

Livingston Parish Sheriff

Annual Financial Statements

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



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

**Livingston Parish Sheriff
Livingston, Louisiana**

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

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**Livingston Parish Sheriff
Livingston, Louisiana**

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Independent Auditor's Report

To the Honorable Jason Ard
Livingston Parish Sheriff
Ex-Officio Parish Tax Collector
Livingston Parish, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
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Livingston Parish Sheriff
Independent Auditor's Report
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish 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.

Change in Accounting Principle

As described in Note 19 to the financial statements, in 2018, the Sheriff adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8–15 and 59-60, as well as, the schedule of changes in net OPEB liability and related ratios on page 61, the schedule of Sheriff's OPEB contributions on page 62, the schedule of OPEB investment returns on page 63, the schedule of proportionate share of the net pension liability on page 64, and the schedule of contributions on page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Sheriff's basic financial statements. The schedule of changes in balances due to taxing bodies and others – fiduciary agency funds, the tax collector account affidavit, and the schedule of compensation, benefits, and other payments to agency head (all listed as Other Supplemental Information in the table of contents), are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The schedules listed as Other Supplemental Information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedules listed as Other Supplemental Information in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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Livingston Parish Sheriff
Independent Auditor's Report
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 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.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

December 28, 2018

Required Supplemental Information (Part I)
Management's Discussion and Analysis

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2018

Introduction

As management of the Livingston Parish Sheriff, Livingston, Louisiana, we offer readers of the Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2018. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Livingston Parish Sheriff's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Sheriff's finances. It is also intended to provide readers with an analysis of the Sheriff's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Sheriff. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Livingston Parish Sheriff's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- The Sheriff's government wide assets exceeded its liabilities by \$103,917 (net position). Of this amount, (\$7,276,292) (unrestricted) may be used to meet the Sheriff's ongoing obligations to the Parish. An amount of \$7,379,693 is invested in capital assets, net of related debt.
- For the year ended June 30, 2018, the Sheriff's total government wide net position increased by \$2,149,084.
- At June 30, 2018, the Sheriff's governmental funds reported ending fund balances of \$9,426,821, an increase of \$780,395 for the year. The total amount, \$9,426,305 is available for spending at the Sheriff's discretion (unassigned fund balance).

Overview of the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the Livingston Parish Sheriff's financial statements. The Livingston Parish Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2018

Government-Wide Financial Statements

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

The *statement of net position (formerly reported as statement of net assets)* presents information on all of the Livingston Parish Sheriff's assets and liabilities using the accrual basis of accounting. The difference between the assets and the liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Livingston Parish Sheriff is improving or deteriorating.

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

The government-wide financial statements can be found on pages 17 - 18 of this report.

Fund Financial Statements

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

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

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

The Livingston Parish Sheriff maintains one individual governmental fund. Information is presented separately in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The Livingston Parish Sheriff adopts an annual appropriated budget for its general fund. A budgetary comparison statement for the major fund has been provided herein to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2018

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Livingston Parish Sheriff's own programs. The Sheriff reports its Post-Retirement Benefits Trust Fund as a fiduciary fund, and has three agency funds, including the Sheriff's Fund, Tax Collector Fund, and Inmate Deposit Fund.

The basic fiduciary fund financial statements can be found on pages 25 - 27 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 - 60 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. These can be found on page 61 through 65 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Sheriff's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 17 of this report.

Net Position 2018 and 2017

	Governmental Activities	
	2018	2017
Assets:		(Restated)
Current and Other Assets	\$ 12,515,210	\$ 11,162,810
Capital Assets	9,059,693	9,692,781
Total Assets	<u>21,574,903</u>	<u>20,855,591</u>
Deferred Outflows of Resources	4,759,781	6,506,983
Total Assets and Deferred Outflows of Resources	<u>26,334,684</u>	<u>27,362,574</u>
Liabilities:		
Long-Term Debt Outstanding	20,257,708	25,616,107
Other Liabilities	2,265,607	2,292,025
Total Liabilities	<u>22,523,315</u>	<u>27,908,132</u>
Deferred Inflows of Resources	3,707,452	1,499,609
Total Liabilities and Deferred Inflows of Resources	<u>26,230,767</u>	<u>29,407,741</u>
Net Position:		
Net Investment in Capital Assets	7,379,693	2,646,514
Restricted	516	110
Unrestricted	(7,276,292)	(4,691,791)
Total Net Position	<u>\$ 103,917</u>	<u>\$ (2,045,167)</u>

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2018

One of the largest portions of the Livingston Parish Sheriff's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Livingston Parish Sheriff uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Livingston Parish Sheriff's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Livingston Parish Sheriff is able to report a positive balance in the investment in capital assets category of net position, but there was a deficient balance in unrestricted net position due to the implementation of GASB Statements 75. The Sheriff was able to report positive balances in all categories of fund balance in the separate governmental activities.

The Sheriff's activities increased its total net position by \$(2,149,084) during the current fiscal year.

In order to further understand what makes up the changes in net position, the table on the following page provides a summary of the results of the Sheriff's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 18 of this report.

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2018

Changes in Net Position

For the years ended June 30, 2018 and 2017

	Governmental Activities		Variance	
	2018	2017 (Restated)	Amount	Percentage
Revenues:				
Program Revenues:				
Charges for Services	\$ 4,423,098	\$ 3,972,702	\$ 450,396	11%
Operating Grants and Contributions	2,011,437	2,940,185	(928,748)	-32%
Capital Grants and Contributions	102,084	63,058	39,026	62%
General Revenues:				
Property Taxes	11,347,931	10,817,956	529,975	5%
Sales Taxes	9,470,131	10,932,230	(1,462,099)	-13%
Intergovernmental	3,913,910	3,902,444	11,466	-
Interest Income	97,510	66,207	31,303	47%
Miscellaneous	1,817,964	1,983,391	(165,427)	-8%
Gain (Loss) on Sale of Assets	(180,938)	201,502	(382,440)	-190%
Total Revenues	<u>33,003,127</u>	<u>34,879,675</u>	<u>(1,876,548)</u>	-5%
Expenses:				
Public Safety	30,854,043	34,928,971	(4,074,928)	-12%
Total Expenses	<u>30,854,043</u>	<u>34,928,971</u>	<u>(4,074,928)</u>	-12%
Increase (Decrease) in Net Position	<u>2,149,084</u>	<u>(49,296)</u>	<u>2,198,380</u>	4460%
Net Position - Beginning	6,415,516	6,464,812	(49,296)	-1%
Prior Period Adjustments-Note 19	(8,460,683)	(8,460,683)	-	-
Net Position - Beginning (Restated)	<u>(2,045,167)</u>	<u>(1,995,871)</u>	<u>(49,296)</u>	2%
Net Position, Ending	<u>\$ 103,917</u>	<u>\$ (2,045,167)</u>	<u>\$ 2,149,084</u>	-105%

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2018

Governmental Activities

Governmental activities increased the Livingston Parish Sheriff's net position by \$2,149,084. Key elements of this change in net position as shown on the previous page are as follows:

- Sales taxes decreased \$1,462,098 or 13 percent in 2018.
- Operating grants decreased \$928,748 or 32 percent in 2018.
- Capital grants increased by \$39,026 or 62 percent in 2018.
- Expenditures decreased by \$4,074,928 or 12 percent in 2018.

Fund Financial Analysis

As noted earlier, the Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Sheriff's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sheriff's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Sheriff's net resources available for spending at the end of the year.

The general fund is the chief operating fund of the Livingston Parish Sheriff. At the end of the current fiscal year, total fund balance of the general fund was \$9,426,821, an increase of \$780,395. The amount of \$9,426,305 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The amount of \$516 is restricted for debt service.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund operating expenditures plus other financing uses totaling \$31,012,839.

Major Fund Budgetary Highlights

The actual amounts of revenues for the major funds were more than the final budget by \$1,206,858.

Livingston Parish Sheriff

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2018**

Capital Assets and Debt Administration

Capital Assets

The Livingston Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2018, amounted to \$9,059,693 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

The following table provides a summary of the Sheriff's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 5 to the financial statements on page 39 of this report.

**Capital Assets (Net of Depreciation)
2018 and 2017**

Capital Assets	Governmental Activities		Increase (Decrease)	Percentage Increase (Decrease)
	2018	2017		
Land	\$ 381,958	\$ 381,958	\$ -	-
Buildings and Tower	5,801,988	5,644,088	157,900	3%
Equipment and Furniture	4,163,105	5,054,962	(891,857)	-18%
Vehicles	6,960,373	6,565,966	394,407	6%
Subtotal Capital Assets	17,307,424	17,646,974	(339,550)	-2%
Less: Accumulated Depreciation	(8,247,731)	(7,954,193)	293,538	4%
Capital Assets, Net	\$ 9,059,693	\$ 9,692,781	\$ (633,088)	-7%

Long Term Debt

At the end of the fiscal year, the Sheriff had long term debt consisting of revenue bonds, net OPEB liability, and net pension liability in the amount of \$20,972,708. For more detailed information on Revenue Bonds Payable see Note 13 to the financial statements on page 51 of this report.

