

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF JUNE 30, 2017
AND FOR THE YEAR THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2017**

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**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

Honorable Kenneth Hedrick
Concordia Parish Sheriff
Vidalia, 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 Concordia Parish Sheriff as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Concordia Parish 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.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 4 through 8, the budgetary comparison information on pages 33 through 34, the Schedule of the Sheriff's Proportionate Share of the Net Pension Liability on page 35, the Schedule of the Sheriff's Contributions on page 36, and the Schedule of Funding Progress for Other Post-Employment Benefit Plan on page 37 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and the Sheriff's sworn affidavit on pages 38 and 39, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head and the Sheriff's sworn affidavit 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 Sheriff's sworn affidavit is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2018, on our consideration of the Concordia Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Concordia Parish Sheriff's internal control over financial reporting and compliance.

This report is intended for the information of the Concordia Parish Sheriff and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
January 31, 2018

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

INTRODUCTION

The discussion and analysis (MD&A) of the Concordia Parish Sheriff's financial performance provides an overall narrative review of the Sheriff's financial activities for the year ended June 30, 2017. The intent of this discussion and analysis is to look at the Sheriff's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the Sheriff's financial performance.

The Concordia Parish Sheriff's office is located on Carter Street in Vidalia, Louisiana, with outlying facilities located in all parts of Concordia Parish.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of the years ended June 30, 2017 and June 30, 2016, the Concordia Parish Sheriff's net position decreased by \$521,048 in 2017 and decreased by \$1,435,138 in 2016. This resulted in ending net position (deficit) of (\$4,646,664) in 2017 and (\$4,125,616) in 2016.

1. The ending cash balance for the Concordia Parish Sheriff was \$2,014,033 as of June 30, 2015; \$1,101,909 at June 30, 2016; and \$1,007,115 at June 30, 2017.
2. The Sheriff had \$11,435,197 in revenues for the year ended June 30, 2017, and \$12,134,897 for the year ended June 30, 2016, which primarily consisted of property taxes, grants, prisoner upkeep, and interest income. There were \$11,956,245 in expenditures including depreciation of \$318,361 for the year ended June 30, 2017, and \$13,570,035 in expenditures including depreciation of \$359,508 for the year ended June 30, 2016.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Concordia Parish Sheriff's basic financial statements. The Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

The statement of activities presents information showing how the Sheriff's net position changed during the most recent fiscal year.

The government-wide financial statements outline functions of the Sheriff that are principally supported by property taxes and intergovernmental revenues (governmental activities). Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 9 through 10 of this report.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

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 basic governmental fund financial statements can be found on pages 11 through 16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 17 through 32 of this report.

FUND FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a government's financial position. In the case of the Sheriff's, liabilities exceeded assets by \$4,646,664 as of June 30, 2017.

Net Position for the periods ending June 30, 2017 and 2016

The following is a condensed statement of the Concordia Parish Sheriff's net position as of June 30, 2017 and 2016:

	Year ended June 30,	
	2017	2016
Current assets	\$ 1,906,160	\$ 2,168,886
Noncurrent assets - capital assets	4,087,495	4,405,856
Total assets	<u>\$ 5,993,655</u>	<u>\$ 6,574,742</u>
Deferred outflows of resources	\$ 4,156,227	\$ 1,516,413
Current liabilities	\$ 681,978	\$ 416,130
Long-term liabilities	12,341,929	9,316,411
Total liabilities	<u>\$ 13,023,907</u>	<u>\$ 9,732,541</u>
Deferred inflows of resources	\$ 1,772,639	\$ 2,484,230
Net position		
Investment in capital assets	\$ 4,087,498	\$ 4,405,856
Unrestricted (deficit)	<u>(8,734,162)</u>	<u>(8,531,472)</u>
Total net position	<u>\$ (4,646,664)</u>	<u>\$ (4,125,616)</u>

A large portion of the Sheriff's net (deficit) is its investment in capital assets such as equipment and facilities, in the amount of \$4,087,498. The deficit of \$8,734,159, unrestricted, is current assets less OPEB, accrued compensated absences liabilities, and net pension liability.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017

The following is a summary of the statement of activities:

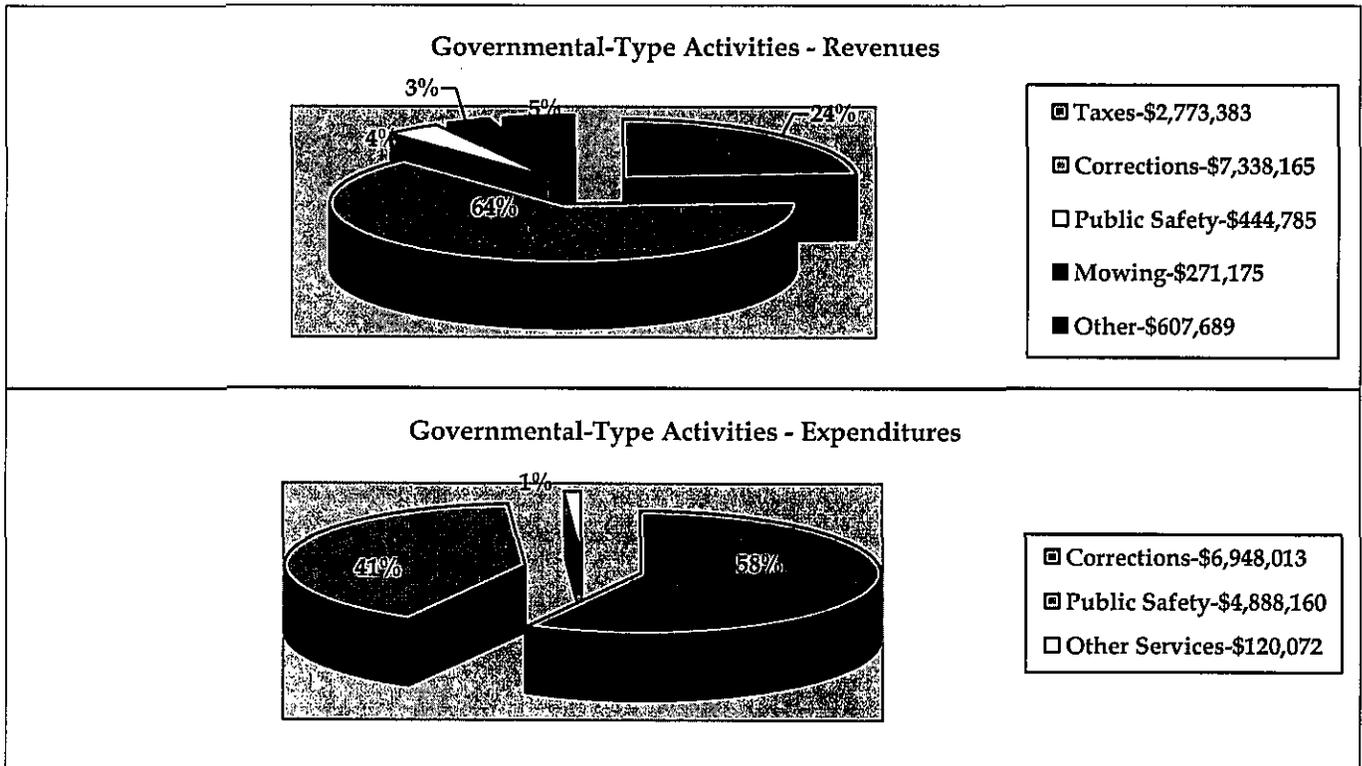
	Year ended June 30,	
	<u>2017</u>	<u>2016</u>
Revenues		
Charges for services		
Public safety	\$ 283,367	\$ 227,037
Corrections	6,870,627	7,232,849
Mowing	271,175	336,709
General revenues		
Ad valorem taxes	2,773,383	2,751,455
State supplementary pay	368,616	420,598
State revenue sharing	127,647	98,386
Interest	3,626	4,248
Other	107,800	487,263
Grants	<u>628,956</u>	<u>576,352</u>
Total revenues	<u>\$ 11,435,197</u>	<u>\$ 12,134,897</u>
Expenses		
Operating expenses		
Public safety	\$ 4,888,160	\$ 4,630,740
Corrections	6,948,013	8,862,568
Mowing	<u>120,072</u>	<u>76,727</u>
Total expenses	<u>\$ 11,956,245</u>	<u>\$ 13,570,035</u>
Decrease in net position	\$ (521,048)	\$ (1,435,138)
Net position, beginning of year (deficit)	<u>(4,125,616)</u>	<u>(2,690,478)</u>
Net position, end of year (deficit)	<u>\$ (4,646,664)</u>	<u>\$ (4,125,616)</u>

