

ALLEN PARISH SHERIFF
OBERLIN, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

As of and for the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position-Governmental Activities	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet-governmental funds	10
Reconciliation of the Government Funds Balance Sheet to the Government-Wide Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Fiduciary Net Position	14
NOTES TO THE BASIC FINANCIAL STATEMENTS	15-41
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule-General Fund	43
Budgetary Comparison Schedule-General Fund Expenditures	44
Budgetary Comparison Schedule-E-911 Special Revenue Fund	45
Budgetary Comparison Schedule-Coushatta Tribe of Louisiana Community Grant Fund	46
Schedule of Changes to Total OPEB Liability and Related Ratios	47
Schedule of Employer's Share of Net Pension Liability	48
Schedule of Employer Contributions	49
Notes to the Required Supplementary Information	50
OTHER SUPPLEMENTARY INFORMATION	
Combining Statement of Fiduciary Net Position - Agency Funds	53
Combining Statement of Changes in Assets and Liabilities - Agency Funds	54
Community Grant Agreement-Coushatta Tribe of Louisiana	55
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	56
Affidavit-Tax Collector Fund	57
INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59-60
Schedule of Findings and Responses	61-62
Schedule of Prior Year Audit Findings	63

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INDEPENDENT AUDITOR'S REPORT

Honorable Douglas L. Hebert, III
Allen Parish Sheriff
Oberlin, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Allen Parish Sheriff as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Allen 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 43 through 46, schedule of changes to total OPEB liability and related ratios on page 47, and the schedule of employers' share of net pension liabilities, and the schedule of employer contributions on pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Sheriff's basic financial statements. The Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, Affidavit -Tax Collector Fund, and Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, Affidavit -Tax Collector Fund, and Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer 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 my opinion, the Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, Affidavit -Tax Collector Fund, and Schedule of Compensation, Benefits, & Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 27, 2018, on my consideration of the Allen Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Allen Parish Sheriff's internal control over financial reporting and compliance.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 27, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Statement of Net Position-Governmental Activities
June 30, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash - Interest bearing and non-interest bearing	\$ 6,324,577
Receivables	138,672
Prepaid assets	27,268
Due from other governmental units	707,135
Capital assets:	
Land	106,328
Construction in progress-jail	1,377,931
Depreciable assets, net	11,051,048
TOTAL ASSETS	<u>19,732,959</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,300,440</u>
LIABILITIES	
Accounts and other accrued payables	661,296
Interest payable	42,058
Long-term liabilities:	
Due within one year	207,701
Due in more than one year	9,705,000
Net pension liability	2,074,279
OPEB obligation	5,831,292
TOTAL LIABILITIES	<u>18,521,626</u>
DEFERRED INFLOWS OF RESOURCES	<u>390,856</u>
NET POSITION	
Net investment in capital assets	2,622,606
Restricted:	
Public safety	310,097
Debt service	11,114
Capital outlay	3,875,876
Unrestricted (deficit)	(4,698,776)
TOTAL NET POSITION	<u><u>\$ 2,120,917</u></u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Statement of Activities
For the Year Ended June 30, 2018

FUNCTIONS/ PROGRAMS	Program Revenues				Governmental Activities
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary Government:					
Governmental activities:					
Public safety	\$ 8,035,979	\$ 2,327,312	\$ 669,152	\$ 106,125	\$ (4,933,390)
Interest on long-term debt	362,261	-	-	241,532	(120,729)
Total governmental activities	<u>\$ 8,398,240</u>	<u>\$ 2,327,312</u>	<u>\$ 669,152</u>	<u>\$ 347,657</u>	<u>\$ (5,054,119)</u>
GENERAL REVENUES					
Taxes:					
Ad valorem, levied for general purposes					\$ 1,580,144
Sales and use					2,623,206
Local sources-Allen Parish Police Jury					240,000
State revenue sharing					129,839
Non-employer pension contributions					190,147
Interest and investment earnings					7,332
				Total General Revenues	<u>4,770,668</u>
CHANGE IN NET POSITION					(283,451)
NET POSITION-BEGINNING					5,081,983
PRIOR PERIOD ADJUSTMENT-IMPLEMENTATION OF GASB 75					<u>(2,677,615)</u>
NET POSITION-BEGINNING, AS RESTATED					<u>2,404,368</u>
NET POSITION-ENDING					<u>\$ 2,120,917</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

E-911 Special Revenue Fund

The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish.

Coushatta Tribe of Louisiana Community Grant Fund

The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

DEBT SERVICE FUND

The Debt Service Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2018

	General Fund	E-911 Fund	Coushatta Tribe of Louisiana Community Grant Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash - Interest bearing	\$ 1,925,742	\$ 109,435	\$ 88,523	\$ 11,114	\$ 4,189,763	\$ 6,324,577
Receivables:						
Due from other governmental units	707,135	-	-	-	-	707,135
Due from other funds	53,593	-	-	-	-	53,593
Other	-	42,956	95,716	-	-	138,672
TOTAL ASSETS	\$ 2,686,470	\$ 152,391	\$ 184,239	\$ 11,114	\$ 4,189,763	\$ 7,223,977
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 114,298	\$ -	\$ -	\$ -	\$ 313,887	\$ 428,185
Accrued payroll liabilities	233,111	-	-	-	-	233,111
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	53,593	-	-	-	53,593
Total Liabilities	347,409	53,593	-	-	313,887	714,889
Deferred inflows of resources:						
Unavailable revenue	2,964	-	-	-	-	2,964
Total Deferred Inflows of Resources	2,964	-	-	-	-	2,964
Fund balances:						
Restricted:						
Public safety	27,060	98,798	184,239	-	-	310,097
Debt service	-	-	-	11,114	-	11,114
Capital Outlay	-	-	-	-	3,875,876	3,875,876
Unassigned	2,309,037	-	-	-	-	2,309,037
Total Fund Balances	2,336,097	98,798	184,239	11,114	3,875,876	6,506,124
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,686,470	\$ 152,391	\$ 184,239	\$ 11,114	\$ 4,189,763	\$ 7,223,977

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2018

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS
AT JUNE 30, 2018 \$ 6,506,124

Total net position reported for governmental activities in the
Statement of Net Position is different because:

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

Capital assets, net of accumulated depreciation 12,535,307

Certain insurance costs which are reported as expenditures in the year incurred
in the governmental funds will benefit future periods and are recorded
as prepaid insurance on the statement of net position. 16,933

Certain lease costs which are reported as expenditures in the year incurred
in the governmental funds will benefit future periods and are recorded
as prepaid lease payments on the statement of net position. 10,335

Certain property tax revenue receivable that will not be
collected within 60 days of year end are not considered
available in the governmental funds. 2,964

Certain liabilities are not due and payable in the current
period and accordingly are not reported as fund
liabilities. All liabilities are reported in the statement
of net position.