**Outstanding Debt
2018 and 2017**

	Governmental Activities	
	2018	2017
Debt backed by the Government		(Restated)
Revenue Bonds	\$ 6,245,000	\$ 6,960,000
Subtotal of Debt backed by the Government	6,245,000	6,960,000
Other long term Indebtedness		
Net OPEB Liability	5,592,844	7,393,234
Net Pension Liability	9,134,864	11,977,873
Subtotal Other long term Indebtedness	14,727,708	19,371,107
Total Long Term Debt	\$ 20,972,708	\$ 26,331,107

Livingston Parish Sheriff

Management's Discussion and Analysis As of and for the Year Ended June 30, 2018

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Livingston Parish Sheriff's budget for the 2018 fiscal year:

- The two major revenue sources for the general fund are ad valorem taxes and sales and use taxes. Ad valorem tax increased by \$529,975 between 2017 and 2018.
- Sales tax revenues decreased by approximately \$1,462,099 between 2017 and 2018.

Request for Information

This financial report is designed to provide a general overview of the Livingston Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report for June 30, 2018, or requests for additional financial information should be addressed to Jamie Felder, Chief Fiscal Officer of the Livingston Parish Sheriff, at (225) 686-2241.

Basic Financial Statements

Government-Wide Financial Statements

**Livingston Parish Sheriff
Statement of Net Position
As of June 30, 2018**

Statement A

		Primary Government Governmental Activities
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	8,517,647
Receivables, Net:		3,997,047
Total Current Assets		<u>12,514,694</u>
Restricted Assets:		
Restricted Cash and Cash Equivalents		516
Total Restricted Assets		<u>516</u>
Capital Assets:		
Land		381,958
Capital Assets, Net		8,677,735
Total Capital Assets		<u>9,059,693</u>
Total Assets		<u>21,574,903</u>
Deferred Outflows:		
Pension Related		4,756,310
OPEB Related		3,471
Total Deferred Outflows		<u>4,759,781</u>
Total Assets and Deferred Outflows of Resources	\$	<u>26,334,684</u>
Liabilities		
Current Liabilities:		
Accounts Payable	\$	429,177
Accrued Interest Payable		77,667
Other Accrued Payables		395,490
Due to Livingston Parish Library		648,273
Current Portion of Long Term Indebtedness		
Bonds Payable		715,000
Total Current Liabilities		<u>2,265,607</u>
Long Term Liabilities:		
Bonds Payable		5,530,000
Net OPEB Liability		5,592,844
Net Pension Liability		9,134,864
Total Long Term Liabilities		<u>20,257,708</u>
Total Liabilities		<u>22,523,315</u>
Deferred Inflows:		
Pension Related		1,884,477
OPEB Related		1,822,975
Total Deferred Inflows		<u>3,707,452</u>
Net Position		
Net Investment in Capital Assets		7,379,693
Restricted for Debt Service		516
Unrestricted		(7,276,292)
Total Net Position		<u>103,917</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$	<u>26,334,684</u>

Statement B

Livingston Parish Sheriff
Statement of Activities
For the year ended June 30, 2018

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital Grants</u>	<u>Revenues and</u>
		<u>Services</u>	<u>Grants &</u>	<u>&</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Assets</u>
					<u>Primary</u>
					<u>Government</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental Activities					
Public Safety	\$ (30,854,043)	\$ 4,423,098	\$ 2,011,437	\$ 102,084	\$ (24,317,424)
Total Governmental Activities	<u>(30,854,043)</u>	<u>4,423,098</u>	<u>2,011,437</u>	<u>102,084</u>	<u>(24,317,424)</u>
General Revenues:					
Taxes:					
Property Taxes					11,347,931
Sales Taxes					9,470,131
Intergovernmental					
For Support of Prisoners					3,224,112
State Revenue Sharing					689,798
Investment Earnings					97,510
On Behalf Payments - State Supplemental Pay					809,396
Miscellaneous					1,008,568
Gain (Loss) on Sale of Assets					<u>(180,938)</u>
Total General Revenues and Transfers					<u>26,466,508</u>
Change in Net Position					<u>2,149,084</u>
Net Position - Beginning					6,415,516
Prior Period Adjustments (Note 19)					<u>(8,460,683)</u>
Net Position - Beginning (Restated)					<u>(2,045,167)</u>
Net Position - Ending					<u>\$ 103,917</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

**Livingston Parish Sheriff
Balance Sheet, Governmental Funds
As of June 30, 2018**

Statement C

	General Fund
Assets	
Cash and Equivalents	\$ 8,517,647
Receivables, Net:	
Due from Other Governments	3,997,047
Restricted Cash	516
Total Assets	\$ 12,515,210
 Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities:	
Accounts Payable	\$ 428,005
Other Accrued Liabilities	1,172
Accrued Wages and Employee Benefits	395,490
Due to Other Governments	648,273
Total Liabilities	1,472,940
 Deferred Inflows of Resources:	
Unavailable Revenue	1,615,449
Total Deferred Inflows of Resources:	1,615,449
 Fund Balances:	
Restricted	516
Unassigned	9,426,305
Total Fund Balances	9,426,821
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,515,210

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of June 30, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	9,426,821
<p>Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.</p>		
Governmental capital assets net of depreciation		9,059,693
<p>Certain revenues are deferred inflows in the fund financial statements until they are considered available to finance current expenditures, but these revenues are recognized when they are assessed in the government wide financial statements.</p>		
Deferred Outflows-Pension Related		4,756,310
Deferred Outflows-OPEB Related		3,471
<p>Interest payable used in the governmental activities is not payable from current resources and therefore is not reported in the Governmental Funds</p>		
		(77,667)
<p>General Long-term liabilities of governmental activities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the Governmental fund. These liabilities are:</p>		
Bonds Payable		(6,245,000)
Net Pension Liability		(9,134,864)
Deferred Inflows-Pension Related		(1,884,477)
<p>The liability associated with the net unfunded long-term Other Post Employment Benefit Obligation Asset is also not payable in the current period. Therefore, the amount is not reported in the Governmental fund.</p>		
Net Pension Liability		(5,592,844)
Deferred Inflows-OPEB Related		(1,822,975)
Net Position of Governmental Activities (Statement A)	\$	<u>103,917</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Sheriff
Statement of Revenues, Expenditures and
Changes in Fund Balances-Governmental Funds
For the year ended June 30, 2018

Statement E

	General Fund
Revenues	
Taxes	
Ad valorem	\$ 11,347,931
Sales and Use	9,470,131
Intergovernmental	
Grants	686,314
Support of Prisoners	3,226,563
State Revenue Sharing	689,798
Service Contract Revenue	1,275,066
Fines, Forfeitures and Other Fees	3,148,032
Use of Money and Property	97,510
Miscellaneous	1,006,117
On Behalf Payments - State Supplemental Pay	809,396
Total Revenues	31,756,858
Expenditures	
Public Safety	
Personal Services and Related Benefits	
Salaries	14,217,413
Employee Benefits	7,505,412
Travel & Training	262,872
Operating Services	3,708,776
Professional Services	854,887
Materials and Supplies	2,505,401
Other Equipment (Non-Capitalized)	-
Total Public Safety	29,054,761
Capital Outlays	973,378
Debt Service	
Principal	715,000
Interest	269,700
Total Expenditures	31,012,839
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	744,019
Other Financing Sources (Uses)	
Proceeds from Sale of Capital Assets	36,376
Total Other Financing Sources (Uses)	36,376
Net Change in Fund Balances	780,395
Fund Balances, Beginning	8,646,426
Fund Balances, Ending	\$ 9,426,821

The accompanying notes are an integral part of this statement.

**Livingston Parish Sheriff
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the year ended June 30, 2018**

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 780,395

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of the gain on the sale of capital assets, which also is not reflected in the fund basis financial statements.

Expenditures for capital assets	\$ 973,378	
Less:		
Loss on sale of capital assets	(180,938)	
Proceeds from the sale of capital assets	(36,376)	
Current year depreciation	<u>(1,389,152)</u>	
		(633,088)

Certain revenues are deferred inflows in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed in the government-wide financial statements. 589,823

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond Repayment of Principal	<u>715,000</u>	715,000
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Interest Expense reported in the statement of activities does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds. 8,600

(Increases) or decreases in the unfunded post-employment benefit obligations for medical and life insurance netted against the assets in trust to fund those estimated liabilities in future periods are not recorded for governmental funds on the fund basis. (19,114)

Non-employer contributions to cost-sharing pension plan 837,384

Pension Expense (129,916)

Change in Net Position of Governmental Activities, Statement B \$ 2,149,084

The accompanying notes are an integral part of this statement.

Basic Financial Statements
Fiduciary Fund Financial Statements

Livingston Parish Sheriff
Statement of Net Position - Fiduciary Funds
As of June 30, 2018

	<u>Trust Fund</u>	<u>Agency Funds</u>		
	<u>Retired Employees Benefit Fund</u>	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Inmate Deposit Fund</u>
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 7,939	\$ 1,164,354	\$ 706,102	\$ 83,879
Total Current Assets	<u>7,939</u>	<u>1,164,354</u>	<u>706,102</u>	<u>83,879</u>
Restricted Assets:				
Investments	<u>8,399,481</u>	-	-	-
Total Restricted Assets	<u>8,399,481</u>	-	-	-
Total Assets	<u>\$ 8,407,420</u>	<u>\$ 1,164,354</u>	<u>\$ 706,102</u>	<u>\$ 83,879</u>
Liabilities				
Held for taxing bodies and others	\$ -	\$ 1,164,354	\$ 706,102	\$ 83,879
Total Liabilities	<u>-</u>	<u>\$ 1,164,354</u>	<u>\$ 706,102</u>	<u>\$ 83,879</u>
Net Position				
Restricted for OPEB	8,399,481			
Unrestricted	<u>7,939</u>			
Total Net Position	<u>\$ 8,407,420</u>			

The accompanying notes are an integral part of this statement.