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Governmental-Type Activities

The Governmental-Type Activities of the Sheriff include revenues resulting from fines and fees charged, fees charged for the care and feeding of prisoners, and contract fees for mowing and upkeep activities. It also includes grants for law enforcement activities and prisoner functions.

The following presents in graphs the information from the Statement of Activities for the Governmental-Type Activities:



The notes to the financial statements should be read to have a full understanding of the data in the government-wide financial statements.

CAPITAL ASSETS AND DEBT

As of June 30, 2017, the Sheriff had \$10,102,667 invested in capital assets net of accumulated depreciation of \$6,015,172. During the fiscal year ended June 30, 2017, the Sheriff had no capital asset additions.

LONG-TERM DEBT

At June 30, 2017, the Sheriff had long-term debt of \$12,341,929 which was due to the net pension liability, net OPEB obligation, and accrued compensated absences. Note 10 to the financial statements includes information related to this debt.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

BUDGET AMENDMENTS

Amendments to the budget for revenues resulted from a change in revenues and expenditures from the amounts estimated at the beginning of the year. For the year audited, the budget was amended once.

MANAGEMENT'S COMMENTS

For fiscal year 2017, Sheriff Kenneth Hedrick's focus continued on accountability and fiscal responsibility while maintaining strong law enforcement in the area.

Revenues are down significantly in fiscal year 2017 due to the loss of oilfield-related work release jobs. The inmate population at Concordia Parish Work Release Facility declined drastically when the facility's largest employer went into shutdown mode. The wardens were able to supplement revenue by continuing contracts with other Parishes to house their female and excess pre-trial inmates. Weekly finance meetings involving wardens and department heads were held to control spending, relative to the reduced revenue, as much as possible.

Though grant funds continue to decline, our prison facilities continue to make on-site drug rehabilitation programs available to inmates. Under an intergovernmental support agreement, updated materials were acquired for the program as well as continued education programs for instructors.

The Concordia Parish Sheriff's Office continues to provide approximately 270 jobs to Parish residents and maintains the operations of the Concordia Parish Correctional Facility, River Correctional, Concordia Parish Work Release, as well as the Concordia Parish Sheriff's Office. These jobs include the operation of the criminal, civil, administrative, and correctional divisions.

Sheriff Hedrick and his staff continue to work to cut costs in efforts to balance the budget. A program to lease vehicles instead of purchasing will not only save capital outlay funds but also allow the department to run newer vehicles that will use less fuel and require less maintenance. Credit card collections were implemented in the office to increase collections in taxes, fines, and fees. A new website is being developed for fiscal year 2017 to increase online payments as well.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's finances and to show the Sheriff's accountability for the money received. Any questions about this report or request for additional information may be directed to Sheriff Hedrick at (318) 336-5231.

SECTION II
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 1,007,115
Accounts receivable	424,639
Due from other governmental units	396,329
Commodities inventory	30,831
Prepaid expenses	47,246
Capital assets - net	<u>4,087,495</u>

Total assets \$ 5,993,655

DEFERRED OUTFLOWS OF RESOURCES

\$ 4,156,227

LIABILITIES

Accounts payable	\$ 377,550
Salaries and benefits payable	304,428
Accrued compensated absences	558,615
Net OPEB obligation	4,837,133
Net pension liability	<u>6,946,181</u>

Total liabilities \$ 13,023,907

DEFERRED INFLOWS OF RESOURCES

\$ 1,772,639

NET POSITION

Invested in capital assets	\$ 4,087,498
Unrestricted (deficit)	<u>(8,734,162)</u>

Total net position (deficit) \$ (4,646,664)

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
		<u>Fines, Fees, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
Public safety	\$ 4,888,160	\$ 283,367	\$ 161,418	\$ (4,443,375)
Correctional	6,948,013	6,870,627	467,538	390,152
Grass mowing	<u>120,072</u>	<u>271,175</u>	-	<u>151,103</u>
Total	<u>\$ 11,956,245</u>	<u>\$ 7,425,169</u>	<u>\$ 628,956</u>	<u>\$ (3,902,120)</u>

General revenues:

Taxes - ad valorem	\$ 2,773,383
State supplementary pay	368,616
State revenue sharing	127,647
Interest earnings	3,626
Miscellaneous	<u>107,800</u>
Total general revenues	<u>\$ 3,381,072</u>

Change in net position	\$ (521,048)
Net position - beginning (deficit)	<u>(4,125,616)</u>
Net position - end of year (deficit)	<u>\$ (4,646,664)</u>

The accompanying notes are an integral part of this financial statement.