Accrued interest payable	\$ (42,058)	
Deferred outflows of resources	1,300,440	
Deferred inflows of resources	(390,856)	
Net pension liability	(2,074,279)	
OPEB obligation	(5,831,292)	
Revenue bonds payable	(9,905,000)	
Capital leases payable	(7,701)	<u>(16,950,746)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES
AT JUNE 30, 2018 \$ 2,120,917

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	GENERAL FUND	E-911 FUND	COUSHATTA TRIBE OF LOUISIANA COMMUNITY GRANT FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes:						
Ad valorem taxes	\$ 1,577,902	\$ -	\$ -	\$ -	\$ -	\$ 1,577,902
Sales taxes	2,623,206	-	-	-	-	2,623,206
Intergovernmental revenues -						
Federal grants	54,668	-	-	-	-	54,668
State grants	101,482	-	-	-	-	101,482
State revenue sharing	129,839	-	-	-	-	129,839
State supplemental pay	218,233	-	-	-	-	218,233
Local sources	150,291	-	410,378	240,000	-	800,669
Fees, charges and commissions for services:						
Civil and criminal fees	125,431	-	-	-	-	125,431
Court attendance	11,730	-	-	-	-	11,730
E-911 revenue	-	283,421	-	-	-	283,421
Feeding and keeping prisoners	1,330,800	-	-	-	-	1,330,800
Transporting prisoners	73,362	-	-	-	-	73,362
Other	380,871	-	-	-	-	380,871
Fines and forfeitures	121,697	-	-	-	-	121,697
Interest	4,782	80	10	32	2,428	7,332
TOTAL REVENUES	6,904,294	283,501	410,388	240,032	2,428	7,840,643
EXPENDITURES						
Current -						
Public safety:						
Personal services and related benefits	4,917,605	-	-	-	-	4,917,605
Operating services	275,675	237,963	-	-	72,672	586,310
Operations and maintenance	1,126,575	-	-	-	-	1,126,575
Intergovernmental transfer - APPJ	120,955	-	-	-	-	120,955
Capital outlay	291,347	-	-	-	1,160,400	1,451,747
Debt service:						
Principal	30,231	11,843	-	140,000	-	182,074
Interest	723	132	-	340,497	-	341,352
TOTAL EXPENDITURES	6,763,111	249,938	-	480,497	1,233,072	8,726,618
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	141,183	33,563	410,388	(240,465)	(1,230,644)	(885,975)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	144,478	-	-	241,532	106,125	492,135
Operating transfers out	(142,667)	-	(349,468)	-	-	(492,135)
Proceeds from the issuance of debt	-	-	-	-	5,000,000	5,000,000
TOTAL OTHER FINANCING SOURCES (USES)	1,811	-	(349,468)	241,532	5,106,125	5,000,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	142,994	33,563	60,920	1,067	3,875,481	4,114,025
FUND BALANCES, BEGINNING	2,193,103	65,235	123,319	10,047	395	2,392,099
FUND BALANCES, ENDING	\$ 2,336,097	\$ 98,798	\$ 184,239	\$ 11,114	\$ 3,875,876	\$ 6,506,124

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
 Oberlin, Louisiana
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2018

NET CHANGE IN FUND BALANCE-TOTAL
 GOVERNMENTAL FUNDS \$ 4,114,025

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

Governmental funds report capital outlays as expenditures,
 however, in the statement of activities the cost of those
 assets is allocated over their estimated useful lives and
 reported as depreciation expense. This is the amount by
 which capital outlay exceeded depreciation expense:

Capital outlay	\$ 1,442,148	
Depreciation expense	<u>(698,376)</u>	743,772

In the statement of activities some expenses do not require
 the use of current financial resources and therefore are not
 reported as expenditures in the governmental funds.

OPEB obligations exceed the prior year obligations		(448,242)
Current year accrued interest payable exceeded the prior year payable		(20,909)
Principal payments		182,074

Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(5,000,000)
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Certain retirement benefit expenses reported in the Statement of Activities do do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		139,921
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Certain property tax revenues receivable will not be collected for several months after year end are not considered available in the governmental funds.		2,242
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The governmental funds report sales of capital outlay as other revenue, where the statement of activities reports either a gain or loss on the sale		(1,201)
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The governmental funds report certain expenditures when paid, where the statement of activities record expenditures in the period benefited as follows:		
Prepaid lease expense		5,118
Prepaid insurance		<u>(251)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (283,451)</u>
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The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 447,297
Due from others	6,081
Total assets	<u>\$ 453,378</u>
LIABILITIES	
Due to others	\$ 16,254
Due to taxing bodies and others	437,124
Total liabilities	<u>\$ 453,378</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Allen Parish Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing court orders, 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, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Allen Parish Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basis of Presentation

The accompanying financial statements of the Allen Parish Sheriff have been prepared in conformity with generally accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statement (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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

Fund Financial Statements (FFS)

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the Sheriff are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Sheriff reports the following governmental funds:

General Fund – is the primary operating fund of the Sheriff and it accounts for all financial resources except those that are 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 the Sheriff's policy.

E-911 Special Revenue Fund-The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish. The Sheriff signed an intergovernmental agreement with the Allen Parish Police Jury on October 31, 1997 and assumed responsibility for the operation of the Allen Parish enhanced 911 services. Revenue to operate the service comes from a telephone service charge on local telephone service supplied within the parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Coushatta Tribe of Louisiana Community Grant Fund - The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

The Debt Service Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

Capital Projects Fund is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections), the welfare of inmates in the parish jail, and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. The agency funds use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the governmental funds 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 balance reports on the sources (i.e., revenues and other financial 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 the Sheriff's operations.

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. 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.

The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus/Basis of Accounting (Continued)

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gain, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 revenue when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased. Debt service expenditures are recorded only when due.

Unearned Revenues

Unearned revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budget Practices

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgeting is employed as a management control device during the year for the general and special revenue funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
3. 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.
4. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
5. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Any budgetary amendments must be approved by the Sheriff and are published in the official journal. Budget amounts included in the accompanying financial statements include the original adopted budget and the final amendment, if any.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

G. Prepaid Expenditures

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items. The prepaid items that existed at June 30, 2018 consisted of insurance and vehicle lease payments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. Capital Assets

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.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	25-40 years
Equipment and furniture	5-12 years
Vehicles	5 years

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of revenue bonds payable and capital leases payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

L. Compensated Absences

After six months of service, employees of the Sheriff's office are granted from one to three weeks of non-cumulative vacation leave annually. Sick leave is granted at the discretion of the Sheriff. At June 30, 2018, the Sheriff had no vested leave benefits required to be reported in accordance with generally accepted accounting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications

Government-wide statements –

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

As of June 30, 2018, the Sheriff had \$4,197,087 in restricted net position for public safety, debt service, and capital outlay.

Fund financial statements –

Governmental fund equity is classified as fund balance. As such, fund balance of the governmental funds are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for the specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority. Commitments cannot be used for any other purpose unless the same action/person that established them decides to modify or remove them.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Amounts can only be assigned by the Sheriff.
5. Unassigned – all other spendable amounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications (Continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

As of June 30, 2018, the Sheriff did not have any non-spendable, assigned, or committed fund balances. The Sheriff had a restricted fund balance in the general fund of \$27,060 for public safety, a restricted fund balance in the E-911 fund of \$98,798 for public safety, a restricted fund balance in the Coushatta Tribe of Louisiana Community Grant Fund of \$184,239 for public safety, a restricted fund balance in the Debt Service Fund of \$11,114 for debt service, and a restricted fund balance in the Capital Projects Fund of \$3,875,876 for capital outlay.

N. Estimates

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

O. Interfund Transactions

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

P. 1% Sales and Use Tax

Proceeds of the 1% sales tax and use tax levied by the Sheriff can be used for most operational expenditures. This tax does not expire.