Statement H

Livingston Parish Sheriff
Statement of Changes in Net Position - Fiduciary Trust Fund
For the year ended June 30, 2018

	<u>Trust Fund</u>
	<u>Retired</u>
	<u>Employees Benefit</u>
	<u>Fund</u>
Additions	
Investment Interest	\$ 377,952
Realized Gain (Loss) on Investments	131,757
Total Additions	<u>509,709</u>
Deductions	
Investment Expenses	37,977
Miscellaneous Expenses	4,615
Total Deductions	<u>42,592</u>
Change in Net Position	467,117
Net Position - Beginning	<u>7,940,303</u>
Net Position - Ending	<u>\$ 8,407,420</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Introduction

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

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

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

The Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups 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 the employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Sheriff is financially independent, other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana Law. Accordingly, the Sheriff is a separate governmental reporting entity.

Certain units of local government which the Sheriff exercises no oversight responsibility such as the parish government, 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.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Sheriff has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that require capital contributions to the Sheriff to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I –Net Position*. As required by the Governmental Accounting Standards Board (GASB), the Sheriff implemented GASB Statement No. 63 during the year ending December 31, 2012. The Sheriff had deferred outflows of resources related to pension and OPEB of \$4,759,781 and deferred inflows related to pension and OPEB of \$3,707,452 at June 30, 2018.

The Sheriff has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, and charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when the Sheriff is entitled to the funds.

Expenditures, including capital outlays, are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned or unassigned fund balances are available, the Sheriff considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

The Sheriff reports the following major governmental funds:

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

The following fiduciary funds are reported separately:

Trust Fund

Retired Employees Benefit Fund: This fund accounts for the resources that are held in trust for the members and beneficiaries of the Sheriff's other post-employment benefit plan.

Agency Funds

Sheriff's Fund, Tax Collector Fund, and the Inmate Deposit Fund: The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, and inmate monies. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, or deputies as prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government wide statements.

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the Sheriff considers amounts to have been spent first out of restricted funds, committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in commitment or assignment actions.

C. Budget Practices

The proposed budget for the year ended June 30, 2018, was made available for public inspection and comments from taxpayers at the Sheriff's Office during June 2017. The proposed budget, per the June 16, 2017, public notice was available for public inspection Monday through Friday, 8:00 a.m. to 4:00 p.m. The public notice also noted that all interested parties may be present at 10:00 a.m., at the Sheriff's Office on June 20, 2017, to express their views concerning the Sheriff's Fiscal Budget. The budget is legally adopted and amended, as necessary, by the Sheriff.

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

Encumbrance accounting is not used. However, the budget is integrated into the accounting records, which allows monthly comparison of budget and actual amounts. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

D. Deposits and Investments

The Sheriff's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Sheriff's investment policy allow the Sheriff to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments are limited by Louisiana Revised Statutes and the Sheriff's Investment Policy. Investments held by the Sheriff at June 30, 2018, were limited to investments for Other Post-Employee Benefits (OPEB) invested per the requirements of Louisiana Revised Statute 33:5162 and consisted of funds invested in a newly created investment trust account. Investments, when held, are reported at fair market value.

E. Revenues

Ad valorem taxes and the related state revenue sharing, which is based on population and homesteads in the parish, are recorded in the year taxes are assessed. Ad valorem taxes are assessed and become due on November fifteenth of each year and become delinquent on December thirty-first. The taxes are generally collected in December of the current year and January and February of the ensuing year. The ad valorem

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

tax was assessed pursuant to an election on April 9, 1977, with the tax assessed in perpetuity at an original assessment of an additional fifteen (15) mills on all property subject to taxation.

Federal and state grants are recorded when the law enforcement district is entitled to the funds. Sales and use tax revenues are collected by the Livingston Parish School Board and are recognized by the law enforcement district as revenue in the month the tax is collected. The Sheriff receives a half a cent parish-wide sales tax to help cover the cost of operating expenses, which does not expire. The current sales tax of one-half of one percent was approved by election on March 10, 1992, and was approved in perpetuity. On April 23, 2005, voters approved a re-dedication and use for a limited time an amount equal to 72% of the proceeds of the one-half percent sales and use tax collected within the boundaries of the Denham Springs Economic Development District for the payment of debt service on sales tax increment revenue bonds issued to finance a Bass Pro retail outlet and related improvements and infrastructure. The 1995 rededication of sales and use taxes within the Denham Springs Economic Development is to continue until the bonds remain outstanding. The balance of 28% of the sales and use tax remains payable to the Livingston Law Enforcement District, with the percentage increasing to 100% as the bonds are paid in full. The sales tax revenue is recorded in the month it was collected. Interest on investments and all other revenues are recorded when the income is measurable and available.

F. Capital Assets

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable 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 \$3,000 or more for capitalizing capital assets.

When surplus items are sold for an immaterial amount after being declared un-needed for public purposes, no salvage value is utilized for depreciation purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Tower	40 Years
Furniture and Fixtures	5 Years
Vehicles	5 Years
Equipment	5 - 20 Years

G. Compensated Absences

The Sheriff has the following policy related to vacation and personal (sick) leave:

Vacation. Paid vacation is a benefit of employment given to eligible employees of LPSO. For purposes of this policy, "eligible employees" are those employees who are regularly employed to work more than 30 hours per week for the LPSO and who have completed one uninterrupted year of service with LPSO.

Each year all eligible employees are granted up to four weeks of vacation depending on the number of years employed. All vacation time must be taken during the fiscal year in which it is due. Any unused

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

vacation is forfeited at the year end of each fiscal year and employees will not be compensated for unused vacation upon separation of employment.

Personal (Sick) Leave. Paid personal leave is a benefit of employment given to eligible employees of LPSO. For purposes of this policy, “Eligible employees” are those employees who are regularly employed to work more than 30 hours per week for the LPSO and who have completed their introductory period.

Each 8 hour per day employee is granted eighty (80) hours of personal leave and each 12 hour per day employee is granted one hundred twenty (120) hours of personal leave each fiscal year.

Effective July 1, 2013, policy was changed to state that unused personal leave may not be carried over and accumulated in subsequent fiscal years. Any unused personal leave is forfeited at the end of each fiscal year and employees will not be compensated for unused personal leave upon separation of employment.

The Sheriff's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability, which includes both accrued vacation and personal (sick) leave, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

H. Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As detailed in *Footnote 13 – Long-Term Debt*, the Livingston Parish Sheriff on July 18, 2014 issued \$2,800,000 in Revenue Bonds, Series 2014, to construct a facility that will provide housing for inmates participating in the Louisiana Workforce, L.L.C. work release program. The bonds were issued at an annual interest rate of 4%, and are due in semi-annual interest and annual principal installments, with the bonds maturing on April 1, 2024.

Additionally, as detailed in *Footnote 13 – Long-Term Debt*, the Livingston Parish Sheriff on September 6, 2016 was authorized to issue bonds in the amount up to \$10,000,000. The bonds were set up to be drawn down as needed and with no early repayment penalty. The Sheriff issued \$5,000,000 in Revenue Bonds, Series 2016-A and drew down \$50,000 of the approved \$5,000,000 in Revenue Bonds, Series 2016-B, to fund significant additional expenditures resulting from the August 2016 Flood. The bonds were issued at an annual interest rate of 4% and are due in semi-annual interest and annual principal installments, with the bonds maturing on September 1, 2026. However, it should be noted that the \$50,000 Series 2016-B Revenue Bond has been repaid as of June 30, 2017 with no outstanding principal or interest payments due.

The Sheriff has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB Statement 23, as amended, establishes accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt. Refundings involve the issuance of new debt whose proceeds are used to repay previously issued (“old”) debt. The new debt proceeds may be used to repay the old debt immediately (a current refunding); or the new debt proceeds may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding). As described in paragraphs 3 and 4 of GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, an advance refunding may result in the in-substance defeasance of the old debt provided that certain criteria are met.

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. The Series 2014 Revenue bonds issued by the Sheriff on July 18, 2014, represent new debt for constructing a facility to house inmates participating in a work release program. The Series 2016-A and B Revenue bonds issued by the Sheriff on September 6, 2016, represent new debt to fund significant additional expenditures relating to the August 2016 Flood.

Paragraph 187 of GASB Statement 62 establishes standards of accounting and financial reporting for debt issuance costs. Paragraph 12 of Statement 7 indicates that debt issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs (net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses). Debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. Prepaid insurance costs should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB 54 for the year ended December 31, 2011. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- **Non-spendable.** These are amounts that cannot be spent either, because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority for the Sheriff.

Livingston Parish Sheriff
Notes to the Financial Statements
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- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Sheriff.
- **Unassigned.** These are all other spendable amounts. This also includes expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned to those purposes.

J. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Sheriff, which are either unusual in nature or infrequent in occurrence.

L. Deferred Inflows of Resources - Unavailable Revenues

Deferred Inflows of Resources in the Governmental Funds Balance Sheet include unavailable revenues. Unavailable revenue consists of grants receivable. The Sheriff considers revenues available if they are collected within 60 days of the end of the fiscal year.

M. Estimates

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

N. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

O. Pension Plans

The Livingston Parish Sheriff is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 11. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

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2. Cash and Equivalents

At June 30, 2018, the Sheriff has cash and cash equivalents (book balances) totaling, as follows:

	2018
Governmental Funds	
Cash on Hand	\$ 2,400
Interest Bearing Demand Deposits	8,515,763
Subtotal Deposits in Governmental Fund	8,518,163
Fiduciary Funds	
Demand Deposits	1,962,274
Subtotal Deposits in Fiduciary Funds	1,962,274
Total Deposits	\$ 10,480,437

Fiduciary funds are not reflected in the Statement of Net Assets.