SECTION III
FUND FINANCIAL STATEMENTS

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2017**

ASSETS

Cash and cash equivalents	\$ 1,007,115
Accounts receivable	424,639
Due from other governmental units	396,329
Commodities inventory	30,831
Prepaid expenses	<u>47,246</u>
Total assets	<u>\$ 1,906,160</u>

LIABILITIES

Accounts payable	\$ 377,550
Salaries and benefits payable	<u>304,428</u>
Total liabilities	<u>\$ 681,978</u>

FUND BALANCE

Unassigned	<u>\$ 1,224,182</u>
Total liabilities and fund balance	<u>\$ 1,906,160</u>

The accompanying notes are an integral part of this financial statement.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

Total Fund Balances for Governmental Funds (Statement C)	\$	1,224,182
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Total Net Position reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Capital assets, net		4,087,495
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Deferred outflows and inflows are not financial resources or currently payable:

Deferred outflows	\$ 4,156,227		
Deferred inflows	<u>(1,772,639)</u>		2,383,588

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued compensated absences	\$ (558,615)		
Net OPEB obligation	(4,837,133)		
Net pension liability	<u>(6,946,181)</u>		<u>(12,341,929)</u>

Net Position of Governmental Activities (Statement A)	\$	<u>(4,646,664)</u>
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**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES

Ad valorem taxes	\$ 2,773,383
Intergovernmental revenues:	
Federal funds:	
Grants: Correctional	41,092
Public safety	125,209
State funds:	
State revenue sharing	127,647
State supplementary pay	368,616
State grants: Correctional	426,446
Public safety	36,209
Mowing contract	271,175
Miscellaneous	107,801
Fines and forfeitures	42,046
Civil and criminal fees	241,321
Feeding and keeping prisoners - jail	151,131
Feeding and keeping prisoners - CPCF	6,444,894
Telephone commissions - CPCF	274,602
Interest income	3,626
Total revenues	<u>\$ 11,435,198</u>

EXPENDITURES

Public safety:	
Personnel services and related benefits	\$ 3,304,173
Operating services	1,358,225
Materials and supplies	18,147
Travel and other charges	28,198
Total public safety	<u>\$ 4,708,743</u>
Correctional facility:	
Personnel services and related benefits	\$ 5,226,727
Operating services	1,649,980
Materials and supplies	260,178
Total correctional facility	<u>\$ 7,136,885</u>
Grass mowing contract:	
Operating services	\$ 75,421
Materials and supplies	42,722
Total grass mowing contract	<u>\$ 118,143</u>
Total expenditures	<u>\$ 11,963,771</u>
(Excess) of expenditures over revenues	\$ (528,573)
Fund balance at beginning of year	<u>1,752,755</u>
Fund balance at end of year	<u>\$ 1,224,182</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Net Change in Fund Balance at June 30, 2017, governmental activities, (Statement E)		\$	(528,573)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Depreciation expense	\$	<u>(318,361)</u>	(318,361)
Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities the net pension expense is reported according to estimates required by GASB 68			
Pension expenses paid	\$	1,673,972	
Pension expenses per GASB 68		<u>(755,417)</u>	918,555
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds.			
Compensated absences	\$	(32,790)	
Net other post-employment benefits		(751,957)	
Net other pension-related items		<u>192,078</u>	<u>(592,669)</u>
Change in net position for the year ended June 30, 2017, per statement of activities			<u>\$ (521,048)</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2017

	<u>Sheriff's Funds</u>	<u>Tax Collector Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 154,633	\$ 113,500	\$ 230,886	\$ 499,019
Accounts receivable	<u>48,515</u>	<u>74,690</u>	<u>-</u>	<u>123,205</u>
Total assets	<u>\$ 203,148</u>	<u>\$ 188,190</u>	<u>\$ 230,886</u>	<u>\$ 622,224</u>
<u>LIABILITIES</u>				
Due to taxing bodies and others	<u>\$ 203,148</u>	<u>\$ 188,190</u>	<u>\$ 230,886</u>	<u>\$ 622,224</u>

The accompanying notes are an integral part of this financial statement.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
STATEMENT OF CHANGES - FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Sheriff's Funds</u>	<u>Tax Collector Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
Unsettled balance due to taxing bodies and others at beginning of year	\$ 212,833	\$ 142,253	\$ 220,495	\$ 575,581
ADDITIONS				
Deposits:				
Fines, forfeitures, and costs	\$ 749,748	\$ -	\$ -	\$ 749,748
Suits and seizures	608,939	-	-	608,939
Garnishments	123,208	-	-	123,208
Taxes, fees paid tax collector	-	14,780,977	-	14,780,977
State revenue sharing	-	412,286	-	412,286
Interest earned	407	9,801	-	10,208
Inmate income	-	-	1,634,010	1,634,010
Total additions	<u>\$ 1,482,302</u>	<u>\$ 15,203,064</u>	<u>\$ 1,634,010</u>	<u>\$ 18,319,376</u>
DEDUCTIONS				
Deposits, taxes, fees settled to:				
Concordia Parish:				
Sheriff's general fund	\$ 383,512	\$ 2,935,246	\$ 554,592	\$ 3,873,350
Clerk of Court	79,537	-	-	79,537
Police Jury	215,461	1,735,062	-	1,950,523
School Board	-	5,691,911	-	5,691,911
Library	-	1,198,285	-	1,198,285
Assessor	-	611,314	-	611,314
Concordia Council on Aging	-	558,011	-	558,011
Health service	-	246,321	-	246,321
Monterey Fire Protection Parish	-	102,194	-	102,194
Concordia Fire Parish No. 2	-	563,648	-	563,648
Concordia Recreation Parish No. 1	-	114,360	-	114,360
Concordia Recreation Parish No. 2	-	72,210	-	72,210
Concordia Recreation Parish No. 3	-	350,277	-	350,277
City of Vidalia	-	127,741	-	127,741
Louisiana Tax Commission	-	18,874	-	18,874
Bureau of Land Management	-	45,020	-	45,020
Louisiana Forestry Service	-	7,040	-	7,040
Fifth Parish Levee Board	-	566,648	-	566,648
Litigants	378,178	-	-	378,178
Other cash disbursed	435,299	212,965	1,069,027	1,717,291
Total deductions	<u>\$ 1,491,987</u>	<u>\$ 15,157,127</u>	<u>\$ 1,623,619</u>	<u>\$ 18,272,733</u>
Unsettled balances due to taxing bodies and others at end of year	<u>\$ 203,148</u>	<u>\$ 188,190</u>	<u>\$ 230,886</u>	<u>\$ 622,224</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

INTRODUCTION

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Concordia 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 standards setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," issued in June 1999.

