a period of five years beginning March 1, 2016 and ending on February 28, 2021 for a monthly lease amount of \$1,250. There is an option to renew for an additional five years at an increased monthly rate of \$1,500. The second lease was for use as an animal control shelter. The terms of this lease are for a period of four years beginning June 1, 2011 and ending on June 1, 2015 for a monthly lease amount of \$900, which was renewed for an additional four years.

11. State Revenue Sharing Funds:

The revenue sharing funds were distributed as follows:

Jackson Parish:	
Police Jury	\$ 95,940
School Board	74,445
Assessor	26,628
Ambulance Service District	3,960
Sheriff	102,030
Pension Funds	<u>9,870</u>
Total	<u>\$312,873</u>

12. Expenditures of the Sheriff's Office Paid by the Parish Police Jury:

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Jackson Parish Police Jury.

Jackson Parish Sheriff
Jonesboro, Louisiana
Notes to Financial Statements
June 30, 2018

13. Related Parties:

There were no identified related party transactions.

14. Ex-officio Tax Collector:

The amount of cash on hand at year-end was \$1,236,799. The amount of taxes collected by taxing authority was:

Jackson Parish Police Jury	\$ 4,943,989
Jackson Parish School Board	5,609,948
Jackson Parish Sheriff	4,688,472
Jackson Parish Hospital	2,437,509
Jackson Parish Assessor	1,369,612
Jackson Parish Ambulance Service District	1,157,331
Jackson Parish Recreation District	1,127,159
Jackson Parish Council on Aging	577,588
LA Forestry Commission	25,256
LA Tax Commission	32,462
Jackson Parish Fire Districts	1,736,253
Pension Funds	<u>675,245</u>
 Total	 <u>\$24,380,824</u>

All assessed taxes after change orders approved by the LA Tax Commission were collected as of June 30, 2018.

15. Deferred Compensation Plan:

All the employees of the Jackson Parish Sheriff are eligible to participate in the State of Louisiana Public Employees Deferred Compensation Plan which is defined by Internal Revenue Code Section 457. Employees may contribute a portion of their salary to the plan on a pre-tax basis. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Jackson Parish Sheriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the current year, the Sheriff elected to match 60% of contributions for employees with twelve years of service. The contribution match increases by 5% each additional year of service, with a maximum of 100% match. During the current year, the Sheriff's contribution was \$56,393.

16. Subsequent Events:

Management has evaluated events through December 3, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Jackson Parish Sheriff
Jonesboro, Louisiana
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	<u>Budget</u>		Variance
	<u>Original/Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES:			
Taxes-			
Ad Valorem	\$ 4,800,000	\$ 4,456,111	\$(343,889)
Fees, Fines, Commissions & Charges for Services-			
Civil & Criminal Fees	28,360	36,744	8,384
Sheriff's Revenue Sharing	0	63,480	63,480
Fines & Bonds	21,400	28,253	6,853
Judicial Sales & Seizures	0	37,692	37,692
Correctional Center	160,000	173,334	13,334
Prisoner Maintenance	6,709,335	6,820,292	110,957
Other Fees, Fines, Commissions & Charges for Services	204,400	249,069	44,669
Operating Grants & Contributions-			
State Supplemental Pay	244,307	253,472	9,165
State Revenue Sharing	38,000	38,550	550
Reimbursement-Correctional Center	3,736,000	3,701,427	(34,573)
Interest	<u>13,075</u>	<u>29,277</u>	<u>16,202</u>
Total Revenues	<u>\$15,954,877</u>	<u>\$15,887,701</u>	<u>\$ (67,176)</u>
EXPENDITURES:			
Public Safety-			
Current-			
Personnel Services & Related Benefits	\$ 7,953,325	\$ 8,099,560	\$(146,235)
Operating Services	7,420,835	7,286,167	134,668
Materials & Supplies	195,000	258,956	(63,956)
Travel & Other Charges	15,000	18,650	(3,650)
Capital Outlay	<u>350,000</u>	<u>342,142</u>	<u>7,858</u>
Total Expenditures	<u>\$15,934,160</u>	<u>\$16,005,475</u>	<u>\$ (71,315)</u>

Continued next page

See independent auditor's report and notes to the financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
General Fund
Budgetary Comparison Schedule (continued)
For the Year Ended June 30, 2018

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess of Revenues over Expenditures	\$ 20,717	\$ (117,774)	\$(138,491)
OTHER FINANCING SOURCES (USES):			
Sale of Capital Assets	<u>5,000</u>	<u>31,411</u>	<u>26,411</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 25,717	\$ (86,363)	\$(112,080)
Fund Balance - Beginning of Year	<u>19,391,145</u>	<u>19,391,145</u>	<u>0</u>
Fund Balance - End of Year	<u>\$19,416,862</u>	<u>\$19,304,782</u>	<u>\$(112,080)</u>

See independent auditor's report and notes to the financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2018