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

At June 30, 2018, the Sheriff has \$11,063,454 in deposits (collected bank balances), entirely consisting of demand deposits. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$10,813,454 of pledged securities. The \$10,813,454 of deposits is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a formal policy for custodial risk. However, 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.

3. Investments

In the fiscal year ending June 30, 2016, the Investment Advisory Board, which governs the Livingston Parish Retired Employees Insurance Fund (LREIF), began implementation of a relationship with a professional investment manager. The LREIF is included in the Retired Employees Benefits Trust Fund as an investment asset. The Sheriff reports the Retired Employees Benefits Trust Fund as a fiduciary fund.

The Advisory Board began moving investments from the Louisiana Asset Management Pool (LAMP) in June of 2011 and completed the transfer in July of 2011. The Advisory Board adopted an investment

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policy which outlines asset allocation strategy, investment structure, monitoring and evaluation criteria, as well as performance measurement milestones. The Investment Advisory Board selected an initial asset allocation of thirty-five percent equities and sixty-five percent fixed income with an expected long-term return of six percent. As of June 30, 2018, assets transferred to the investment manager totaled \$8,399,481.

Investments held in (LREIF)	<u>Composite Ratings</u>	<u>Percentage</u>
Mutual Funds	Varies	100%

4. Receivables

The Governmental Fund receivables at June 30, 2018 consist of the following:

Government Receivables	<u>General Fund</u>
Due from Fiduciary Funds	
Due from Tax Collector Fund	\$ 185,135
Due from Other Fund Accounts	187,958
Due from Other Governments	
Due from Livingston Parish Council	95,303
Due from Livingston Parish School Board	840,464
Due from Livingston Parish Communications District	384,886
Due from the State of Louisiana	513,909
Grants	1,673,319
Other	61,524
Due from Private Entities for Security Services	5,597
Due from Private Trade Entities	48,952
Total Government Receivables	<u>\$ 3,997,047</u>

Livingston Parish Sheriff
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5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2018 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decrease	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 381,958	\$ -	\$ -	\$ 381,958
Total Capital Assets Not Being Depreciated	<u>381,958</u>	<u>-</u>	<u>-</u>	<u>381,958</u>
Capital Assets Being Depreciated:				
Buildings and Tower	5,644,088	157,900	-	5,801,988
Equipment and Furniture	5,054,962	83,587	(975,444)	4,163,105
Vehicles	6,565,966	731,891	(337,484)	6,960,373
Total Capital Assets Being Depreciated	<u>17,265,016</u>	<u>973,378</u>	<u>(1,312,928)</u>	<u>16,925,466</u>
Less Accumulated Depreciation for:				
Buildings and Tower	(374,987)	(145,020)	-	(520,007)
Equipment and Furniture	(4,146,688)	(234,049)	771,753	(3,608,984)
Vehicles	(3,432,518)	(1,010,083)	323,861	(4,118,740)
Total Accumulated Depreciation	<u>(7,954,193)</u>	<u>(1,389,152)</u>	<u>1,095,614</u>	<u>(8,247,731)</u>
Total Capital Assets Being Depreciated, Net	<u>9,310,823</u>	<u>(415,774)</u>	<u>(217,314)</u>	<u>8,677,735</u>
Total Governmental Activities Capital Assets, Net	\$ <u>9,692,781</u>	\$ <u>(415,774)</u>	\$ <u>(217,314)</u>	\$ <u>9,059,693</u>
Depreciation was charged to governmental functions as follows:				
Public Safety				\$ <u>1,389,152</u>

6. Accounts, Salaries, and Other Payables

Governmental Funds Payable	General Fund
Accounts	\$ 429,177
Accrued Wages and Employee Benefits	
Accrued Salaries	76,212
Accrued Health Claims	319,278
Other Accrued Liabilities	
Due to Livingston Parish Library	<u>648,273</u>
Total Government Funds Payable	\$ <u>1,472,940</u>

The Livingston Parish Sheriff on July 9, 2014 signed an agreement to pay commission to the Livingston Parish Library in the amount of \$786,272. The payment schedule includes \$90,000 paid from escrow funds in July 2014 and annual payments of \$12,000 with no interest thereafter.

As of June 30, 2018, the Livingston Parish Sheriff owes the Livingston Parish Library \$648,273 which is recorded as a liability of the general fund.

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Future requirements are as follows:

Fiscal Year				
Ended June 30	Principal	Interest	Total	
2019	\$ 12,000	\$ -	\$ 12,000	
2020	12,000	-	12,000	
2021	12,000	-	12,000	
2022	12,000	-	12,000	
2023	12,000	-	12,000	
2024 to 2028	60,000	-	60,000	
2029 to 2031	528,273	-	528,273	
	<u>\$ 648,273</u>	<u>\$ -</u>	<u>\$ 648,273</u>	

7. State Revenue Sharing

The revenue sharing funds provided by Act 525 were distributed as follows for the year ended June 30, 2018:

Livingston Parish School Board	\$ 982,274
Livingston Parish Council	392,642
Livingston Parish Library	173,695
Livingston Parish Fire Protection Districts	295,933
Livingston Parish Sheriff	689,798
Livingston Parish Assessor	127,774
Livingston Parish Juvenile Justice Commission	21,961
Livingston Parish Gravity Drainage District	25,437
Pension Funds	26,351
Total Revenue Sharing Funds Distributed	<u>\$ 2,735,865</u>

8. Taxes Paid Under Protest

There were no unsettled balances due to taxing bodies and others in the agency funds at June 30, 2018.

9. Group Health Self Insurance

Beginning in March of 2005, the Sheriff started self-insuring the group health coverage for employees. Each month the Sheriff funds an account with an amount equal to what would be required for premiums if the previous policy had continued. From this account, the health claims of employees are paid, as well as a premium for stop-loss insurance which caps the claims per employee at \$75,000 per policy year. As of June 30, 2018, the account used to pay claims had a book balance of \$24,761, which represents a commitment of the General Fund. The Sheriff has accrued a liability for claims incurred but not reported as of June 30, 2018 in the amount of \$319,278 based on a search of actual claims subsequent to the balance sheet date.

The officers of the Louisiana Sheriff's Association may adopt a self-insurance plan to provide group coverage for health, medical and surgical expenses of participating sheriffs and deputy sheriffs. Any self-

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insurance plan adopted by the Louisiana Sheriff's Association shall not be subject to any of the provisions of Subpart P or Part I of Chapter 2 of Title 22 of the Louisiana Revised Statutes of 1950.

10. Retirement Systems

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

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

The Sheriff's office implemented Governmental Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pension and Statement 71 on Pension Transition for Contributions Made Subsequent to the measurement date - an amendment of GASB 68. The standards require the sheriff's office to record its proportional share of the Pension's plan Net Pension Liability and report the following disclosures:

The remaining employees are members of the Federal Social Security System.

A. Federal Social Security System

All employees who are not eligible to participate in the Louisiana Sheriff's Pension and Relief Fund are members of the Federal Social Security System. The Sheriff contributes 6.2 percent for social security and 1.45 percent for Medicare, and its employees contribute 6.2 percent for social security and 1.45 percent for Medicare of each employee's taxable compensation. The Sheriff's contributions during the year ended June 30, 2018 were \$43,902 for social security and \$209,638 for Medicare.

B. Louisiana Sheriff's Pension and Relief Fund (System)

Plan Description: The Louisiana Sheriff's Pension and Relief Fund is the administrator of a cost-sharing, multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees of sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the sheriff's Pension and relief Fund's office as provided for in LRS 11:271.

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and age 55 years is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service. Members who joined the system on or after January 1, 2012, who retire at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service are entitled to retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of services may retire with a reduced retirement at age 55. For members eligible on or before June 30, 2006, final average

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

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

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

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

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

Cost of living provision of the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are

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eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 13.25% with no additional amount allocated from the funding Deposit Account. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support for non-employer contributing entities, but are not considered special funding situations. Non-employer contributions of \$837,384 are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

Plan members are required by state statute to contribute 10.25% of their annual covered salary and the Livingston Parish Sheriff is required to contribute at an actuarially determined rate. The current rate for the year ended June 30, 2018 was 12.75% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Livingston Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Sheriff's contributions to the System for the years ending June 30, 2018 and 2017, were \$1,734,083 and \$1,958,167 respectively, equal to the required contributions for each year.

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

At June 30, 2018, the Sheriff reported a liability of \$9,134,864 for its proportionate share of the net pension liability of the System. 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 employers actuarially determined. At June 30, 2017 the Sheriff's proportion was 2.109535%, which was an increase of 0.22% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018 the sheriff recognized pension expense of \$129,916 representing its proportional share of the System's net expense, including amortization of deferred amounts.

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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 experiences	\$ -	\$ (1,590,168)
Changes of assumptions	1,607,327	(131,113)
Net differences between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,427,095	(163,196)
Employer contributions subsequent to the measurement date	1,721,888	-
Total	\$ 4,756,310	\$ (1,884,477)

The sheriff reported a total of \$1,721,888 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2019.