B. REPORTING ENTITY

The Sheriff is an independently elected official; however, the Sheriff is fiscally dependent on the Concordia Parish Police Jury. The Police Jury maintains and operates the Parish courthouse in which the Sheriff's office is located and provides funds for equipment and furniture for the Sheriff's office. Because the Sheriff is fiscally dependent on the Police Jury, the Sheriff is a component unit of the Concordia Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the Sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Sheriff. The following are the Sheriff's governmental funds:

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds (continued)

General Fund - The primary operating fund of the Sheriff and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections), for deposits held pending court action, and deposits held for inmates. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund, of Statements C and D, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Expenditures

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from Sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

E. BUDGETS

The Sheriff uses the following budget practices:

1. The Sheriff prepares a proposed budget for the general fund in June of each year for the year beginning July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Sheriff.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets are adopted on a modified accrual basis.
7. The budget was amended once during the year ended June 30, 2017.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. INVENTORIES

Inventory of the Sheriff's General Fund consists of food purchased by the Sheriff and commodities granted by various governmental agencies. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenses when consumed. All purchased inventory items are stated at cost, which is determined by the first-in, first-out method.

H. PREPAID ITEMS

Certain payments for insurance reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. CAPITAL ASSETS

Capital assets, which include land, buildings, furniture, fixtures and equipment, and vehicles, are reported in the statement of net position. Capital assets are capitalized at historical cost or estimated cost if historical is not available.

Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Vehicles	5 – 10 years
Buildings	20 – 40 years
Furniture, fixtures, and equipment	5 – 20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

J. COMPENSATED ABSENCES

The Sheriff has the following policy relating to vacation and sick leave:

After one year of service, employees of the Sheriff's office receive five working days of noncumulative vacation leave. For each year thereafter, they receive a total of ten working days of noncumulative vacation leave. Employees receive the same number of cumulative sick leave days, which are not payable upon termination or retirement.

The Sheriff's recognition and measurement criteria for compensated absences follows: GASB Statement 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:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. 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.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES (continued)

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. 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.
- b. 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 current portion of the liability for compensated absences is not reported in the fund financial statements. The liability is reported in the government-wide Statements A and B.

K. ESTIMATES

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

L. NET POSITION/FUND BALANCES

In the statements of net position, the difference between a government's assets and liabilities is recorded as net position. The two components of net position are as follows:

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Unrestricted - This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

Deferred Outflows/Inflows of Resources

This statement of financial position will often report a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 2 - LEVIED TAXES

The Sheriff is the ex-officio tax collector of the Parish and is responsible for the collection and distribution of ad valorem taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of the following year. The taxes are based on assessed values determined by the Concordia Parish Tax Assessor and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deduction for assessor's compensation and pension fund contributions.

The following is a summary of Concordia Parish levied ad valorem taxes for 2017:

<u>Description</u>	<u>Levied Millage</u>	<u>Authorized Millage</u>	<u>Expiration Date</u>
Parish Tax:			
General alimony tax	2.27 M	2.27 M	N/A
Library	8.50 M	8.50 M	2018
Highway, drainage, and building upkeep	10.00 M	10.00 M	2017
Health unit	1.81 M	1.81 M	2020
Assessor	4.34 M	4.34 M	N/A
Sheriff's law enforcement	8.62 M	8.62 M	N/A
Sheriff's special	11.98 M	11.98 M	2017
School construction	2.84 M	2.84 M	N/A
School new construction	12.41 M	12.41 M	2017
School maintenance	25.00 M	25.00 M	2022
Fifth Louisiana Levee Parish	3.86 M	3.86 M	N/A
Recreation Parish No. 1	3.00 M	3.00 M	2017
Recreation Parish No. 2	6.39 M	6.39 M	2017
Recreation Parish No. 3	4.00 M	4.00 M	2017
Fire Parish No. 1	9.59 M	9.59 M	2017
Fire Parish No. 2 maintenance	6.91 M	6.91 M	2020
Forestry tax	\$.08/ Acre	\$.08/ Acre	N/A
Council on Aging	4.00 M	4.00 M	2017

The following is a summary of Concordia Parish ad valorem taxes assessed and collected (cash basis) and the taxes receivable at June 30, 2017:

	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Uncollected 6/30/2017</u>
Parish tax:			
Police Jury - general alimony	\$ 311,521	\$ 309,963	\$ 1,575
Library	1,164,399	1,158,573	5,889
Police Jury - highway and drainage	1,370,695	1,363,838	6,932
Health unit	247,833	246,593	1,254
Assessor	593,968	590,996	3,004
Sheriff's law enforcement	1,181,014	1,175,106	5,973
Sheriff's special	1,643,451	1,635,229	8,312
School construction	389,057	387,110	1,968
School new construction	1,780,524	1,771,616	9,005
School maintenance	3,425,359	3,408,221	17,333
Fifth Louisiana Levee Parish	534,437	531,763	2,703

- continued -

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 2 - LEVIED TAXES (continued)

	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Taxes Uncollected 6/30/2017</u>
Recreation Parish No. 1	115,041	114,363	679
Recreation Parish No. 2	71,201	70,498	750
Recreation Parish No. 3	349,371	347,992	1,380
Fire Parish No. 1	103,770	102,716	1,124
Fire Parish No. 2	567,513	564,271	3,241
City of Vidalia	141,414	141,108	306
Forestry tax	26,482	26,070	489
Council on aging	548,278	545,535	2,773
	<u>\$ 14,565,328</u>	<u>\$ 14,491,561</u>	<u>\$ 74,690</u>

The uncollected taxes at June 30, 2017, were as follows:

Amount collected subsequent to June 30, 2017	\$ 10,165
Uncollected amounts were movable properties that have not been collected and cannot be located	<u>64,525</u>
	<u>\$ 74,690</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2017, the Sheriff has cash and cash equivalents, book balances, totaling \$1,007,115 as follows:

Interest-bearing demand deposits	\$ 969,603
Time deposits	<u>37,512</u>
Total	<u>\$ 1,007,115</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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. At June 30, 2017, the Sheriff had \$1,553,596 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$11,977,585 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

NOTE 4 - ACCOUNTS RECEIVABLE

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

River Corrections Prison	\$ 147,433
Other	<u>277,206</u>
Total	<u>\$ 424,639</u>

At June 30, 2017, no allowance for doubtful accounts was required since all amounts were deemed collectible.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other government units at June 30, 2017, were as follows:

State of Louisiana:			
Prisoner upkeep		\$	51,712
State and Federal			324,416
Other			<u>20,201</u>
Total		\$	<u>396,329</u>

NOTE 6 - CAPITAL ASSETS

A summary of the Concordia Parish Sheriff's capital assets follows:

	<u>Balance</u> <u>6/30/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2017</u>
Capital assets not being depreciated				
Land	\$ <u>180,500</u>	\$ -	\$ -	\$ <u>180,500</u>
Capital assets being depreciated				
Furniture, fixtures, and equipment	\$ 3,386,045	\$ -	\$ -	\$ 3,386,045
Buildings and improvements	<u>6,536,122</u>	<u>-</u>	<u>-</u>	<u>6,536,122</u>
Total	<u>\$ 9,922,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,922,167</u>
Less accumulated depreciation				
Furniture, fixtures, and equipment	\$ (2,878,276)	\$ (123,611)	\$ -	\$ (3,001,887)
Buildings and improvements	<u>(2,818,535)</u>	<u>(194,750)</u>	<u>-</u>	<u>(3,013,285)</u>
Total	<u>\$ (5,696,811)</u>	<u>\$ (318,361)</u>	<u>\$ -</u>	<u>\$ (6,015,172)</u>
Total being depreciated	<u>\$ 4,225,356</u>	<u>\$ (318,361)</u>	<u>\$ -</u>	<u>\$ 3,906,995</u>
Capital assets, net	<u>\$ 4,405,856</u>	<u>\$ (318,361)</u>	<u>\$ -</u>	<u>\$ 4,087,495</u>

Depreciation expense was charged to governmental activities as follows:

Public safety	\$ 124,166
Corrections	192,266
Grass mowing	<u>1,929</u>
Total	<u>\$ 318,361</u>

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of long-term liability activity and balances for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Compensated absences	\$ 525,825	\$ 32,790	\$ -	\$ 558,615

NOTE 8 - PENSION PLAN

Plan Description - Substantially all employees of the Concordia Parish Sheriff's Office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All sheriffs, deputies, and other employees who are found to be physically fit, who earn at least \$400 per month depending on year employed, and who were at least age 18 years or older at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 3.33 percent for each year of total service. In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Members are not required to make any contributions to the Plan. The Concordia Parish Sheriff's Office is required to contribute at an actuarially determined rate. The combined rate is 23.25% of annual covered payroll. The Concordia Parish Sheriff's Office's contributions for the year ending June 30, 2017 and 2016, were \$1,673,972 and \$1,757,888, respectively, equal to the required contributions for each year.

The Louisiana Sheriff Pension and Relief Fund issues a publicly available Actuarial Valuation and required supplementary information. That information may be obtained by writing to Sheriff's Pension and Relief Fund, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806 or by calling (800) 586-9049.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 - PLAN DESCRIPTION AND BENEFITS

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

At June 30, 2017, the Sheriff reported a liability of \$6,946,181 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the Sheriff's proportion was 1.094422 percent.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$1,060,716, less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$305,299. At June 30, 2017, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 728,578
Changes of assumptions	567,481	-
Net difference between projected and actual earnings on pension plan investments	1,739,673	-
Changes in proportion and differences between Parish contributions and proportionate share of contributions	175,101	1,044,061
Parish contributions subsequent to the measurement date	<u>1,673,972</u>	<u>-</u>
Total	<u>\$ 4,156,227</u>	<u>\$ 1,772,639</u>

\$1,673,972 reported as deferred outflows of resources related to pensions resulting from Parish contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (117,933)
2018	(117,933)
2019	388,799
2020	469,751
2021	43,467
Thereafter	43,465

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 – PLAN DESCRIPTION AND BENEFITS (continued)

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

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016, are as follows:

Valuation date	June 30, 2016
Actuarial cost method	Entry age normal method
Actuarial assumptions:	
Investment rate of return	7.6%, net of investment expense
Discount rate	7.5%
Projected salary increases	5.5% (2.875% inflation/2.625% merit)
Mortality rates	RP – 2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Active Members, Healthy Annuitants, and Beneficiaries RP – 2000 Disabled Lives Mortality Table
Expected remaining service lives	2016 – 7 years 2015 – 6 years
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, 2010 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, 2016, were as follows:

Asset Class	Expected Rate of Return		Long-term Expected Portfolio Real Rate of Return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity securities	60%	6.4%	3.9%
Bonds	25%	1.9%	0.5%
Alternative investments	15%	4.3%	0.6%
Totals	100%		5.0%
Inflation			2.7%
Expected Arithmetic Nominal Return			7.7%

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 9 - PLAN DESCRIPTION AND BENEFITS (continued)

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.5%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.5% or one percentage point higher 8.5% than the current date.

	Changes in Discount Rate 2016		
	1% Decrease	Current Discount Rate	1% Increase
	6.5%	7.5%	8.5%
Net Pension Liability	\$ 11,784,905	\$ 6,946,181	\$ 2,952,389

NOTE 10 - POST-EMPLOYMENT BENEFITS

Plan Description. The Concordia Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement.

Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 with 12 years of service, or 30 years of service at any age. Employees first eligible for the retirement system on and after January 1, 2012, are eligible for retirement (D.R.O.P. entry) as follows: age 62 with 12 years of service, or age 60 with 20 years of service, or age 55 with 30 years of service.

Life insurance coverage is continued to retirees based on a blended rate for active employees and retirees, and the retiree pays 100% of the cost of the retiree's life insurance after retirement, but it is based on this blended rate. There is an age-related reduction formula after retirement (reducing to 75% of pre-retirement coverage at age 65 and to 50% at age 70). The retiree cost is based on the blended active/retired rate and there is thus an additional implied subsidy by the employer. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table, described below, to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 - POST-EMPLOYMENT BENEFITS (continued)

Fund Policy. Until 2009, the Concordia Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (the Concordia Parish Sheriff's Office's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Concordia Parish Sheriff's Office's portion of health care and life insurance funding cost for retired employees totaled \$351,031 and \$325,029, respectively.

Effective July 1, 2009, the Concordia Parish Sheriff's Office implemented Government Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the net OPEB benefit obligation as shown in the following table.