2. CASH AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Allen Parish Sheriff, the Sheriff maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The Sheriff places no limit on the amount the Sheriff may invest in any one issuer. The Sheriff does not have a policy for custodial credit risk.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

2. CASH AND INVESTMENTS (Continued)

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the Sheriff has deposits with financial institutions (book balances) totaling \$6,771,874 as follows:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Interest bearing deposits	\$ 6,324,577	\$ 378,243	\$ 6,702,820
Demand deposits	-	69,054	69,054
	<u>\$ 6,324,577</u>	<u>\$ 447,297</u>	<u>\$ 6,771,874</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held by the pledging financial institution's trust department or agent, in the District's name.

Deposit balances (collected bank balances) at June 30, 2018 are secured as follows:

At June 30, 2018, the Sheriff has \$7,119,675 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance, \$644,278 of pledged securities held by the pledging financial institution's trust department or agent, in the District's name, and a \$7,500,000 irrevocable letter of credit to which the Sheriff is the beneficiary.

3. AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff by November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. The taxes are based on assessed values determined by the Tax Assessor of Allen Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

The Sheriff has authorized and levied an ad valorem tax of 17.35 mills.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

4. RECEIVABLES

Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2018 consist of the following:

	<u>General Fund</u>
Grants	\$ 27,060
State supplemental pay	18,500
Salary agreement with the Allen Parish District Attorney	5,223
Fees, charges, and commissions for services:	
Civil and criminal fees	32,664
Feeding and keeping prisoners	139,689
Ad valorem taxes	4,794
Sales taxes	454,575
Miscellaneous	24,630
Total	<u>\$ 707,135</u>

Other Receivables

Other receivables at June 30, 2018 are as follows:

Telephone commission – E-911 Special Revenue Fund	\$ 42,956
Local source – Coushatta Tribe Community Grant Fund	95,716
Total	<u>\$ 138,672</u>

All receivables are deemed fully collectible, and accordingly, no allowance has been provided.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 106,328	\$ -	\$ -	\$ 106,328
Construction in progress-jail	217,745	1,160,186	-	1,377,931
Total capital assets not being depreciated	<u>\$ 324,073</u>	<u>\$ 1,160,186</u>	<u>\$ -</u>	<u>\$ 1,484,259</u>
Capital assets being depreciated				
Buildings and improvements	\$ 10,728,374	\$ 15,995	\$ -	\$ 10,744,369
Office equipment and furniture	2,348,771	56,497	-	2,405,268
Vehicles	1,482,358	209,469	187,733	1,504,094
Total capital assets being depreciated	<u>\$ 14,559,503</u>	<u>\$ 281,961</u>	<u>\$ 187,733</u>	<u>\$ 14,653,731</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (864,372)	\$ (271,758)	\$ -	\$ (1,136,130)
Office equipment and furniture	(1,295,959)	(221,039)	-	(1,516,998)
Vehicles	(930,509)	(205,579)	186,533	(949,555)
Total accumulated depreciation	<u>\$ (3,090,840)</u>	<u>\$ (698,376)</u>	<u>\$ 186,533</u>	<u>\$ (3,602,683)</u>

Depreciation expense, which includes amortization expense for capital leases, of \$698,376 for the year was charged to public safety. Major additions include police vehicles, construction in progress and radio/video equipment.

For the year ended June 30, 2018 the Sheriff had \$143,603 in vehicle camera system equipment, with related accumulated amortization of \$136,424, that was classified as a capital lease and is attributable to governmental activities.

6. OPERATING LEASE

The Sheriff currently leases three vehicles used for officer transportation under two non-cancelable operating lease agreements. The lease agreements began February 2, 2016 and November 9, 2017 and are each for a term of four years. The monthly fees for the leases are \$866.04 and \$422.28, respectively. The total lease expense for the year ended June 30, 2018 totaled \$18,375. The following is a schedule of the future minimum lease payments due to others under these lease agreements.

Year ending June 30,	
2019	15,456
2020	11,992
2021	5,064
2022	2,110

7. LONG-TERM OBLIGATIONS

The Sheriff's long-term obligations include debt issues for the purpose of constructing a new jail and later expanding the jail are attributable to governmental activities. Also, the purchase of cameras via capital lease is also attributable to governmental activities. The following is a summary of changes in long-term obligations for the year ended June 30, 2018.

	Revenue Bonds	Capital Leases	Total
Long-term obligations at beginning of year	\$ 5,045,000	\$ 52,703	\$ 5,097,703
Additions	5,000,000	-	5,000,000
Reductions	(140,000)	(45,002)	(185,002)
Long-term obligations at end of year	<u>\$ 9,905,000</u>	<u>\$ 7,701</u>	<u>\$ 9,912,701</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the revenue bonds payable and capital leases payable as of June 30, 2018:

	Revenue Bonds	Capital Leases	Total
Current portion	\$ 200,000	\$ 7,701	207,701
Long-term portion	9,705,000	-	9,705,000
Total	<u>\$ 9,905,000</u>	<u>\$ 7,701</u>	<u>9,912,701</u>

The capital leases, summarized above, consists of capital lease obligations under the following instruments and contracts:

\$143,603 capital lease dated September 26, 2013, due in monthly installments of \$2,580 through October 25, 2018; interest at 2.99 percent; secured by vehicle camera systems.	<u>\$ 7,701</u>
Total Capital Leases Payable	<u>\$ 7,701</u>

The long-term debts represented by the capital leases are due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 7,701	\$ 40	\$ 7,741
Total	<u>\$ 7,701</u>	<u>\$ 40</u>	<u>\$ 7,741</u>

7. LONG-TERM OBLIGATIONS (Continued)

The Sheriff issued \$5,500,000 in Revenue Bonds, Series 2013, during the fiscal year ending June 30, 2015. These bonds were issued for the purpose of constructing a new jail in Allen Parish. The revenue bonds are to be retired from the payments from the Allen Parish Police Jury agreed to in the cooperative endeavor agreement with the Sheriff and the Allen Parish Law Enforcement District and from funds derived from the Coushatta Tribe of Louisiana Community Grant. The revenue bonds are secured by and payable from a pledge and dedication of the ad valorem taxes received by the Sheriff, the Coushatta Tribe of Louisiana Community Grant, and the cooperative endeavor agreement with the Allen Parish Police Jury.

The Sheriff issued \$5,000,000 in Revenue Bonds, Series 2017, during the fiscal year ending June 30, 2018. These bonds were issued for the purpose of expanding the jail in Allen Parish. The revenue bonds are to be retired from receipts derived from facilities owned and operated by the Allen Parish Sheriff's Office and the Coushatta Tribe of Louisiana Community Grant. The revenue bonds are secured by and payable from a pledge of revenues derived from the facility, sinking bank account balances, dedication of the ad valorem taxes received by the Sheriff, the Coushatta Tribe of Louisiana Community Grant and mortgage on the facility and land.