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

Year		
2018	\$	(180,943)
2019		795,799
2020		460,583
2021		(437,014)
2022		317,904
2023		193,184
	\$	1,149,513

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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 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.4%
Projected Salary Increases	5.5% (2.775% inflation, 2.725% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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

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

Asset Class	Expected Rate of Return		
	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity Securities	60%	7.40%	4.40%
Bonds	25%	2.60%	0.70%
Alternative Investments	15%	4.20%	0.60%
Total	<u>100.00%</u>		<u>5.70%</u>
Inflation			2.60%
Expected Arithmetic Nominal Return			<u>8.30%</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 Fund's

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actuary. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate Share of the net pension Liability to Changes in the Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
Louisiana Sheriff Pension & Relief Fund -Rates	6.40%	7.40%	8.40%
Livingston Parish Sheriff's Share of Net Pension Liability	\$ 18,820,228	\$ 9,134,864	\$ 985,949

11. Other Post-Employment Benefits (OPEB) Plan

General Information about the OPEB Plan

Plan Description and Administration – The Livingston Parish Sheriff’s Office administers the Livingston Parish Sheriff’s Office Retiree Benefits Plan (the Plan) – a single-employer defined benefit plan that is used to provide post-employment benefits other than pensions (OPEB) for all permanent full-time employees of the Sheriff. The Plan was established in 2002. In 2009, The Sheriff created a Trust to finance future payments of retired employee’s premium costs. The Trust is included as a fiduciary fund in the Sheriff’s financial statements. Separate stand-alone statements are not issued for the plan.

Management of the Plan – Management of the plan is vested in the Board, which consists of management and the Board of Directors, who may vary from time to time.

Plan Membership – At June 30, 2018, the Plan’s membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	411
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	600
	1,011

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The Livingston Parish Sheriff pays one hundred percent of the medical coverage for the retiree only (not dependents). Retirees are eligible for benefits once they meet the retirement eligibility requirements of the Louisiana Sheriff’s Pension and Relief Fund. Eligibility requirements of the Louisiana Sheriff’s Pension and Relief Fund are age fifty-five with at least twelve years of service or any age with at least thirty years of service, but employees must have at least 15 years of service at retirement for employer paid medical coverage.

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Life insurance coverage is continued to retirees in the same amount as while active but there is a reduction schedule whereby the amount of life insurance is reduced to the following percentages: 65% at age 65, 45% at age 70, 30% at age 75, 20 % at age 80, 15% at age 85 and 10% at age 90. The employer pays 100% of the cost of life insurance after retirement for retirees (not dependents), but it is based on the blended active/retired rate and there is thus an implied subsidy.

Contributions – The Sheriff has the authority to establish and amend the contribution requirements of the Sheriff and the plan members. Plan members are not required to contribute to their post-employment benefits costs.

Investments

Investment Policy – The Trust Board’s management meets quarterly to review the investments and make decisions about future investments. The following was the asset allocation policy as of June 30, 2018:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.0%
Corporate Bonds	5.0%
Agency Bonds	1.5%
Cash	1.0%

Concentrations – The Trust has over 5% invested in the following funds: Growth Fund of America Class F2, 7.69%; Oakmark Fund Investor Class, 7.18%; and Washington Mutual Investors Class, 7.14%.

Rate of Return – For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 5.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the Sheriff at June 30, 2018, were as follows:

Total OPEB liability	\$ 13,992,325
Plan fiduciary net position	<u>8,399,481</u>
Sheriff’s net OPEB liability	<u>\$ 5,592,844</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 60.03%

The Sheriff’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	4.0%, including inflation

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Discount rate 6.0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates Flat 5.5% annually

Mortality rates were based on the 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates.

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

The long-term expected rate of return on OPEB 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 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	6.0%
Corporate Bonds	5.0%
Agency Bonds	1.5%
Cash	1.0%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.0%. The projection of cash flows used to determine the discount rate assumed that the Sheriff’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumption, the OPEB plan’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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Changes in the Net OPEB Liability

	Increase (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at 06/30/2017	\$ 15,331,083	\$ 7,937,849	\$ 7,393,234
Service Cost	196,224	-	196,224
Interest Cost at 6.00%	904,584	-	904,584
Difference between Expected & Actual Experience	(244,207)	-	(244,207)
Employer Contributions - Trust	-	-	-
Net Investment Income	-	471,632	(471,632)
Changes in Assumptions	(1,686,002)	-	(1,686,002)
Benefit Payments			
a. From Trust	-	-	-
b. Direct	(509,357)	-	(509,357)
Administrative Expense			
a. From Trust	-	(10,000)	10,000
b. Direct	-	-	-
Net changes	(1,338,758)	461,632	(1,800,390)
Balances at 06/30/2018	\$ 13,992,325	\$ 8,399,481	\$ 5,592,844

Sensitivity of the net OPEB liability to changes in the discount rate – The following represents the net OPEB liability of the Sheriff, as well as what the Sheriff's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.0%) or 1-percentage point higher (7.0%) than the current discount rate:

	1.0% Decrease (5.0%)	Current Discount Rate (6.0%)	1.0% Increase (7.0%)
Net OPEB Liability	\$ 7,749,691	\$ 5,592,844	\$ 3,854,388

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following represents the net OPEB liability of the Sheriff, as well as what the Sheriff's net 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%)
Net OPEB Liability	\$ 3,792,967	\$ 5,592,844	\$ 7,817,255

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

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 \$528,471. 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	\$ 3,471	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	(230,640)
Assumption changes	-	(1,592,335)
	\$ 3,471	\$ (1,822,975)

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

Fiscal Years Ending June 30	Net Amount to be Recognized
2019	\$ (106,366)
2020	\$ (106,366)
2021	\$ (106,366)
2022	\$ (106,366)
2023	\$ (107,234)
Thereafter	\$ (1,286,806)

12. Deferred Compensation Plan

All of the employees of the Livingston Parish Sheriff are eligible to participate in the State of Louisiana deferred compensation plan. Employees hired after July 1, 2012 do not receive employer match deferred compensation plan. Employees hired before July 1, 2012 continue to receive an employer match according to the following schedule:

Years of Service	Match
0-4	2.00%
5-9	4.00%
10-14	7.00%
15-19	10.00%
20-24	12.00%
25+	14.31%

Employees may contribute up to twenty-five percent of their salary (not to exceed \$17,500 a year) to the plan on a pre-tax basis. Participants in the plan have two different opportunities to catch up and contribute more during the final years of their career. "Standard Catch-Up" allows participants in the three calendar years prior to normal retirement age to contribute more to the plan (up to double the annual contribution limit of \$35,000 in 2018). The additional amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were eligible to contribute in previous years but did not.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Also, participants turning age 50 or older in 2014 may contribute an additional \$5,500. The Standard Catch-Up provision and the Age 50+ Catch Up provision cannot be used in the same year.

The contributions are withheld from the employees' paycheck and the Sheriff matches employees' contributions according to plan specifications. The contributions are fully vested immediately and are remitted to a third-party administrator each payday, where they are deposited in an account in the employee's name. The Livingston 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 year ended June 30, 2018, the Sheriff contributed \$431,863 to the plan.

13. Long Term Debt

On July 18, 2014, the Livingston Parish Sheriff issued \$2,800,000 in Revenue Bonds, Series 2014, to construct a facility that will provide housing for inmates participating in the Louisiana Workforce, L.L.C. work release program. The bonds were issued at annual interest rate of 4.0% with interest installments due semi-annually and principal payments due annually, with the bonds maturing on April 1, 2024.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Revenue Bonds, Series 2014	\$ 1,960,000	\$ -	\$ (280,000)	\$ 1,680,000	\$ 280,000	\$ 1,400,000

The annual requirements to amortize the Series 2014 Revenue Bonds, including interest payments of \$235,200, are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 280,000	\$ 67,200	\$ 347,200
2020	280,000	56,000	336,000
2021	280,000	44,800	324,800
2022	280,000	33,600	313,600
2023	280,000	22,400	302,400
2024	280,000	11,200	291,200
	<u>\$ 1,680,000</u>	<u>\$ 235,200</u>	<u>\$ 1,915,200</u>

Due to the August 2016 Flood, which caused significant additional expenditures, the Sheriff requested and was authorized to issue bonds in an amount up to \$10,000,000. The bonds were set up to be drawn down as needed and with no early repayment penalty. On September 6, 2016, the Livingston Parish Sheriff issued \$5,000,000 in Revenue Bonds, Series 2016-A to fund additional expenditures due to the August 2016 Flood. The bonds were issued at an annual interest rate of 4.0% with interest installments due semi-annually and principal payments due annually, with the bonds maturing September 1, 2026.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Revenue Bonds, Series 2016-A	\$ 5,000,000	\$ -	\$ (435,000)	\$ 4,565,000	\$ 435,000	\$ 4,130,000
Total Series 2016 Bonds	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ (435,000)</u>	<u>\$ 4,565,000</u>	<u>\$ 435,000</u>	<u>\$ 4,130,000</u>

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

The annual requirements to amortize the Series 2016-A Revenue Bonds, including interest payments of \$858,220, are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2019	\$ 435,000	\$ 173,900	\$ 608,900
2020	478,000	155,640	633,640
2021	478,000	136,520	614,520
2022	478,000	117,400	595,400
2023	522,000	97,400	619,400
2024	2,174,000	177,360	2,351,360
	<u>\$ 4,565,000</u>	<u>\$ 858,220</u>	<u>\$ 5,423,220</u>

Total interest incurred and recorded as an expense in the Statement of Activities was \$261,100 for the fiscal year ended June 30, 2018.