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Sheriff's Pension and Relief Fund</i>					
2015	.775523%	\$3,689,858	\$5,129,060	59.88%	87.34%
2016	.774088%	\$3,450,509	\$4,900,340	70.41%	99.23%
2017	.762368%	\$4,838,669	\$5,543,450	87.29%	82.10%
2018	.800980%	\$3,468,463	\$6,107,923	56.79%	88.49%

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

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

Jackson Parish Sheriff
Schedule of Employer Contributions
For the Year Ended June 30, 2018

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Sheriff's Pension and Relief Fund</i>					
2015	\$731,357	\$731,357	\$0	\$5,129,060	14.26%
2016	\$715,909	\$715,909	\$0	\$4,900,340	14.61%
2017	\$735,108	\$735,108	\$0	\$5,543,450	13.26%
2018	\$778,760	\$778,760	\$0	\$6,107,923	12.75%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2016.

See independent auditor's report and notes to the financial statements.

Jackson Parish Sheriff
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

Total OPEB liability	
Service cost	\$ 409,771
Interest	213,037
Changes of benefit terms	-
Differences between expected and actual experience	578,515
Changes of assumptions	-
Benefit Payments	<u>(603,429)</u>
Net Change in total OPEB liability	\$ 597,894
Total OPEB liability - beginning	<u>5,095,071</u>
Total OPEB liability - ending (a)	<u><u>\$ 5,692,965</u></u>
Covered-employee payroll	<u><u>\$ 6,350,925</u></u>
Net OPEB liability as a percentage of covered-employee payroll	89.64%

Notes to Schedule:

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

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

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

Jackson Parish Sheriff
Jonesboro, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2018

Agency Head Name: Andrew Brown, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$145,762
Sheriff's Expense Account	14,576
Benefits-Insurance	21,296
Benefits-Retirement	43,193
Deferred Compensation	8,000
Benefits-Other	2,376
Car allowance	0
Vehicle provided by government	0
Cell phone	0
Dues	115
Vehicle rental	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	760
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$236,078</u>

See independent auditor's report and notes to financial statements.

STATE OF LOUISIANA

PARISH OF JACKSON

AFFIDAVIT

The Honorable Andrew N. Brown, Sheriff of Jackson Parish

BEFORE ME, the undersigned authority, personally came and appeared, Andrew N. Brown, the sheriff of Jackson Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$1,236,799 is 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 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.



Sheriff of Jackson Parish

SWORN to and subscribed before me, Notary, this 27th day of November 2018, in my office in Breshaw, Louisiana.
(City/Town)

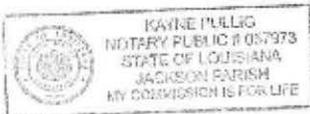


(Signature)

(Print), # _____

Notary Public

(Commission)



SUPPLEMENTAL INFORMATION SCHEDULES

Jackson Parish Sheriff
Jonesboro, Louisiana
Supplemental Information Schedules
as of and for the Year Ended June 30, 2018

FIDUCIARY FUNDS - AGENCY FUNDS

SHERIFF'S FUNDS

The *Sheriff's Civil Fund* accounts for funds held in civil suits, sheriff's sales, and garnishments and the disbursement of these collections to the proper recipients in accordance with applicable laws.

The *Sheriff's Criminal Fund* accounts for collection of bonds, fines and costs and the disbursement of these collections to the proper recipients in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff serve as the collector of parish taxes and fees. The Tax Collector Fund is used to account for the collection of these taxes and fees and the resulting distribution to the appropriate taxing bodies.

Jackson Parish Sheriff
Jonesboro, Louisiana
Fiduciary Funds-Agency Funds
Combining Schedule of Changes in Net Position
For the Year Ended June 30, 2018

	Sheriff's Civil Fund	Sheriff's Criminal Fund	Tax Collector Fund	Total
Unsettled Balances-Beginning of Year	\$ <u>8,267</u>	\$ <u>174,113</u>	\$ <u>4,072</u>	\$ <u>186,452</u>
ADDITIONS:				
Deposits-				
Ad Valorem Taxes	\$ 0	\$ 0	\$24,380,824	\$24,380,824
State Revenue Sharing (see Note 11)	0	0	312,873	312,873
Interest- Demand Deposits	0	0	963	963
Sheriff's Sales	205,401	0	0	205,401
Garnishments	72,107	0	0	72,107
Bonds	0	87,096	0	87,096
Fines & Costs	0	270,425	0	270,425
Other Deposits	<u>35,640</u>	<u>396</u>	<u>10,190</u>	<u>46,226</u>
Total Additions	<u>\$313,148</u>	<u>\$357,917</u>	<u>\$24,704,850</u>	<u>\$25,375,915</u>
DEDUCTIONS:				
Deposits Settled to-				
Louisiana Department of Agriculture & Forestry	\$ 0	\$ 0	\$ 24,709	\$ 24,709
Jackson Parish-				
Police Jury	0	10,784	4,779,415	4,790,199
School Board	0	0	5,388,947	5,388,947
Sheriff	58,647	52,131	4,565,804	4,676,582
Recreation Department	0	0	1,067,795	1,067,795
Clerk of Court	15,066	24,838	3,005	42,909
Assessor	0	0	1,326,850	1,326,850
Ambulance Service District	0	0	1,100,339	1,100,339
Hospital Service District	0	0	2,309,134	2,309,134
Council on Aging	0	0	547,169	547,169
Quitman Fire Protection District No. 1	0	0	350,573	350,573
Ward 2 Fire Protection District	0	0	474,464	474,464
Ward 3 Fire Protection District	0	0	406,677	406,677
Ward 4 Fire Protection District	0	0	401,431	401,431

Continued next page

See independent auditor's report and notes to financial statements.