The Sheriff had bonds outstanding at June 30, 2018 totaling \$9,905,000 which solely consisted of revenue bonds with maturities from 2019 to 2047 and interest rates from 0.10% to 6.00%. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
Revenue Bond Series 2013	\$ 5,500,000	.10 % - 5.40%	6/1/2043	\$ 3,963,443	\$ 4,925,000
Revenue Bond Series 2017	\$ 5,000,000	5.00% - 6.00%	6/1/2047	\$ 5,654,002	\$ 4,980,000

At June 30, 2018, the Sheriff has accumulated \$11,114 in the debt service funds for future debt requirements. The long-term debt represented by the revenue bonds are due as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 200,000	\$ 504,658	\$ 704,658
2020	200,000	497,745	697,745
2021	210,000	490,483	700,483
2022	220,000	482,463	702,463
2023	225,000	473,816	698,816
2024-2028	1,280,000	2,218,773	3,498,773
2029-2033	1,600,000	1,899,830	3,499,830
2034-2038	2,055,000	1,455,698	3,510,698
2039-2043	2,660,000	839,751	3,499,751
2044-2047	1,255,000	193,800	1,448,800
Total	\$ 9,905,000	\$ 9,057,017	\$ 18,962,017

The revenue bond agreement contains various requirements relating to reserves, sinking funds, etc. The Sheriff met all requirements for the year ended June 30, 2018.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

8. PENSION PLAN

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

Plan description: Employees of the Sheriff are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of Sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issues a publicly available financial report that may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

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

Retirement: For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowances is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service, the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

For a member whose first employment making him eligible for membership in the system began after June 30, 2006, and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

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

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

8. PENSION PLAN (CONTINUED)

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

Disability benefits: A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

Survivor's benefits: Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

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

8. PENSION PLAN (CONTINUED)

Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75% with an additional 0.0% allocated from the Funding Deposit Account.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$190,147 and excluded from pension expense for the year ended June 30, 2018.

Employer allocations: The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required projected employer contributions are used to determine the proportionate relationship of each employer to all employers of Sheriffs' Pension and Relief Fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year. The employers' projected contribution effort was actuarially determined by the Fund's actuary, G.S. Curran & Company.

The employers' projected contribution effort was calculated by multiplying the projected future compensation of active members in the Fund on June 30, 2017, by the next fiscal year's employers' actuarially required contribution rate. Compensation was determined as follows: 1) Actual earned compensation for active members enrolled in the Fund the entire fiscal year, plus 2) Annualized compensation for active members on June 30, 2017, enrolled in the Fund for a portion of the fiscal year. Annualized compensation was calculated using actual compensation and the employee's date of hire.

The payroll factor was actuarially determined using salary assumptions for expected net changes in active members plus expected new hires and their payroll over the next fiscal year.

Pension liabilities, Pension expense, Deferred outflows of resources, and Deferred inflows of resources related to pensions: At June 30, 2018, the Sheriff reported a liability of \$2,074,279 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Sheriff's proportion was .479018%, which was an increase of .0767% from its proportion measured as of June 30, 2016.

At June 30, 2018, the contractually required contributions to the pension plan payable at year end totaled \$49,743. These amounts are remitted monthly for the previous month and are equal to 12.75% of the employees' salary.

8. PENSION PLAN (CONTINUED)

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$482,123 less employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	-	\$ 361,084
Net difference between projected and actual earnings on pension plan investments		29,772
Change in assumption	364,980	-
Change in proportion	497,783	-
Employer contributions made subsequent to measurement date	437,677	-
Total	\$ 1,300,440	\$ 390,856

Deferred outflows of resources of \$437,677 related to pensions resulting from the Sheriff’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 242,492
2020	140,253
2021	(82,577)
2022	171,739
	\$ 471,907

Contributions–proportionate share: Differences between contributions remitted to the Fund and the employer’s proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Actuarial assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of pension plan’s fiduciary net position.

8. PENSION PLAN (CONTINUED)

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

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	7.5% per annum
Inflation Rate	5.5% per annum
Mortality	RP-2000 Employee Mortality Table (set back 1 yr.) RP-2000 Disabled Lives Mortality Table RP-2000 Healthy Annuitant Mortality Table (set back 1 yr.)
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.

Discount rate: The discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

<u>Asset Class</u>	<u>Expected Rate of Return</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Equity Securities	60%	7.4%	4.4%
Bonds	25	2.9	0.7
Alternative Investments	15	4.2	0.6
Cash and Cash Equivalents	-	-	-
Totals	<u>100%</u>		<u>5.7%</u>
Inflation			<u>2.6</u>
Expected Arithmetic Nominal Return			8.3%

8. PENSION PLAN (CONTINUED)

Sensitivity of the employer’s proportionate share of the net pension liability to changes in the discount rate: The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.5%, as well as what the Employer’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.4%) or one percentage-point higher (8.4%) than the current rate:

	Change in Discount Rate		
	1% Decrease	Current	1% Increase
	6.40%	7.40%	8.40%
Net Pension Liability	\$ 4,273,562	\$ 2,074,279	\$ 223,882

Change in net pension liability: The changes in the net pension liability for the year ended June 30, 2018 were recognized in the current reporting period except as follows:

- a. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual resulted in a deferred inflow of resources in the amount of \$361,084 for the year ended June 30, 2017.
- b. Differences between projected and actual investment earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The differences between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of \$29,772 for the year ended June 30, 2017.
- c. Changes of assumptions or other inputs: Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$364,980 or the year ended June 30, 2017.
- d. Change in proportion: Changes in employer’s proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in the employer’s pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$497,783 for the year ended June 30, 2017.

9. DEFERRED COMPENSATION PLAN

The Sheriff offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, \$20 per month, and contribute up to 100% of taxable compensation, not to exceed \$18,500 for the year ended June 30, 2018. The Sheriff does not match any contributions to this plan. Employee contributions for the year ended June 30, 2018 were \$6,720.

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway Suite 702; Baton Rouge, LA 70808; (800)937-7604 or (225)926-8086.

10. CHANGES IN AGENCY FUND BALANCES

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

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Agency funds:				
Sheriff's Fund	\$ 424,211	\$ 1,091,855	\$ 1,102,126	\$ 413,940
Tax Collector Fund	61,843	15,212,445	15,265,862	8,426
Inmate Welfare Fund	16,956	288,214	290,412	14,758
Total	<u>\$ 503,010</u>	<u>\$ 16,592,514</u>	<u>\$ 16,658,400</u>	<u>\$ 437,124</u>

11. LITIGATION & CLAIMS

At June 30, 2018, there were outstanding suits seeking damages against the Sheriff. Although the outcome of these suits is not presently determinable, the opinion of the Sheriff and legal counsel is that resolution of this matter would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

12. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE ALLEN PARISH POLICE JURY

Part of the Sheriff's office is located in the parish courthouse and parish jail. The Allen Parish Police Jury, as required by statute, pays the cost of maintaining and operating the parish courthouse and the parish jail. These expenditures are not included in the accompanying basic financial statements.

13. RISK MANAGEMENT

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

14. POST RETIREMENT BENEFITS OTHER THAN PENSION

The adoption date for the new GASB 75 OPEB accounting standard was for Fiscal Year beginning July 1, 2017. The standard sets the method for determining the Sheriff's Total and Net OPEB Liability. Changes in benefit terms are recognized immediately. Changes in assumptions and experience gains/losses are amortized over the average remaining service of active employees and inactive participants. Investment gains/losses are amortized over five years.