Annual Required Contribution. The Concordia Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 573,371	\$ 551,318
30-year UAAL amortization amount	<u>602,456</u>	<u>579,285</u>
Annual Required Contribution (ARC)	<u>\$ 1,175,827</u>	<u>\$ 1,130,603</u>

Net Post-Employment Benefit Obligation (Asset). The table below shows the Concordia Parish Sheriff's Office's net other post-employment benefit (OPEB) obligation (asset) for fiscal year ending June 30:

	<u>2017</u>	<u>2016</u>
Beginning net OPEB obligation	\$ <u>4,085,176</u>	\$ <u>3,339,139</u>
Annual required contribution	\$ 1,175,827	\$ 1,130,603
Interest on net OPEB obligation	163,407	133,566
ARC adjustment	<u>(351,031)</u>	<u>(193,103)</u>
OPEB cost	\$ 1,102,988	\$ 1,071,066
Contribution	-	-
Current year retiree premium	<u>(236,246)</u>	<u>(325,029)</u>
Change in net OPEB obligation	\$ <u>751,957</u>	\$ <u>746,037</u>
Ending net OPEB obligation	<u>\$ 4,837,133</u>	<u>\$ 4,085,176</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2017	\$ 1,102,988	31.83%	\$ 4,837,133
June 30, 2016	\$ 1,071,066	30.35%	\$ 4,085,176

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 - POST-EMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress. In 2017 and 2016, the Concordia Parish Sheriff's Office made no contributions to its post-employment benefits Plan. The Plan was not funded, had no assets, and hence had a funded ratio of zero. As of July 1, 2009, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017, was \$10,834,302 which is defined as that portion, as determined by a particular actuarial cost method (the Concordia Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 10,834,302	\$ 10,417,598
Actuarial Value of Plan Assets	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 10,834,302</u>	<u>\$ 10,417,598</u>
Funded Ratio (Act. Val. Assets/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 9,845,873	\$ 7,521,858
UAAL as a percentage of covered payroll	110.04%	138.50%

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

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

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

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

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 12%.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 - POST-EMPLOYMENT BENEFITS (continued)

Post-Employment Benefit Plan Eligibility Requirements. Historically, most employees have not retired until 20 to 30 years of service. We have therefore assumed that employees retire three years after the earliest of the following: 30 years of service at any age, age 55 and 20 years of service, or age 60 and 15 years of service. The three years is to accommodate the D.R.O.P. period. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

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

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only. See the section below for details on life insurance benefits. The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB Codification Section P50 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

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

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

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

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 10 - POST-EMPLOYMENT BENEFITS (continued)

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
OPEB Cost	\$ 1,010,054	\$ 1,071,066	\$ 1,102,988
Contribution	\$ -	\$ -	\$ -
Retiree premium	208,765	325,029	351,031
Total	<u>\$ 208,765</u>	<u>\$ 325,029</u>	<u>\$ 351,031</u>
Change in net OPEB obligation	<u>\$ 801,289</u>	<u>\$ 746,037</u>	<u>\$ 751,957</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	20.67%	30.35%	31.83%

NOTE 11 - EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

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

NOTE 12 - LITIGATION

The Sheriff's office was involved in various lawsuits at June 30, 2017. It is not possible at present for the Concordia Parish Sheriff's legal counsel to predict the outcome or the range of potential loss, if any, that may result from those actions. No provision for any liability that may result has been made in the financial statements, but the lawsuits are considered to be within the Sheriff's insurance limits and therefore should not have any effect on its financial statements. The Concordia Parish Sheriff is not aware of any claims or assessments that should be reflected in the accompanying financial statements.

NOTE 13 - RISK MANAGEMENT

The Concordia Parish Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

SECTION IV
ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 2,500,000	\$ 2,762,493	\$ 2,773,383	\$ 10,890
Intergovernmental revenues				
Federal fund:				
Grants:				
Correctional	45,000	47,209	41,092	(6,117)
Public safety	125,000	128,897	125,209	(3,688)
State funds:				
State revenue sharing	130,000	135,947	127,647	(8,300)
State supplementary pay	370,000	377,616	368,616	(9,000)
State grants:				
Correctional	450,000	463,952	426,446	(37,506)
Public safety	30,000	38,312	36,209	(2,103)
Mowing contract	300,000	288,725	271,175	(17,550)
Miscellaneous	110,000	115,912	107,801	(8,111)
Fines and forfeitures	50,000	57,642	42,046	(15,596)
Civil and criminal fees	250,000	252,932	241,321	(11,611)
Feeding and keeping prisoners - jail	150,000	159,823	151,131	(8,692)
Feeding and keeping prisoners - CPCF	6,935,000	6,511,526	6,444,894	(66,632)
Telephone commissions	300,000	302,206	274,602	(27,604)
Interest income	5,000	5,262	3,626	(1,636)
Total revenues	<u>\$ 11,750,000</u>	<u>\$ 11,648,454</u>	<u>\$ 11,435,198</u>	<u>\$ (213,256)</u>
Expenditures				
Public safety	\$ 5,250,000	\$ 4,574,473	\$ 4,708,743	\$ (134,270)
Correctional facility	7,150,000	6,983,588	7,136,885	(153,297)
Grass mowing contract	120,000	117,315	118,143	(828)
Total expenditures	<u>\$ 12,520,000</u>	<u>\$ 11,675,376</u>	<u>\$ 11,963,771</u>	<u>\$ (288,395)</u>
Excess of expenditures over revenues	\$ (770,000)	\$ (26,922)	\$ (528,573)	\$ (501,651)
Fund balance - beginning of year	<u>1,752,755</u>	<u>1,752,755</u>	<u>1,752,755</u>	<u>-</u>
Fund balance - end of year	<u>\$ 982,755</u>	<u>\$ 1,725,833</u>	<u>\$ 1,224,182</u>	<u>\$ (501,651)</u>

See Independent Auditor's Report.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

General Budget Policies

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Concordia Parish Sheriff's office during the month of June for comments from taxpayers. The budget is established and controlled by the Sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

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

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Sheriff. Legally, the Sheriff must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Sheriff to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF THE SHERIFF'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LOUISIANA SHERIFF'S PENSION AND RELIEF SYSTEM**

	<u>2017</u>		<u>2016</u>		<u>2015</u>
Sheriff's proportion of the net pension liability (asset)	1.094422%		1.0556120%		1.096722%
Sheriff's proportionate share of the net pension liability (asset)	\$ 6,946,181	\$	4,705,410	\$	4,343,025
Sheriff's covered-employee payroll	\$ 7,615,321	\$	7,333,016	\$	7,560,740
Sheriff's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	91.21%		64.17%		57.44%
Plan fiduciary net position as a percentage of the total pension liability	82.61%		86.61%		87.34%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF THE SHERIFF'S CONTRIBUTIONS
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 943,900	\$ 1,007,131	\$ 997,327
Contributions in relation to the contractually required contribution	<u>(943,900)</u>	<u>(1,007,131)</u>	<u>(997,327)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Sheriff's covered-employee payroll	\$ 7,123,219	\$ 7,615,321	\$ 7,333,016
Contributions as a percentage of covered-employee payroll	13.2%	13.2%	13.6%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2017**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
6-30-2017	\$ -	\$ 10,834,302	\$ 10,834,302	0.00%	\$ 9,845,873	110.04%
6-30-2016	\$ -	\$ 10,417,598	\$ 10,417,598	0.00%	\$ 7,521,858	138.50%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	(a) Annual OPEB Cost	(b) Annual Contributed	(b/a) Percentage of Annual OPEB Costs Contributed	(a-b) Increase (Decrease) to Net OPEB Obligation	(PY+(a-b)) Net OPEB Obligation
6-30-2017	\$ 1,102,988	\$ 351,031	31.83%	\$ 751,957	\$ 4,837,133
6-30-2016	\$ 1,071,066	\$ 325,029	30.40%	\$ 746,037	\$ 4,085,176

See Independent Auditor's Report.