Jackson Parish Sheriff
Jonesboro, Louisiana
Fiduciary Funds-Agency Funds
Combining Schedule of Changes in Net Position
For the Year Ended June 30, 2017

	Sheriff's Civil <u>Fund</u>	Sheriff's Criminal <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
Pension Funds	\$ 0	\$ 0	\$ 686,034	\$ 686,034
Louisiana Tax Commission	0	0	28,027	28,027
Second Judicial District-				
District Attorney	0	40,869	0	40,869
District Judges	0	66,070	0	66,070
Indigent Defender Board	0	45,735	0	45,735
Attorney's, Litigants, Appraiser, etc.	164,735	0	0	164,735
Garnishments	72,552	0	0	72,552
Refunds	0	87,201	0	87,201
Other Settlements	4,513	64,908	11,750	81,171
Claiborne Parish Police Jury	0	26,010	0	26,010
La. Commission Law Enforcement	<u>0</u>	<u>5,727</u>	<u>0</u>	<u>5,727</u>
 Total Deductions	 <u>\$315,513</u>	 <u>\$424,273</u>	 <u>\$23,472,123</u>	 <u>\$24,211,909</u>
 Unsettled Balances-End of Year	 <u>\$ 5,902</u>	 <u>\$107,757</u>	 <u>\$ 1,236,799</u>	 <u>\$ 1,350,458</u>

See independent auditor's report and notes to financial statements.

OTHER REPORTS

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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

Andy Brown, Sheriff
of Jackson Parish
500 East Court Street
Jonesboro, LA 71251

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the major fund, fiduciary funds and the aggregate remaining fund information as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Jackson Parish Sheriff's (Sheriff) basic financial statements and have issued our report thereon dated December 3, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

December 3, 2018
Natchitoches, Louisiana

Jackson Parish Sheriff
Schedule of Audit Results
Year Ended June 30, 2017

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Jackson Parish Sheriff as of and for the year ended June 30, 2018.
2. The audit did not disclose any material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings identified.

III. PRIOR YEAR AUDIT FINDINGS

No findings identified.

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Andy Brown, Sheriff
of Jackson Parish
500 East Court Street
Jonesboro, LA 71251

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

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

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - **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.
 - **Disbursements**, including processing, reviewing, and approving.
 - **Receipts**, 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.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

a) *Procedures Results – Not required due to no exceptions in this category in the prior year.*

Board (or Finance Committee, if applicable)

2. We obtained and inspected the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - For governmental entities, obtained the prior year audit report and observed the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

a) *Procedures Results – Not required due to no exceptions in this category in the prior year.*

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
- Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - 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
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
- a) *Procedures Results – We noted no exceptions.*

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected the required amount of deposit sites (up to five).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:
- Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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 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.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed 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).
 - We traced the actual deposit per the bank statement to the general ledger.

a) *Procedures Results – We noted no exceptions.*

Non-Payroll Disbursements – General (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, we obtained 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 we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
10. For each location selected under #8 above, we obtained the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management’s representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
 - We observed that the disbursement matched the related original invoice/billing statement.

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

a) Procedures Results - Not required due to no exceptions in this category in the prior year.

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

11. We obtained 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. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
 - We observed 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.
 - We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

a) Procedures Results – Not required due to no exceptions in this category in the prior year.

Travel and Expense Reimbursement

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
 - If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

a) Procedures Results – Not required due to no exceptions in this category in the prior year.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

a) Procedures Results – Not required due to no exceptions in this category in the prior year.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:

- We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- We observed that supervisors approved the attendance and leave of the selected employees/officials.
- We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected the two employees/officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations. If applicable, we agreed the hours to the employees/officials' cumulative leave records and the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.
- a) *Procedures Results – We noted no exceptions.*

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed 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.
- a) *Procedures Results – Not required due to no exceptions in this category in the prior year.*

Debt Service (excluding nonprofits)

21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.
- a) *Procedures Results – Not required due to no exceptions in this category in the prior year.*

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
- a) *Procedures Results – We noted no exceptions, management represented that they are not aware of any misappropriations.*

24. We observed whether 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.

a) Procedures Results – We noted no exceptions.

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

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

Johnson, Thomas + Cunningham, CPA's
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December 3, 2018
Natchitoches, Louisiana

Jackson Parish Sheriff
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

No exceptions noted.