14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Plan Description- The Sheriff contributes to a single-employer defined benefit health care plan (“the Retiree Health Plan”). The plan provides certain healthcare and life insurance benefits for eligible retirees and their spouses through the Sheriff’s group health insurance plan, which covers both active and retired members. Pursuant to LA Revised Statute 33:1448(G), the Sheriff is required to pay 100% of the premiums on group health insurance and the first \$10,000 of life insurance for any deputy who, upon retirement, has attained the age of 55 with at least 15 years of service or has retired with 30 years of service at any age or has 10 years of service at age 60. Retirees may choose to continue coverage for their spouse at the retiree’s expense. The Sheriff has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy- The monthly premiums for the retiree are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits as expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis and assets are not accumulated in a trust to pay related benefits. The Sheriff retains an obligation for benefits in the event of the insurance company’s insolvency.

Actuarial Methods and Assumptions

The Total OPEB Liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Method	Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan’s benefit formula. This allocation is based on each participant’s service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	3.88% (.88% real rate of return plus 3.00% inflation)

14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Average Per Capita Claim Cost:

Age	Medical
55	8,559
56	8,816
57	9,080
58	9,353
59	9,633
60	9,922
61	10,220
62	10,527
63	10,842
64	11,168

The annual per capita medical cost for age 65 and older is the annualized Medical supplement premium of \$4,608.96. The annual per capital dental/vision cost is a level \$190.56.

Health Care Cost Trend	Level 5.00% for medical and level 2.00% for dental/vision.
Mortality	RP-2014 Total Table with Projection MP-2015
Turnover	Rates varying by year of service. Sample rates: YOS=3 YOS=8 YOS=13 12.00% 6.00% 2.50%
Disability	None assumed
Retirement Rates	Rates vary by age from 55 to 65 with 100% retirement rate assumed at age 65 and above.
Retiree Contributions	Retirees hired prior to July 1, 2015 do not contribute for individual coverages. Retirees hired after that date contribute based on the years of service at retirement. The retiree pays the full contribution for any elected dependent coverage.

OPEB Plan – Number of Employees Covered

Inactive employees currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	-0-
Active employees	<u>79</u>
Total	<u>102</u>

14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Changes in Total OPEB Liability

Balance at June 30, 2017	\$ 5,383,050
Changes for the year:	
Service Cost	388,139
Interest	220,805
Differences between expected and actual experience	-
Changes in Assumptions/Inputs	-
Change in Benefit Terms	-
Benefit payments	(160,702)
Administrative Expense	-
Net Changes	448,242
Balance at June 30, 2018	\$ 5,831,292

Sensitivity of the Total OPEB Liability

	1% Decrease	No Change	1% Increase
Discount Rate	\$ 5,050,599	\$ 5,831,292	\$ 6,857,215
Healthcare Cost Trend Rates	\$ 4,960,903	\$ 5,831,292	\$ 6,941,175

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

OPEB Expense		
Service Cost		\$ 388,139
Interest on Liabilities		\$ 220,805
Differences between expected and actual experience		\$ -
Changes in Assumptions/Inputs		\$ -
Change in Benefit Terms		\$ -
Total OPEB Expense		\$ 608,944

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

Year Ended June 30:		
2019		-
2020		-
2021		-
2022		-
2023		-
Thereafter		-

15. SUBSEQUENT EVENT REVIEW

The Sheriff has evaluated subsequent events through the date of the audit report, the date which the financial statements were available to be issued.

16. REPORTING REQUIREMENTS FOR WIRELESS E911 SERVICE

In accordance with LRS (R.S.) 33:9101 through 9131 the Sheriff reports the following required information:

- Total emergency telephone service charges collected for the year were \$283,421.
- Radio and computer equipment purchases totaled \$17,181.
- Status of the implementation of the wireless E911 system – Phase I and II have been completed as of June 30, 2015.

17. COMMITMENT

On April 19, 2013 the Sheriff entered into a cooperative endeavor agreement with the Allen Parish Police Jury and the Allen Parish Law Enforcement District for the housing of parish inmates and the construction and operation of a new facility to replace the current jail owned by the police jury. The police jury shall pay a maximum annual fee of \$240,000 or a minimum annual fee representing the actual payment amount which the District owes in regard to the new facility. The fee shall be paid by the police jury beginning in the fiscal year in which construction begins. Once the District’s loan obligations are paid off, the police jury no longer will be required to make any payments to the District. The police jury will then have the right to lease said facility for a term of 99 years for \$1 and other valuable considerations. Construction began during 2014 and was completed in 2016. Also, included in the cooperate endeavor agreement with the Allen Parish Police Jury is the provision to split all profits made from the housing of state, local, or federal prisoners on a 50/50 basis. During fiscal year ending June 30, 2018, the Sheriff made payments to the Allen Parish Police Jury in the amount of \$120,955 resulting from the housing of U.S. Immigration and Customs Enforcement (ICE) inmates.

18. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at the end of the year was \$8,426.

1. The amount of taxes collected for the current year is as follows:

<u>Taxing Authority</u>	<u>Taxes Collected</u>
Allen Parish Ambulance Service District No. 1	\$ 496,240
Fire Protection District No. 2	117,077
Fire Protection District No. 3	52,474
Fire Protection District No. 4	274,787
Fire Protection District No. 5	227,381
Fire Protection District No. 6	270,700
Bayou Blue Gravity Drainage District No. 1	132,676
Allen Parish Hospital Service District	779,954
Allen Parish Library	992,853
Allen Parish Mosquito Abatement District	734,767
Allen Parish Police Jury	3,225,570
Recreation District No. 1 (Oakdale)	95,993
Recreation District No. 2 (Kinder)	140,454
Recreation District No. 3 (Elizabeth)	27,827
Recreation District No. 5 (Oberlin)	58,079
Recreation District No. 6 (Reeves)	171,542
Allen Parish School Board	4,369,938
Allen Parish Sheriff	1,593,525
Allen Parish Tax Assessor	482,191
Jefferson Davis Parish School Board	76,273
Louisiana Department of Agriculture & Forestry	21,323
Louisiana Tax Commission	11,440
Totals	<u>\$ 14,353,064</u>

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

18. EX-OFFICIO TAX COLLECTOR (CONTINUED)

2. The amount of taxes assessed and uncollected is as follows:

<u>Taxing Authority</u>	<u>Taxes Uncollected</u>
Allen Parish Ambulance Service District No. 1	\$ 3,514
Fire Protection District No. 2	2,437
Fire Protection District No. 3	11
Fire Protection District No. 4	807
Fire Protection District No. 5	695
Bayou Blue Gravity Drainage District No. 1	450
Allen Parish Hospital Service District	5,523
Allen Parish Library	5,788
Allen Parish Mosquito Abatement District	4,284
Allen Parish Police Jury	23,943
Recreation District No. 1 (Oakdale)	514
Recreation District No. 2 (Kinder)	371
Recreation District No. 5 (Oberlin)	178
Recreation District No. 6 (Reeves)	3,570
Allen Parish School Board	24,753
Allen Parish Sheriff	9,290
Allen Parish Tax Assessor	2,811
Jefferson Davis Parish School Board	82
Totals	<u>\$ 89,021</u>

Approximately 0.6% of the total tax levied has yet to be collected. Reasons for not collecting include:

- Adjudications
- Bankruptcies
- NSF payments
- Dual assessments
- Assessments under review
- Insufficient notice on tax sale
- Businesses closed
- Pending court cases

19. OCCUPATIONAL LICENSES COLLECTED

Collections settled during the year for occupational licenses and beer/liquor licenses are as follows:

	<u>Collected</u>	<u>Collection Cost</u>	<u>Settled</u>	<u>Unsettled</u>
Allen Parish Police Jury-				
Occupational	\$ 117,796	\$ (17,669)	\$ (100,127)	\$ 4,848
Beer/liquor	560	(84)	(476)	-
Allen Parish Sheriff-				
Commission	-	17,753	-	855
Total	<u>\$ 118,356</u>	<u>\$ -</u>	<u>\$ (100,603)</u>	<u>\$ 5,703</u>

20. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

At June 30, 2018 the Sheriff had deferred outflows of resources in the government-wide financial statements totaling \$1,300,440 and deferred inflows of resources in the government-wide financial statements totaling \$390,856. See Note 8 for additional disclosures.