SECTION V
OTHER SUPPLEMENTARY INFORMATION

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Agency Head Name:	Kenneth Hedrick, Sheriff	
Salary	\$	140,108
Benefits - insurance		7,547
Benefits - retirement		38,981
Deferred compensation		7,051
Reimbursements		<u>16,011</u>
Total	\$	<u>209,698</u>

See Independent Auditor's Report.

STATE OF LOUISIANA, PARISH OF CONCORDIA

AFFIDAVIT

D. Kenneth Hedrick, Sheriff of Concordia Parish

BEFORE ME, the undersigned authority, personally came and appeared, D. Kenneth Hedrick, the sheriff of Concordia Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$113,500 is the amount of cash on hand in the tax collector account on June 30, 2017;

He further deposed and said:

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

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

D. Kenneth Hedrick

Signature
Sheriff of Concordia
(Parish)

SWORN to and subscribed before me, Notary, this 29 day of January 2018, in my office in the Vidalia, Louisiana.
(City/Town)

Gail Thomas (Signature)

Gail Thomas (Print), # 8846
Notary Public

Death (Commission)



**SECTION VI
OTHER REPORTS**



209 N. Commerce Street
 P.O. Box 1027
 Natchez, Mississippi 39121-1027
 Telephone: 601.442.7411
 Fax: 601.442.8551
www.silassimmons.com

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

Honorable Kenneth Hedrick
 Concordia Parish Sheriff
 Vidalia, 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 Concordia Parish Sheriff, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Concordia Parish Sheriff's basic financial statements and have issued our report thereon dated January 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Concordia 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 Concordia Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Concordia 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 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 the internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify and deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Concordia Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2017-1.

Concordia Parish Sheriff's Response to Findings

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

Purpose of This Report

The purpose of this 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.

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi
January 31, 2018

**SECTION VII
SCHEDULE OF FINDINGS**

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Section I: Summary of Auditor's Reports

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(s) identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to the primary government financial statements? | Yes |

CONCORDIA PARISH SHERIFF
 VIDALIA, LOUISIANA
 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2016

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal Control and Compliance Material to the Financial Statements: (continued)				
2016-1	6-30-2016	<p><u>Due to Inmate Cash Balance Deficit (Internal Control Finding)</u> During the audit, it was noted that the Due to Inmate Liability Account was greater than the corresponding Due to Inmate Cash Account. The fund is custodial in nature and the cash should be equal to the liability. The money was not being deposited daily, causing the cash balance to be less than the liability at year end.</p>	Yes	Subsequent to year end, management added new personnel to ensure deposits were being made daily.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

Section I – Internal Control and Compliance Material to Financial Statements:

2017-1 Late Filing of Financial Statements (Compliance Finding)

Condition: The Sheriff’s audited financial statements were not completed and submitted to the Louisiana Legislative Auditor’s office by the statutory date of December 31, 2017.

Criteria: To be in good standing with the Legislative Auditor, the audited financial statements should be completed and submitted to their office by December 31.

Cause of Condition: Management was unable to provide a complete set of books in time for the external auditor to complete the audit by its due date.

Effect of Condition: Material noncompliance relating to the financial statements.

Response: Management will work closely with the external auditors to ensure that the audited financial statements are submitted to the Legislative Auditor by the statutory due date.

Section II – Internal Control and Compliance Material to Federal Awards:

N/A

Section III – Management Letter:

N/A

**SECTION VIII
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA**

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

JUNE 30, 2017



209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551

www.silassimmons.com

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

Concordia Parish Sheriff and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attachment supplement, which were agreed to by the Concordia Parish Sheriff and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2017. The Sheriff's management is responsible for those control and compliance areas identified in the SAUPs.

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

The procedures and associated findings are included in the attachment following this report.

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

A handwritten signature in cursive script that reads 'Silas Simmons, LLP'.

Natchez, Mississippi
January 31, 2018

CONCORDIA PARISH SHERIFF
 SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2017

Written Policies and Procedures

1. Procedures: Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts*, including receiving, recording, and preparing deposits.
 - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
 - h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures. Through our review, we were able to determine that the entity has appropriate written policies and procedures for the related topics with the exception of the budgeting, purchasing, disbursements, receipts, credit cards and other cards, and debt service sections. The Sheriff has a written policy and procedure in place for payroll/personnel, but it needs to be updated to comply with the statewide agreed upon procedures.

No exceptions were noted during the above procedures for travel and expense reimbursement and ethics.

Bank Reconciliations

3. Procedures: Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Findings: We prepared a list of bank accounts from the list management gave for bank confirmations.

No exceptions were noted during the above procedures.

4. Procedures: Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

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

Findings: We randomly selected six of the entity's seventeen bank accounts and obtained the related bank statements and reconciliations for all months in the fiscal period. We reviewed the bank reconciliations to report whether they were prepared, included evidence that management or a board member had reviewed each statement, and included documentation that management had researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

During our review of the bank reconciliations, we noted that one of the six accounts did not have a formal bank reconciliation and there was no evidence of review by a member of management on the reconciliations. During the review, we noted no items that had been outstanding for more than six months, as of the fiscal period, for accounts that had been reconciled.

While there was no formal bank reconciliation for the above mentioned account (due to minimal activity within said account), the account balance did reconcile. We recommend that the client begin performing a simple formal bank reconciliation for the account.

Collections

5. Procedures: Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Findings: We reviewed a listing of cash/check/money order collection locations and management's representation to determine that the listing is complete. There were two locations at the Sheriff's Office and one at the prison.

No exceptions were noted during the above procedures.

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

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

- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period.
- d) Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- e) Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings: We performed testing for the locations listed in procedure 5. During testing, we obtained written documentation verifying whether each person responsible for collecting cash was bonded; had no responsibilities for depositing cash in the bank, recording related transactions or reconciling bank statements; and had a separate cash register or drawer from other employees.