14. Tax Collector Account

Cash on Hand at Fiscal Year End

The balance in the Tax Collector Account at June 30, 2018, consisted of the following:

Tax Collector Operating Account	\$ 706,071
Tax Collector Protested Taxes Account	31
Cash Balance at Fiscal Year End	<u>\$ 706,102</u>

The total of \$31 within the Tax Collector Protested Taxes account at June 30, 2018, consisted of tax payments and accumulated interest income, for tax payments placed in escrow pending legal settlement. The remaining \$706,071 was for disbursements made after fiscal year end for June collections.

Amounts in escrow at June 30, 2018, consisted of the following:

<u>Taxpayer</u>	<u>Accumulated Interest Income</u>	<u>Total Tax Payments Escrowed</u>	<u>Total Taxes and Interest</u>
Library Maintenance	\$ 31	\$ -	\$ 31
Total Taxes and Interest	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 31</u>

Louisiana Revised Statutes (R.S. 24:513B), as amended by Act 711 of the Louisiana Legislative Session, require that the audit report for parish sheriffs include footnote disclosures for the amount of taxes collected and disbursed per taxing entity. For the Livingston Parish Sheriff, this requires disclosure of current and prior year ad valorem tax collections and distributions, and disclosure of occupational license fees collected and disbursed. For ad valorem taxes, amounts collected vary to disbursements by tax refunds, fees, commissions, Louisiana Tax Commission (LTC) change orders, and other corrections. The amount of collections and disbursements are presented in the following sections.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

The schedule of taxes assessed and settled is as follows for the fiscal year ending June 30, 2018:

Taxing District	Adjusted				Tax to be		Amount
	Tax Roll	Adjudications	Refunds	Uncollected	Collected	Settled	
Livingston Parish Assessor	\$ 4,316,376	\$ (16,440)	\$ 16,400	\$ 5,272	\$ 4,311,144	\$ 4,311,144	
Livingston Gravity Drainage District No. 1	713,781	(1,843)	3,755	1,095	710,774	710,774	
Livingston Fire Protection District No. 1	174,960	(1,044)	342	455	175,207	175,207	
Livingston Fire Protection District No. 2	311,059	(3,047)	1,139	397	312,570	312,570	
Livingston Fire Protection District No. 4	2,296,761	(6,592)	7,545	2,078	2,293,730	2,293,730	
Livingston Fire Protection District No. 5	929,031	(3,158)	4,389	597	927,203	927,203	
Livingston Fire Protection District No. 7	75,779	(1,949)	179	61	77,488	77,488	
Livingston Fire Protection District No. 8	186,945	(699)	835	274	186,535	186,535	
Livingston Fire Protection District No. 9	189,649	(945)	430	105	190,059	190,059	
Livingston Fire Protection District No. 10	177,507	(430)	145	268	177,524	177,524	
Livingston Fire Protection District No. 11	17,919	(344)	80	73	18,110	18,110	
Livingston Fire Protection District No. 4 (User Fees)	739,765	(7,808)	736	2,176	744,661	744,661	
Livingston Fire Protection District No. 7 (User Fees)	38,592	(576)	-	128	39,040	39,040	
Livingston Fire Protection District No. 9 (User Fees)	68,608	(1,024)	64	128	69,440	69,440	
Livingston Fire Protection District No. 11 (User Fees)	16,352	(576)	32	64	16,832	16,832	
Livingston Parish Library - LBM	506,617	(1,930)	1,925	619	506,003	506,003	
Livingston Parish Library - LIB Tax	3,746,691	(16,890)	13,328	4,057	3,746,196	3,746,196	
Livingston Parish Council - PTX	2,341,769	(6,603)	9,700	3,319	2,335,353	2,335,353	
Livingston Parish Council - Road Equip & Mtce	2,533,085	(9,648)	9,625	3,094	2,530,014	2,530,014	
Livingston Parish Council - Health Unit	1,266,542	(4,824)	4,812	1,547	1,265,007	1,265,007	
Livingston Recreation District No. 2	977,422	(1,709)	1,491	548	977,092	977,092	
Livingston Recreation District No. 3	2,403,368	(6,283)	12,798	3,734	2,393,119	2,393,119	
Livingston Recreation District No. 5	368,110	(1,885)	925	911	368,159	368,159	
Livingston Parish School Board - S01	2,257,153	(6,253)	10,937	3,281	2,249,188	2,249,188	
Livingston Parish School Board - S04	1,094,908	(3,429)	4,699	1,074	1,092,564	1,092,564	
Livingston Parish School Board - S04-1	1,973,456	(6,356)	8,749	1,999	1,969,064	1,969,064	
Livingston Parish School Board - S22	1,184,426	(2,071)	1,806	664	1,184,027	1,184,027	
Livingston Parish School Board - S33	136,987	(832)	410	122	137,287	137,287	
Livingston Parish School Board - Construction	1,666,770	(6,348)	6,333	2,036	1,664,749	1,664,749	
Livingston Parish School Board - Special Mtce	3,546,317	(13,507)	13,474	4,331	3,542,019	3,542,019	
Livingston Parish School Board - Additional Mtce	3,637,509	(13,855)	13,821	4,443	3,633,100	3,633,100	
Livingston Parish School Board - District No. 5	2,533,085	(9,648)	9,625	3,094	2,530,014	2,530,014	
Livingston Parish Law Enforcement	5,628,513	(21,438)	21,386	6,874	5,621,691	5,621,691	
Livingston Parish Law Enforcement - Special	5,344,823	(20,357)	20,308	6,528	5,338,344	5,338,344	
Florida Parish Juvenile District	1,393,197	(5,307)	5,293	1,702	1,391,509	1,391,509	
City of Denham Springs	290,051	(441)	1,194	681	288,617	288,617	
Comite River District	103,582	(88)	341	181	103,148	103,148	
Carter Plantation Community Dev District - SMF	83,650	-	-	-	83,650	83,650	
Livingston Parish Council on Aging	1,013,103	(3,859)	3,784	1,238	1,011,940	1,011,940	
Louisiana Tax Commission - BKN	1,008	-	-	-	1,008	1,008	
Louisiana Tax Commission - PBS	17,577	-	-	1	17,576	17,576	
Louisiana Forestry	21,089	(28)	7	76	21,034	21,034	
Creekstone Juban II, LLC	1,077,554	-	538,777	-	538,777	538,777	
Total Current Taxes	\$ 57,401,446	\$ (210,064)	\$ 751,619	\$ 69,325	\$ 56,790,566	\$ 56,790,566	

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

The amount of Current Year taxes collected and disbursed is as follows for the fiscal year Ending June 30, 2018:

<u>Taxing District</u>	<u>Current Taxes Collected</u>	<u>Current Taxes Disbursed</u>
Livingston Parish Assessor	\$ 4,311,144	\$ 4,311,144
Livingston Gravity Drainage District No. 1	710,774	710,774
Livingston Fire Protection District No. 1	175,207	175,207
Livingston Fire Protection District No. 2	312,570	312,570
Livingston Fire Protection District No. 4	2,293,730	2,293,730
Livingston Fire Protection District No. 5	927,203	927,203
Livingston Fire Protection District No. 7	77,488	77,488
Livingston Fire Protection District No. 8	186,535	186,535
Livingston Fire Protection District No. 9	190,059	190,059
Livingston Fire Protection District No. 10	177,524	177,524
Livingston Fire Protection District No. 11	18,110	18,110
Livingston Fire Protection District No. 4 (User Fees)	744,661	744,661
Livingston Fire Protection District No. 7 (User Fees)	39,040	39,040
Livingston Fire Protection District No. 9 (User Fees)	69,440	69,440
Livingston Fire Protection District No. 11 (User Fees)	16,832	16,832
Livingston Parish Library - LBM	506,003	506,003
Livingston Parish Library - LIB Tax	3,746,196	3,746,196
Livingston Parish Council - PTX	2,335,353	2,335,353
Livingston Parish Council - Road Equip & Mtce	2,530,014	2,530,014
Livingston Parish Council - Health Unit	1,265,007	1,265,007
Livingston Recreation District No. 2	977,092	977,092
Livingston Recreation District No. 3	2,393,119	2,393,119
Livingston Recreation District No. 5	368,159	368,159
Livingston Parish School Board - S01	2,249,188	2,249,188
Livingston Parish School Board - S04	1,092,564	1,092,564
Livingston Parish School Board - S04-1	1,969,064	1,969,064
Livingston Parish School Board - S22	1,184,027	1,184,027
Livingston Parish School Board - S33	137,287	137,287
Livingston Parish School Board - Construction	1,664,749	1,664,749
Livingston Parish School Board - Special Mtce	3,542,019	3,542,019
Livingston Parish School Board - Additional Mtce	3,633,100	3,633,100
Livingston Parish School Board - District No. 5	2,530,014	2,530,014
Livingston Parish Law Enforcement	5,621,691	5,621,691
Livingston Parish Law Enforcement - Special	5,338,344	5,338,344
Florida Parish Juvenile District	1,391,509	1,391,509
City of Denham Springs	288,617	288,617
Comite River District	103,148	103,148
Carter Plantation Community Development District - SMF	83,650	83,650
Livingston Parish Council on Aging	1,011,940	1,011,940
Louisiana Tax Commission - BKN	1,008	1,008
Louisiana Tax Commission - PBS	17,576	17,576
Louisiana Forestry	21,034	21,034
Creekstone Juban II, LLC	538,777	538,777
Interest Collected on Taxes	136,445	136,445
Total Current Taxes	\$ 56,927,011	\$ 56,927,011