Unavailable revenues are reported in governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At June 30, 2018, governmental funds’ revenues that have been earned but are unavailable are \$2,964.

21. DISTRIBUTION OF STATE REVENUE SHARING FUNDS

Collections settled during the year for state revenue sharing funds are as follows:

	Collected	Settled	Unsettled
Allen Parish School Board	\$ 88,537	\$ 88,537	\$ -
Allen Parish Police Jury	178,124	178,124	-
Allen Parish Sheriff	129,839	129,839	-
Allen Parish Library	56,523	56,523	-
Recreation District No. 3 (Elizabeth)	2,420	2,420	-
Recreation District No. 1 (Oakdale)	3,143	3,143	-
Allen Parish Tax Assessor	36,500	36,500	-
Jefferson Davis Parish School Board	2,176	2,176	-
Pension Funds	9,468	9,468	-
	<u>\$ 506,730</u>	<u>\$ 506,730</u>	<u>\$ -</u>

22. PRIOR PERIOD ADJUSTMENT

The Sheriff has implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer. As result of this implementation, the beginning net position previously reported as of June 30, 2017, has been restated to reflect the net OPEB liability as of that measurement date. The July 1, 2017, beginning balances of the net position of the government-wide statement of activities were restated as follows:

	Governmental Activites
Net position - beginning, as previously reported	\$ 5,081,983
Prior period adjustment - Implementation of GASB 75	
Net OPEB liability (measurement date)	(2,677,615)
Total prior period adjustment	(2,677,615)
Net position - beginning, as restated	<u>\$ 2,404,368</u>

23. CONSTRUCTION COMMITMENT

At June 30, 2018, the Sheriff had one uncompleted construction contract relating to the expansion of the jail facility in the capital projects fund. As of June 30, 2018, the total jail expansion costs equal \$1,377,931. The Sheriff projects the total cost of this jail expansion project to reach \$5,416,242 and to be completed in April 2019.

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Budgetary Comparison Schedule-General Fund
For the Year Ended June 30, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes	\$ 1,500,000	\$ 1,604,499	\$ 1,577,902	\$ (26,597)
Sales taxes	2,350,000	2,602,000	2,623,206	21,206
Intergovernmental revenues -				
Federal grants	100,000	85,137	54,668	(30,469)
State grants	100,000	85,137	101,482	16,345
State revenue sharing	130,000	129,837	129,839	2
State supplemental pay	200,000	212,100	218,233	6,133
Local sources	195,000	263,800	150,291	(113,509)
Fees, charges, and commissions for services:				
Civil and criminal fees	292,000	269,580	125,431	(144,149)
Court attendance	11,500	11,683	11,730	47
Feeding and keeping prisoners	1,285,000	1,382,356	1,330,800	(51,556)
Transporting prisoners	20,000	23,000	73,362	50,362
Fines and forfeitures	15,000	11,000	121,697	110,697
Other	98,500	142,447	380,871	238,424
Interest earnings	1,100	1,250	4,782	3,532
TOTAL REVENUES	<u>6,298,100</u>	<u>6,823,826</u>	<u>6,904,294</u>	<u>80,468</u>
EXPENDITURES				
Current -				
Public safety:				
Personal services and related benefits	4,823,000	5,299,730	4,917,605	382,125
Operating services	223,000	230,447	275,675	(45,228)
Operations and maintenance	934,000	1,107,790	1,113,959	(6,169)
Travel and other charges	7,500	13,750	12,616	1,134
Intergovernmental transfer - APPJ	220,000	130,000	120,955	9,045
Capital outlays	270,000	178,326	291,347	(113,021)
Debt service:				
Principal	62,500	58,328	30,231	28,097
Interest	6,500	1,000	723	277
TOTAL EXPENDITURES	<u>6,546,500</u>	<u>7,019,371</u>	<u>6,763,111</u>	<u>256,260</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(248,400)</u>	<u>(195,545)</u>	<u>141,183</u>	<u>336,728</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	300,000	145,000	144,478	(522)
Operating transfers out	-	-	(142,667)	(142,667)
Total other financing sources (uses)	<u>300,000</u>	<u>145,000</u>	<u>1,811</u>	<u>(143,189)</u>
NET CHANGE IN FUND BALANCE	<u>51,600</u>	<u>(50,545)</u>	<u>142,994</u>	<u>193,539</u>
FUND BALANCE, BEGINNING	<u>2,193,103</u>	<u>2,193,103</u>	<u>2,193,103</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,244,703</u>	<u>\$ 2,142,558</u>	<u>\$ 2,336,097</u>	<u>\$ 193,539</u>

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
GENERAL FUND EXPENDITURES
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Current				
Public safety:				
Personal services and related benefits:				
Sheriff salary	\$ 156,000	\$ 160,254	\$ 104,194	\$ 56,060
Deputies' salary	3,200,000	3,729,777	3,275,382	454,395
Hospitalization and life insurance	650,000	600,000	780,735	(180,735)
Pension, deferred compensation, and payroll taxes	817,000	809,699	757,294	52,405
TOTAL PERSONAL SERVICES AND RELATED BENEFITS	4,823,000	5,299,730	4,917,605	382,125
Operating services:				
Auto insurance	80,000	83,550	105,947	(22,397)
Collection expense - sales tax	53,000	52,500	59,099	(6,599)
Other liability insurance	65,000	72,000	71,414	586
Other operating services	25,000	22,397	39,215	(16,818)
TOTAL OPERATING SERVICES	223,000	230,447	275,675	(45,228)
Operations and maintenance:				
Auto fuel and oil	150,000	148,000	156,566	(8,566)
Auto maintenance	55,000	66,000	52,478	13,522
Contract labor	65,000	80,450	78,050	2,400
Criminal investigation expenditures	5,000	11,000	8,955	2,045
Deputy supplies	31,500	35,755	30,947	4,808
Dues and subscriptions	20,000	25,175	25,581	(406)
Juvenile	7,500	6,251	8,041	(1,790)
Office supplies	122,500	163,500	86,810	76,690
Prisoner feeding and maintenance	200,000	264,000	303,893	(39,893)
Radio operation and maintenance	25,000	28,000	11,781	16,219
Tax notices	10,000	12,087	12,088	(1)
Telephone	65,000	58,500	66,892	(8,392)
Training	7,500	14,000	14,272	(272)
Repairs and maintenance	10,000	18,000	15,669	2,331
Utilities	100,000	115,572	126,690	(11,118)
Other	60,000	61,500	115,246	(53,746)
TOTAL OPERATIONS AND MAINTENANCE	934,000	1,107,790	1,113,959	(6,169)
Travel	7,500	13,750	12,616	1,134
Intergovernmental transfer - APPJ	220,000	130,000	120,955	9,045
TOTAL INTERGOVERNMENTAL TRANSFER	220,000	130,000	120,955	9,045
Capital Outlays:				
Equipment and automobiles	270,000	178,326	291,347	(113,021)
TOTAL CAPITAL OUTLAYS	270,000	178,326	291,347	(113,021)
Debt Service:				
Principal	62,500	58,328	30,231	28,097
Interest	6,500	1,000	723	277
TOTAL DEBT SERVICES	69,000	59,328	30,954	28,374
TOTAL EXPENDITURES	\$ 6,546,500	\$ 7,019,371	\$ 6,763,111	\$ 256,260