We obtained written documentation to determine whether the entity has a formal process to reconcile cash collections to the general ledger and subsidiary ledgers by a person that was not responsible for cash collections at the location. We selected the highest week of collections from the general ledger and traced daily collections to the deposit date on the bank statement to determine that the deposits were made within one day of collection. We also used sequentially numbered receipts to verify that cash collections were completely supported by documents.

No exceptions were noted during the above procedures.

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

Findings: We reviewed written documentation to determine that the entity has a process specifically defined to determine completeness of collections for each revenue source by a person who is not responsible for collections.

During our review of the above procedure, we noted that there is not written documentation to determine that the entity has a process, but the accountant was able to communicate how the process is performed and is working on placing the policy into writing.

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

- 8. Procedures: Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Findings: We reviewed a management listing of entity disbursements from the general ledger and obtained management's representation that the listing was complete.

No exceptions were noted during the above procedures.

9. Procedures: Using the disbursement population from procedure 8, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-Card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings: We obtained and reviewed documentation to determine that the Sheriff or the accountant approves all disbursements. There is no electronic system in place for the group but they utilize paper purchase requisitions and purchase orders. We determined that the Sheriff and the accountant reviewed and approved invoices before payment was processed.

No exceptions were noted during the above procedures.

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

Findings: We reviewed entity documentation to determine whether the party responsible for processing payment is prohibited from adding vendors to the entity's purchasing/disbursement system

During our review of collections, we noted that the clerk is only able to add vendor after receiving permission from the Sheriff or the accountant, but there was no written policy in place.

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

Findings: We inquired of management regarding their practices in initiating and approving disbursements for the entity to determine that the Sheriff approves all purchases and does not initiate any purchases.

There was no formal policy noted in the policies or any other entity documentation but the accountant was able to communicate the policy.

12. Procedures: Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings: We observed that the unused checks were kept in locked filing cabinets which are not accessible without a key. The payroll and accounts payable clerks have access but no signatory authority.

No exceptions were noted during the above procedures.

13. Procedures: If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings: We inquired of management to determine whether a signature stamp or signature machine was used. The entity does use signature stamps but keeps them locked: four in the Sheriff's office, one in the accountant's office, and one in the payroll office.

No exceptions were noted during the above procedures.

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

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

Findings: We inquired of management and received a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards, including the card numbers and the names of the persons who maintained possession of the cards. We also received representation from management that the listing was complete.

No exceptions were noted during the above procedures.

15. Procedures: Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Findings: We obtained the combined monthly statement for the cards used by the entity and the individual statements for each credit card and selected the month with the largest dollar activity for each statement. We reviewed the statement to determine whether there was evidence that it was reviewed and approved, in writing by someone other than the authorized card holder. We also reviewed the statement to determine whether finance charges and/or late fees were assessed on the statement.

No exceptions were noted during the above procedures.

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

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: Using the combined monthly statement from procedure 15, we obtained supporting documentation for all transactions to determine whether there was an original itemized receipt, documentation of the business/public purpose, and other required written documentation. We reviewed the monthly statement to compare the transaction's detail to the Louisiana Public Bid Law. We also compared the entity's documentation of business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.

No exceptions were noted during the above procedures.

Travel and Expense Reimbursement

17. Procedures: Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Findings: We inquired of management to obtain records of all travel and related expense reimbursements by person during the fiscal period.

No exceptions were noted during the above procedures.

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

Findings: We obtained the entity's written policies related to travel and expense reimbursements and compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration.

No exceptions were noted during the above procedures.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (procedure 18) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose. (Note: For meal charges, there should also be documentation of the individuals participating.)
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: Using the listing from procedure 17, we selected the three persons who incurred the most travel costs during the fiscal period. We reviewed the expense report to compare the documentation to written policies. The group pays each payee the state rate. We obtained the supporting documentation for each expense to determine the business purpose. We also determined that the Sheriff reviews and signs off on each expense report.

No exceptions were noted during the above procedures.

Payroll and Personnel

20. Procedures: Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Findings: We obtained a listing of employees with their related salaries and randomly selected five employees to determine if compensation paid to them was in compliance with the terms of their employment contract. We also checked for any changes made to hourly pay rates/salaries during the fiscal period. None of the five employees selected received a raise during the fiscal year.

No exceptions were noted during the above procedures.

21. Procedures: Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings: We selected 25 employees to determine if each selected employee documented their daily attendance and leave, whether there was written documentation that supervisors approved the attendance and leave of the selected employees/officials, and whether there is written documentation that the entity maintained written leave record on the selected employees.

No exceptions were noted during the above procedures.

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

Findings: We inquired with management as to whether any employees/officials were terminated during the fiscal period.

During our review, we noted that there was not a list of terminated employees, but the clerk communicated that there was a high turnover of employees who would return a few months later. Of the terminated employees who did not return, the two highest termination payments were found. The payments were made to two terminated employees and were made in accordance with policy.

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

Findings: We inquired with management as to whether the entity participates in retirement plans. We reviewed remittances and cancelled checks to verify payroll taxes were remitted timely to appropriate agencies.

No exceptions were noted during the above procedures.

Ethics (excluding nonprofits)

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

Findings: We obtained the personnel files on the five employees selected in procedure 22 from management to determine whether ethics training/compliance documentation was completed.

No exceptions were noted during the above procedures.

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

Findings: We inquired with management whether any alleged ethics violations were reported to the entity during the fiscal year.

No exceptions were noted during the above procedures.

Debt Service (excluding nonprofits)

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

Findings: Supporting documentation was reviewed for debt that was obtained and paid off in the fiscal year. Additionally, State Bond Commission approval was obtained.

No exceptions were noted during the above procedures.

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

Findings: The Sheriff obtained and paid off its bond in the fiscal year. There is no existing debt.

No exceptions were noted during the above procedures.

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

Findings: The entity did not have tax millages related to debt service. Therefore, this procedure was not applicable.

No exceptions were noted during the above procedures.

Other

29. Procedures: Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings: We inquired with management whether the entity had any misappropriations of public funds or assets. Per management, the entity was not aware of any misappropriations.

No exceptions were noted during the above procedures.

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

Findings: We observed whether the entity had posted on its premises and website the notice required by R.S. 24:523:1. The notice required by R.S. 24:523:1 was posted in the lobby of each location for both employees and customers to see.

No exceptions were noted during the above procedures.

31. Procedures: If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings: We did not observe or otherwise identify any exceptions regarding management's representations.

No exceptions were noted during the above procedures.