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

The amount of Prior Year advalorem taxes collected and disbursed is as follows for the fiscal year ending June 30, 2018:

<u>Taxing District</u>	<u>Prior Year Taxes Collected</u>	<u>Prior Year Taxes Disbursed</u>
Livingston Parish Assessor	\$ 25,944	\$ 25,944
Livingston Gravity Drainage District No. 1	6,858	6,858
Livingston Fire Protection District No. 1	1,177	1,177
Livingston Fire Protection District No. 2	4,028	4,028
Livingston Fire Protection District No. 4	7,950	7,950
Livingston Fire Protection District No. 5	10,242	10,242
Livingston Fire Protection District No. 7	54	54
Livingston Fire Protection District No. 8	1,622	1,622
Livingston Fire Protection District No. 9	655	655
Livingston Fire Protection District No. 10	208	208
Livingston Fire Protection District No. 11	56	56
Livingston Fire Protection District No. 4 (User Fees)	6,585	6,585
Livingston Fire Protection District No. 7 (User Fees)	128	128
Livingston Fire Protection District No. 9 (User Fees)	1,088	1,088
Livingston Fire Protection District No. 11 (User Fees)	64	64
Livingston Parish Library - LBM	2,218	2,218
Livingston Parish Library - LIB Tax	30,623	30,623
Livingston Parish Council	6,509	6,509
Livingston Parish Council - Health Unit	9,342	9,342
Livingston Parish Council - Road Equip & Maint	15,184	15,184
Livingston Recreation District No. 2	2,297	2,297
Livingston Recreation District No. 3	23,770	23,770
Livingston Recreation District No. 5	346	346
Livingston Parish School Board - S01	17,610	17,610
Livingston Parish School Board - S04	9,116	9,116
Livingston Parish School Board - S22	3,242	3,242
Livingston Parish School Board - S24	633	633
Livingston Parish School Board -S27A	1,409	1,409
Livingston Parish School Board - S32A	2,589	2,589
Livingston Parish School Board - S33	612	612
Livingston Parish School Board - Construction	10,124	10,124
Livingston Parish School Board - Special Maint	21,541	21,541
Livingston Parish School Board - Additional Maint	22,095	22,095
Livingston Parish School Board - District No. 5	15,350	15,350
Livingston Parish Law Enforcement	39,484	39,484
Livingston Parish Law Enforcement - Special	27,466	27,466
Florida Parish Juvenile District	8,503	8,503
City of Denham Springs	1,959	1,959
Comite River District	233	233
Livingston Parish Council on Aging	6,053	6,053
Louisiana Forestry	34	34
Special Maintenance Fee	2,100	2,100
Louisiana Tax Commissioner-LTC Bank Tax	64	64
Filing Fees, Cost and Interest	73,616	73,616
Total	\$ 420,781	\$ 420,781

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

Occupational License fees collected and disbursed are as follows for the fiscal year Ending June 30, 2018:

Gross Collections	\$	1,333,176
Less Refunds		<u>(2,567)</u>
Net Collections		1,330,609
Less Distribution to Livingston Parish Council (at 85%)		(1,072,245)
Less Commission to Livingston Parish Sheriff (at 15%)		<u>(189,219)</u>
Balance Not Distributed	\$	<u><u>69,145</u></u>

There were no uncollected taxes at June 30, 2018, and all tax collections were disbursed to taxing districts at June 30, 2018, or held in escrow at fiscal year-end pending legal determination for distributions.

15. Risk Management

The Sheriff is exposed to various risks of loss related to law enforcement liabilities: torts, theft, damage or destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the Sheriff maintains commercial insurance policies covering automobile liability, general liability, commercial crime, law enforcement, public official’s liability, worker’s compensation and employer’s liability. There have been no significant reductions in insurance coverage for the current year or in the three prior years.

16. Contingent Liabilities

At June 30, 2018, the Livingston Parish Sheriff is involved in several lawsuits and claims, which are either adequately covered by liability insurance or in the opinion of legal counsel, will not result in any liability to the Sheriff.

17. Expenditures of the Sheriff’s Office Paid by the Parish Council

The Sheriff’s administration offices are located in the parish courthouse building. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Livingston Parish Council. These costs are not included in the accompanying financial statements.

18. On-Behalf Payments for Fringe Benefits and Salaries

A portion of the salaries of the Sheriff’s deputies are paid through a supplement from the State of Louisiana. These payments provide the deputies of the Sheriff with an additional \$500 per month, which is added to their base salary. For the fiscal year ended June 30, 2018, in accordance with GASB 24, the Sheriff recorded \$809,396, of on behalf payments as revenue and as an expenditure in the General Fund.

Livingston Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

19. Prior Period Adjustment

For the year ended June 30, 2018, the following statement was implemented: GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 addressed accounting and financial reporting for other postemployment benefits (OPEB) for health care and life insurance that are provided to employees of state and local governmental employers. In addition, Statement No. 75 supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. Most significantly, the Sheriff is required to recognize the OPEB Liability presented in Note 11.

	Governmental Activities
Net Position, June 30, 2017 as previously reported	\$ 6,415,516
Net OPEB Liability as of June 30, 2017	(8,460,683)
Total Net Position, June 30, 2017, Restated	\$ (2,045,167)

20. Subsequent Events

Subsequent events have been evaluated by management through December 28, 2018, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2018.

Required Supplemental Information (Part II)

Livingston Parish Sheriff
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem	\$ 10,000,000	\$ 11,200,000	\$ 11,347,931	\$ 147,931
Sales and Use	10,000,000	9,200,000	9,470,131	270,131
Intergovernmental				
Grants	200,000	575,000	686,314	111,314
Support of Prisoners	2,900,000	2,900,000	3,226,563	326,563
State Revenue Sharing	645,000	685,000	689,798	4,798
Service Contract Revenue	1,050,000	1,100,000	1,275,066	175,066
Fines, Forfeitures and Other Fees	3,000,000	3,000,000	3,148,032	148,032
Use of Money and Property	55,000	90,000	97,510	7,510
Miscellaneous	1,500,000	1,000,000	1,006,117	6,117
On Behalf Payments - State Supplemental Pay	750,000	800,000	809,396	9,396
Total Revenues	<u>30,100,000</u>	<u>30,550,000</u>	<u>31,756,858</u>	<u>1,206,858</u>
Expenditures				
Public Safety				
Personal Services and Related Benefits				
Salaries	16,000,000	15,000,000	14,217,413	782,587
Employee Benefits	7,750,000	7,750,000	7,505,412	244,588
Travel & Training	240,000	250,000	262,872	(12,872)
Operating Services	5,510,000	5,750,000	3,708,776	2,041,224
Professional Services	750,000	775,000	854,887	(79,887)
Materials and Supplies				
General	-	-	792,280	(792,280)
Prisoners	-	-	1,661,847	(1,661,847)
Vehicles	-	-	51,274	(51,274)
Total Public Safety	<u>30,250,000</u>	<u>29,525,000</u>	<u>29,054,761</u>	<u>470,239</u>
Capital Outlays	2,000,000	1,750,000	973,378	776,622
Debt Service				
Principal	991,000	991,000	715,000	276,000
Interest	-	-	269,700	(269,700)
Total Expenditures	<u>33,241,000</u>	<u>32,266,000</u>	<u>31,012,839</u>	<u>1,253,161</u>
Excess Revenues (Expenditures)	<u>(3,141,000)</u>	<u>(1,716,000)</u>	<u>744,019</u>	<u>2,460,019</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Proceeds from Sale of Capital Assets	-	15,000	36,376	21,376
Proceeds from Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,000</u>	<u>36,376</u>	<u>21,376</u>
Net Change in Fund Balances	<u>\$ (3,141,000)</u>	<u>\$ (1,701,000)</u>	<u>780,395</u>	<u>\$ 2,481,395</u>
Fund Balances, Beginning			8,646,426	
Fund Balances, Ending			<u>\$ 9,426,821</u>	

See Independent Auditor's Report.

Livingston Parish Sheriff
Notes to Budget Comparison Schedules
For the Year Ended June 30, 2018

Budgetary procedures applicable to the Livingston Parish Sheriff are defined in state law, Louisiana Revised Statutes 39:1301-1315. The Sheriff uses the following budget practices:

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

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and one budget amendment. The Sheriff must adopt a budget each year for the general fund and each special revenue fund, if applicable. The Sheriff must prepare and submit the proposed budget for consideration not later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in the parish.

All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. Budgetary amendments involving the transfers of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Sheriff. The Sheriff adopts necessary budget amendments when actual operations are different from those anticipated in the original budget, and they are made available for public inspection.

Livingston Parish Sheriff
Schedule of Changes in Net OPEB Liability and Related Ratios
For the year ended June 30, 2018

	2018
Total OPEB liability	
Service Cost	\$ 196,224
Interest	904,584
Differences between expected and actual experience	(244,207)
Change in assumption	(1,686,002)
Benefit payments	(509,357)
Net change in total OPEB liability	(1,338,758)
Total OPEB liability - beginning	15,331,083
Total OPEB liability - ending (A)	\$ 13,992,325
 Plan Fiduciary net position	
Employer Contributions	\$ -
Net investment income	471,632
Benefit payments	-
Administrative expense	(10,000)
Net change in plan fiduciary net position	461,632
Plan fiduciary net position - beginning	7,937,849
Plan fiduciary net position - ending (B)	\$ 8,399,481
 Net OPEB liability(asset) - ending (A)-(B)	\$ 5,592,844
 Plan fiduciary net position as a percentage of total OPEB liability	60.03%
 Covered-Employee Payroll	\$ 12,150,306
 Net OPEB liability(asset) as a percentage of Covered Employee Payroll	46.03%

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.