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
E-911 SPECIAL REVENUE FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Commissions - telephone	\$ 249,000	\$ 267,000	\$ 283,421	\$ 16,421
Interest income	-	-	80	80
TOTAL REVENUES	249,000	267,000	283,501	16,501
EXPENDITURES				
Current -				
Public safety:				
Operating services	245,000	230,000	237,963	(7,963)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	11,843	(11,843)
Interest	-	-	132	(132)
TOTAL EXPENDITURES	245,000	230,000	249,938	(19,938)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,000	37,000	33,563	(3,437)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,000	37,000	33,563	(3,437)
FUND BALANCE, BEGINNING	65,235	65,235	65,235	-
FUND BALANCE, ENDING	\$ 69,235	\$ 102,235	\$ 98,798	\$ (3,437)

Note: Actual expenditures exceed budgeted expenditures by 5%.

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COUSHATTA TRIBE OF LOUISIANA COMMUNITY GRANT FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Grant revenue	\$ 440,000	\$ 424,135	\$ 410,378	\$ (13,757)
Interest income	-	-	10	10
TOTAL REVENUES	440,000	424,135	410,388	(13,747)
EXPENDITURES				
Current -				
Capital outlay	20,000	-	-	-
TOTAL EXPENDITURES	20,000	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	420,000	424,135	410,388	(13,747)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(410,653)	(349,990)	(349,468)	522
Total other financing sources (uses)	(410,653)	(349,990)	(349,468)	522
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,347	74,145	60,920	(13,225)
FUND BALANCE, BEGINNING	123,319	123,319	123,319	-
FUND BALANCE, ENDING	\$ 132,666	\$ 197,464	\$ 184,239	\$ (13,225)

See Independent Auditor's Report.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

Schedule of Changes to Total OPEB Liability and Related Ratios

For the Year Ended June 30, 2018

Total OPEB Liability	2018	2019	2020	2021	2022
Service Cost	\$ 388,139				
Interest	220,805				
Changes in benefit terms	-				
Differences between expected and actual	-				
Changes in assumptions or other inputs	-				
Benefit payments	(160,702)				
Net Change in Total OPEB Liability	<u>448,242</u>				
Total OPEB Liability - beginning	<u>5,383,050</u>				
Total OPEB Liability - ending	<u><u>5,831,292</u></u>				
Covered Employee Payroll	\$ 2,733,557				
Total OPEB Liability as a percentage of covered employee payroll	213.32%				

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2018

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.356529%	\$ 1,411,857	\$ 2,487,829	56.75%	87.34%
2016	0.375229%	\$ 1,672,590	\$ 2,738,487	61.08%	86.61%
2017	0.402352%	\$ 2,553,686	\$ 3,331,611	76.65%	82.09%
2018	0.479018%	\$ 2,074,279	\$ 2,749,100	75.45%	88.48%

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

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

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Schedule of Employer Contributions
For the Year Ended June 30, 2018

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 354,253	\$ 354,253	\$ -	\$ 2,487,829	14.25%
2016	\$ 354,516	\$ 393,674	\$ (39,158)	\$ 2,738,487	14.38%
2017	\$ 377,832	\$ 445,318	\$ (67,486)	\$ 3,331,611	13.37%
2018	\$ 350,510	\$ 437,677	\$ (87,167)	\$ 2,749,100	15.92%

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

See Independent Auditor's Report.

Allen Parish Sheriff
Oberlin, Louisiana
Notes to the Required Supplementary Information
For the Year Ended June 30, 2018

(1) Budgets

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief financial officer prepares a proposed budget for the general and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
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 legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.

(2) Pension Plan

Changes of Assumptions- Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

(3) Health Plan

Changes of Assumptions- Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. A discount rate of 3.88% was used in 2018.

OTHER SUPPLEMENTARY INFORMATION

Allen Parish Sheriff
Oberlin, Louisiana

General Descriptions

AGENCY FUNDS

SHERIFF'S FUND

To account for funds held in connection with civil suits, Sheriff's sales and garnishments, bonds and fines, and costs and payment of the collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

TAX COLLECTOR FUND

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

COMMISSION ON AGING FUND

The Commission on Aging Fund accounts for monies earned from a local fundraiser. All funds are expended to provide food and plaques for senior citizen events and to cover expenses for Senior Citizen Day at the Allen Parish Fair.

INMATE WELFARE FUND

The Inmate Welfare Fund accounts for receipts and disbursements made to the individual prison inmate accounts.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
AGENCY FUNDS
Combining Statement of Fiduciary Net Position
June 30, 2018

	SHERIFF'S FUND	TAX COLLECTOR FUND	INMATE WELFARE FUND	TOTAL
ASSETS				
Cash	\$ 413,940	\$ 8,426	\$ 24,931	\$ 447,297
Due from others	-	-	6,081	6,081
TOTAL ASSETS	\$ 413,940	\$ 8,426	\$ 31,012	\$ 453,378
LIABILITIES				
Due to others	\$ -	\$ -	\$ 16,254	\$ 16,254
Due to taxing bodies and others	413,940	8,426	14,758	437,124
TOTAL LIABILITIES	\$ 413,940	\$ 8,426	\$ 31,012	\$ 453,378

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
June 30, 2018

	SHERIFF'S FUND	TAX COLLECTOR FUND	INMATE WELFARE FUND	TOTAL
Balances, beginning of year	\$ 424,211	\$ 61,843	\$ 16,956	\$ 503,010
Additions:				
Deposits -				
Sheriff's sales, suits, and seizures	90,752	-	-	90,752
Fines and costs	1,000,996	-	-	1,000,996
Inmates	-	-	288,129	288,129
Taxes, fees, etc., paid to tax collector	-	15,212,445	-	15,212,445
Other additions	107	-	85	192
TOTAL ADDITIONS	<u>1,091,855</u>	<u>15,212,445</u>	<u>288,214</u>	<u>16,592,514</u>
TOTAL	<u>1,516,066</u>	<u>15,274,288</u>	<u>305,170</u>	<u>17,095,524</u>
Reductions:				
Taxes, fees, etc., distributed to taxing bodies and others	-	10,330,822	-	10,330,822
Deposits settled to -				
State agencies	24,995	32,772	-	57,767
Sheriff's General Fund	225,436	1,621,793	-	1,847,229
Clerk of Court	78,315	4,620	-	82,935
Coroner	3,799	-	-	3,799
Police Jury	258,337	3,246,404	-	3,504,741
District Attorney	111,527	-	-	111,527
Judicial Expense Fund	41,211	-	-	41,211
Indigent Defender Fund	109,740	-	-	109,740
Litigants and attorneys	147,774	-	-	147,774
Inmates	-	-	290,338	290,338
Other reductions	100,992	29,451	74	130,517
TOTAL REDUCTIONS	<u>1,102,126</u>	<u>15,265,862</u>	<u>290,412</u>	<u>16,658,400</u>
Balances, end of year	<u>\$ 413,940</u>	<u>\$ 8,426</u>	<u>\$ 14,758</u>	<u>\$ 437,124</u>

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
Supplemental Information Schedule
Community Grant Agreement-Coushatta Tribe of Louisiana
For the Year Ended June 30, 2018

<u>Revenues:</u>	
Gaming revenue	\$ 410,378
Investment earnings	10
Total revenues	<u>\$ 410,388</u>
<u>Expenditures:</u>	
Transfer to Construction Fund- jail construction	\$ 106,125
Transfer to General Fund- correctional employee salaries and jail maintenance	144,478
Transfer to Debt Service Fund- revenue bond interest payment	98,865
Total expenditures	<u>\$ 349,468</u>

See Independent Auditor's Report.

ALLEN PARISH SHERIFF
 Schedule of Compensation, Benefits and Other Payments to Agency Head
 or Chief Executive Officer
 For the Year Ended June 30, 2018

Agency Head Name: _____

Douglas L. Hebert, III

Purpose	Amount
Salary	\$ 145,686
Benefits-insurance	9,524
Benefits-retirement	22,028
Benefits-other (Section 414 H 2)	13,010
Car allowance	14,569
Vehicle provided by government	-
Per diem	459
Reimbursements	-
Travel	1,603
Registration fees	385
Conference travel	2,193
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	142

See Independent Auditor's Report.

STATE OF LOUISIANA,

PARISH OF ALLEN.

**AFFIDAVIT
DOUGLAS L. HEBERT, III, SHERIFF OF ALLEN PARISH**

BEFORE ME, the undersigned authority, personally came and appeared DOUGLAS L. HEBERT, III, the sheriff of Allen Parish, Louisiana, who after being duly sworn, deposed and said:

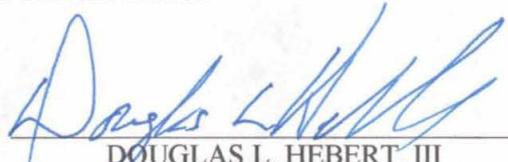
The following information is true and correct:

\$8,426 is the amount of cash on hand in the tax collector bank accounts on June 30, 2018.

HE FURTHER deposed and said:

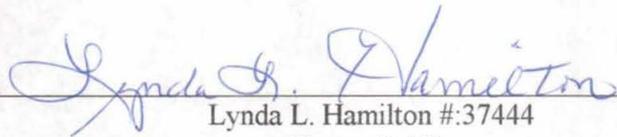
All itemized statements of the amount of taxes collected for tax year 2018, by taxing authority, are true and correct.

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



DOUGLAS L. HEBERT, III
SHERIFF OF ALLEN PARISH, LOUISIANA

SWORN TO AND SUBSCRIBED, before me, Notary, this 26th day of November, 2018, in my office in Oberlin, Allen Parish, Louisiana.

 (Signature)

Lynda L. Hamilton #:37444
Notary Public
My Commission Expires: With death

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

STEVEN M. DEROUEN & ASSOCIATES

Certified Public Accountants

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

Honorable Douglas L. Hebert, III
Allen Parish Sheriff
Oberlin, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Allen Parish Sheriff as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Allen Parish Sheriff's basic financial statements and have issued my report thereon dated December 27, 2018.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies. See items 2018-001 and 2018-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allen Parish Sheriff's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2018-003.

Allen Parish Sheriff's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of 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. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 27, 2018

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified.

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

Internal Control

Material weakness(es) identified?	___	Yes	<u> X </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> X </u>	Yes	___	None reported
Noncompliance material to financial statements noted?	<u> X </u>	Yes	___	No

Federal Awards

N/A

No Separate Management Letter Issued

Section II - Financial Statement Findings

2018-001 Segregation of Duties

Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this significant deficiency in internal control by supervision and review procedures.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Schedule of Findings and Responses
For the Year Ended June 30, 2018

2018-002 Controls Over Financial Reporting

Condition:	In my judgment, the personnel of the Allen Parish Sheriff do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).
Criteria:	The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. Auditing standards emphasize that the auditor cannot be part of your system of internal control over financial reporting.
Effect:	Misstatements in financial statements could go undetected.
Recommendation:	In my judgment, due to the lack of resources available to management to correct this significant deficiency in financial reporting, we recommend management mitigate this significant deficiency in internal control by having a heightened awareness of all transactions being reported.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible. Management will carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2018-003 Local Government Budget Act – Budgetary Authority and Control

Condition:	Actual expenditures failed to meet the total budgeted expenditures by 8.7% in the E-911 Fund for the year ended June 30, 2018.
Criteria:	LA Rev. Stat. 39:1311(A)(1). Whenever total actual expenditures plus projected expenditures for the remainder of the year, within a fund, are failing to meet budgeted expenditures by five percent or more, the budget shall be amended.
Effect:	Violation of local government budget act.
Recommendation:	The Allen Parish Sheriff should amend the budget whenever actual expenditures plus projected expenditures fail to meet budgeted expenditures by five percent or more.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. The Allen Parish Sheriff shall continue to monitor and amend its budget whenever necessary in the future.

Section III – Federal Award Findings and Questioned Costs

None.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2018

2017-001 Segregation of duties:

Corrective Action Taken: This is an ongoing finding that cannot be corrected due lack of financial resources and the size of the entity.

2017-002 Controls over financial reporting:

Corrective Action Taken: This is an ongoing finding that cannot be corrected due lack of financial resources and the size of the entity.

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AGREED-UPON PROCEDURES REPORT

ALLEN PARISH SHERIFF

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2018

To the Board of Directors and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Observations: *The written policies and procedures did not address contracting, travel and expense reimbursement and debt service. The credit card policy did not address (1) how cards are to be controlled, (2) allowable business uses and (4) required approvers. The ethics policy did not address (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.*

Management's response: *While the Allen Parish Sheriff actively employs and monitors the above policies and procedures listed as "observations", they are not written into their policy manual. The written policies and procedures will be updated to address all items listed as "observations".*

Board or Finance Committee

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

Not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were no observations noted resulting from the application of these procedures.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Not applicable in fiscal year June 30, 2018 due to compensating controls addressing the prior year observation.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

There were no observations noted resulting from the application of these procedures and compensating controls exist to address the prior year observation relating to adding/modifying vendor files.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

There were no observations noted in the prior year's "Credit Cards/Debit Cards/Fuel Cards/P-Cards" testing, therefore the above procedures are not applicable.

Travel and Travel-Related Expense Reimbursements

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no observations noted resulting from the application of these procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

There were no observations noted in the prior year's "Contracts" testing, therefore the above procedures are not applicable.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that 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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

There were no observations noted in the prior year's "Payroll and Personnel" testing, therefore the above procedures are not applicable.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

There were no observations noted in the prior year’s “Ethics” testing, therefore the above procedures are not applicable.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

There were no observations noted in the prior year’s “Debt” testing, therefore the above procedures are not applicable.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

There were no observations noted in the prior year’s “Other” testing, therefore the above procedures are not applicable.

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

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

Steven M. DeRouen & Associates

December 27, 2018
Lake Charles, Louisiana