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

See Independent Auditor's Report.

Livingston Parish Sheriff
Schedule of the Sheriff's OPEB Contributions
For the year ended June 30, 2018

	<u>2018</u>
Actuarially determined employer contribution	\$ 733,334
Contribution in relation to the actuarially determined contribution	
Employer contributions to trust	-
Employer-paid retiree premiums	<u>509,357</u>
	<u>509,357</u>
Contribution excess (deficiency)	\$ <u>223,977</u>
Employer's Covered Employee Payroll	\$ 12,150,306
Contributions as a % of Covered Employee Payroll	4.19%

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

Notes to schedule:

Measurement Date	6/30/2018
Valuation Date	7/1/2017
Timing	Actuarially determined contribution rates are calculated based on actuarial valuation one year prior to beginning of plan year.
Actuarial Cost Method	Individual Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Discount rate	6.00% annually (Beginning of Year to Determine ADC) 6.00% annually (As of End of Year Measurement Date)
Payroll growth	4.0% annually
Inflation Rate	2.5% annually
Mortality rate	RP-2000 without projection, 50% unisex blend
Asset valuation method	Market Value
Healthcare cost trend rate	Flat 5.5% annually
Retirement Age	5 years after the earliest of: 30 years of services; attainment of age 55 and 20 years of service; and, attainment of age 60 and 15 years of service
Turnover	Age specific table with an average of 15% when applied to the active census

See Independent Auditor's Report.

**Livingston Parish Sheriff
Schedule of OPEB Investment Return
For the Year Ended June 30, 2018**

Annual money-weighted rate of return, net investment expenses

2013	-0.16%
2014	11.25%
2015	0.44%
2016	-0.71%
2017	10.20%
2018	5.95%

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

See Independent Auditor's Report.

Livingston Parish Sheriff
Schedule of the Sheriff's Proportionate Share of the Net Pension Liability
For the year ended June 30, 2018

Louisiana Sheriff's Pension and Relief Fund:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	2.1095350%	1.8873507%	1.757640%	1.759819%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,134,864	\$ 11,977,873	\$ 7,834,711	\$ 6,968,892
Employer's Covered-Employee Payroll	\$14,611,670	\$ 12,889,810	\$ 11,652,728	\$ 11,399,580
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	62.5176%	92.9251%	67.2350%	61.1329%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.48758%	87.34470%	86.60652%	87.34472%

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

See Independent Auditor's Report.

Livingston Parish Sheriff
Schedule of the Sheriff's Contributions
For the year ended June 30, 2018

Louisiana Sheriff's Pension and Relief Fund:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,721,887	\$ 1,936,046	\$ 1,772,117	\$ 1,660,514
Contributions in relation to contractually required contributions	<u>1,721,887</u>	<u>1,936,046</u>	<u>1,772,117</u>	<u>1,660,514</u>
Contribution deficiency (excess)	-	-	-	-
Employer's Covered Employee Payroll	13,504,065	14,611,670	12,889,810	11,652,728
Contributions as a % of Covered Employee Payroll	12.7509%	13.2500%	13.7482%	14.2500%

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

See Independent Auditor's Report.

Other Supplemental Information

Livingston Parish Sheriff
Schedule of Changes in Balances Due to Taxing Bodies and Others - Fiduciary Agency Funds
For the year ended June 30, 2018

	Agency Funds			
	Sheriff's Fund	Tax Collector Fund	Inmate Deposit Fund	Total
	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Inmate Deposit Fund</u>	<u>Total</u>
Balances at Beginning of Year	\$ 1,233,489	\$ 31	\$ 72,301	\$ 1,305,821
Additions				
Suits and Sales	6,025,413	-	-	6,025,413
Fines and Bonds	3,862,961	-	-	3,862,961
Advance Deposits	346,598	-	-	346,598
Garnishments	385,784	-	-	385,784
Property Taxes	-	57,243,071	-	57,243,071
Parish Occupational Licenses	-	1,333,176	-	1,333,176
State Revenue Sharing	-	2,793,763	-	2,793,763
Redemptions and Refunds	-	862,133	-	862,133
Interest on Delinquent Taxes	16,842	204,511	-	221,353
Other	-	225,723	987,927	1,213,650
Total Additions	<u>10,637,598</u>	<u>62,662,377</u>	<u>987,927</u>	<u>74,287,902</u>
Deductions				
By Funding Source				
Property Taxes	-	56,780,168	-	56,780,168
Parish Occupational Licenses	-	1,261,464	-	1,261,464
State Revenue Sharing	-	2,793,763	-	2,793,763
Redemptions and Refunds	641,894	864,415	-	1,506,309
Earned Interest	-	200,333	-	200,333
Proceeds of Sales of Property	4,824,797	-	-	4,824,797
By Location				
State of Louisiana				-
Livingston Parish				-
Clerk of Court	514,000	-	-	514,000
Parish Council	221,819	-	-	221,819
Sheriff	1,381,482	15,092	-	1,396,574
Twenty-first Judicial District	2,140,630	-	-	2,140,630
Other Parties				-
Advertising	186,400	-	-	186,400
Appraisers and Helpers	31,850	-	-	31,850
Attorneys and Litigants	343,872	-	-	343,872
Municipalities	235,575	-	-	235,575
Other	174,915	41,071	976,349	1,192,335
State Crime Laboratory	6,068	-	-	6,068
LA Supreme Court	3,431	-	-	3,431
Total Deductions	<u>10,706,733</u>	<u>61,956,306</u>	<u>976,349</u>	<u>73,639,388</u>
Balances at End of Year	<u>\$ 1,164,354</u>	<u>\$ 706,102</u>	<u>\$ 83,879</u>	<u>\$ 1,954,335</u>

See Independent Auditor's Report.

TAX COLLECTOR ACCOUNT AFFIDAVIT

STATE OF LOUISIANA, PARISH OF LIVINGSTON

AFFIDAVIT

JASON ARD, SHERIFF AND TAX COLLECTOR, OF LIVINGSTON PARISH, LOUISIANA

BEFORE ME, the undersigned authority, personally came and appeared, JASON ARD, the sheriff of LIVINGSTON PARISH, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$270.41 is the amount of cash on hand in the tax collector account on JUNE 30, 2018;

He further deposed and said:

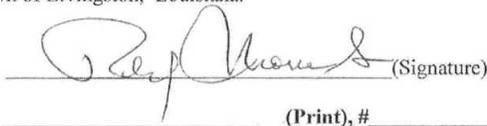
All itemized statements of the amount of taxes collected for tax year 2017, by taxing authority, are true and correct.

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.



Signature
Sheriff of Livingston Parish

SWORN to and subscribed before me, Notary, this 15 day of November 2018, in my office in the Parish of Livingston, Town of Livingston, Louisiana.



Notary Public
RONALD J. MORSE, SR.
NOTARY PUBLIC #42632, (Commission)
PARISH OF LIVINGSTON
MY COMMISSION IS FOR LIFE

See Independent Auditor's Report.

Livingston Parish Sheriff
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended June 30, 2018

Agency Head Name: Jason Ard, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 160,338
Benefits-Insurance	22,836
Benefits-Retirement	21,558
Employer Paid Payroll Taxes	2,469
Travel-Per Diem	1,333
Travel-Lodging	2,681
Travel-Airfare	95
Conference Registration Fees	1,010
	<u>\$ 212,320</u>

See Independent Auditor's Report.

**Livingston Parish Sheriff
Schedule of Findings and Responses
For the Year Ended June 30, 2018**

Section I Summary of Auditor's Results

Financial Statements

a. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Qualified
Disclaimer Adverse

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

Internal Control:

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance:

Noncompliance Material to Financial Statements Yes No

Federal Awards - NA

Internal Control over major federal Programs:

Material Weaknesses Yes No Significant Deficiencies Yes No

Type of auditor's report issued on compliance for major federal programs:

Unmodified Qualified
Disclaimer Adverse

Are there findings required to be reported in accordance with 2 CFR 200.516(a)

Yes No

Was a management letter issued?

Yes No

Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**Livingston Parish Sheriff
Schedule of Findings and Responses
For the Year Ended June 30, 2018**

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

**Livingston Parish Sheriff
Livingston, Louisiana
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2018**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

N/A

This schedule was prepared by management.

Bruce C. Harrell, CPA

Kristi U. Bergeron, CPA
Jessica H. Jones, CPA
Brandy W. Garcia, CPA

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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***

To Livingston Parish Sheriff
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Sheriff, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Livingston Parish Sheriff's basic financial statements, and have issued our report thereon dated December 28, 2018.

Internal Control Over Financial Reporting

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

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

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

BRUCE HARRELL & COMPANY
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To Livingston Parish Sheriff
Livingston, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Livingston Parish 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.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

December 28, 2018

Livingston Parish Sheriff

Statewide Agreed-Upon Procedures

As of and for the Year Ended June 30, 2018



BRUCE HARRELL & COMPANY
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Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Jason Ard
Livingston Parish Sheriff
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Livingston Parish Sheriff (Entity) and the 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 01, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

There are no procedures and associated findings required for year 2 as it relates to Livingston Parish Sheriff. For year 1 statewide agreed-upon procedures, there were either no exceptions or no exceptions for which a compensating control was not in place when performing our engagement for year 2.

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 the control or compliance. Accordingly, this report is not suitable for any other purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

December 28, 2018