

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

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Independent Auditor's Report

MADISON PARISH SHERIFF
Tallulah, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Madison Parish Sheriff, a component unit of the Madison Parish Police Jury, as of June 30, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report,
June 30, 2018

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison information on pages 46 through 47, and the schedule of funding progress for the retiree healthcare plan on page 48, and the schedule of the Sheriff's proportionate share of the net pension liability on pages 49 through 50, 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.

Other Information

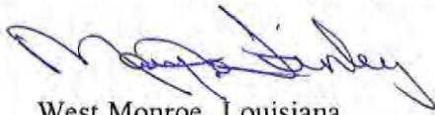
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madison Parish Sheriff's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Sheriff's sworn statement presented on page 52 and the schedule of compensation, benefits, and other payments to agency head on page 53 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report,
June 30, 2018

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated November 26, 2018, on my consideration of the Madison 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 Madison Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana
November 26, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

MADISON PARISH SHERIFF
Tallulah, Louisiana

Management's Discussion and Analysis
June 30, 2018

As management of the Madison Parish Sheriff, I offer readers of the Madison Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Madison Parish Sheriff for the fiscal year ended June 30, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

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

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

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

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

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

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

The Madison Parish Sheriff maintains 2 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other fund is in a single, aggregated presentation.

The Madison Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue funds. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Madison Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Madison Parish Sheriff's performance.

The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Madison Parish Sheriff exceeded liabilities by \$5,822,147. Approximately 8% of the Madison Parish Sheriff's net position reflects its investment in capital assets (equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

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

STATEMENT OF NET POSITION

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$9,487,875 | \$9,352,117 |
| Receivables | 270,713 | 178,306 |
| Due from other funds | 235 | 98 |
| Capital assets (net of accumulated depreciation) | <u>496,850</u> | <u>631,048</u> |
| TOTAL ASSETS | <u>10,255,673</u> | <u>10,161,569</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related | <u>2,801,573</u> | <u>2,590,878</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$13,057,246</u> | <u>\$12,752,447</u> |
| LIABILITIES | | |
| Accounts payable | \$19,499 | \$26,356 |
| Salaries payable | 63,689 | 57,922 |
| Long term liabilities: | | |
| Net pension liability | 935,114 | 1,489,312 |
| Net OPEB Obligation | <u>2,773,243</u> | <u>2,272,510</u> |
| TOTAL LIABILITIES | <u>3,791,545</u> | <u>3,846,100</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related | 3,443,554 | 3,423,595 |
| NET POSITION | | |
| Invested in capital assets, net of related debt | 496,850 | 631,048 |
| Unrestricted | <u>5,325,297</u> | <u>4,851,704</u> |
| TOTAL NET POSITION | <u>5,822,147</u> | <u>5,482,752</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u>\$13,057,246</u> | <u>\$12,752,447</u> |

STATEMENT OF ACTIVITIES

| | 2018 | 2017 |
|---|--------------------|--------------------|
| Public safety: | | |
| Personal services | \$1,657,509 | \$1,824,695 |
| Operating services | 278,533 | 287,247 |
| Materials and supplies | 241,512 | 303,437 |
| Travel | 24,079 | 19,102 |
| Depreciation expense | 199,838 | 220,781 |
| Total Program Expenses | <u>2,401,471</u> | <u>2,655,262</u> |
| Program revenues: | | |
| Commissions on license and taxes | 416,712 | 74,570 |
| Civil and criminal fees | 184,073 | 136,087 |
| Court attendance | 3,536 | 4,216 |
| Transportation of prisoners | 12,363 | 16,847 |
| Feeding and keeping prisoners | 52,223 | 43,241 |
| Tax notices | 1,570 | 915 |
| Other | 97,921 | 424,787 |
| Total program revenues | <u>768,398</u> | <u>700,663</u> |
| Net Program Expenses | <u>(1,633,073)</u> | <u>(1,954,599)</u> |
| General revenues: | | |
| Taxes | | |
| Ad valorem | 917,962 | 932,464 |
| Sales tax | 657,751 | 692,327 |
| Grants and contributions not restricted to specific programs: | | |
| Federal sources | 11,571 | 15,798 |
| State sources | | |
| State revenue sharing (net) | 43,065 | 43,055 |
| State supplemental pay | 145,984 | 156,033 |
| Other | 467,783 | 493,718 |
| Local sources | 107,914 | 111,475 |
| Use of money and property | 52,616 | 52,330 |
| Special items: | | |
| Gain (loss) on sale/disposal of assets | (637) | 5,300 |
| Change in Net Position | 770,936 | 547,901 |
| Net Position - Beginning of year as restated | <u>5,051,211</u> | <u>4,934,851</u> |
| Net Position - End of year | <u>\$5,822,147</u> | <u>\$5,482,752</u> |

Financial Analysis of the Government's Funds

As noted earlier, the Madison Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, combined governmental fund balances of \$9,675,635 showed an increase of \$229,392 over June 30, 2017. The General Fund's portion of the unassigned, fund balance of \$9,666,776 shows an increase (of approximately \$227,900) from the prior year amount.

General Fund and Major Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget for the General Fund were due primarily to an increase in travel and other charges and a decrease in operating services and materials and supplies. The difference in revenues in the general fund were due to increases in anticipated state revenue sharing, local grants, commissions on licenses and taxes, civil and criminal fees, use of money and property and other revenues and decreases in ad valorem tax, state supplemental pay, and other state grants.

Capital Asset and Debt Administration

Capital assets. The Madison Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$496,850 (net of accumulated depreciation). This investment includes buildings, furniture, and equipment. The increase in capital assets for the year was \$66,277. Deletions for the year were \$1,499.

Long-term debt. The Madison Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2018 is \$2,773,243. Net Pension liability obligation associated with the Pension Plan at June 30, 2018 is \$935,114.

Requests for Information

This financial report is designed to provide a general overview of the Madison Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Madison Parish Sheriff, Courthouse Building, Tallulah LA 71282.

November 26, 2018

BASIC FINANCIAL STATEMENTS

MADISON PARISH SHERIFF
Tallulah, Louisiana

STATEMENT OF NET POSITION
June 30, 2018

ASSETS

| | |
|--|-------------------|
| Cash and cash equivalents | \$9,487,875 |
| Receivables | 270,713 |
| Due from other funds | 235 |
| Capital assets (net of accumulated depreciation) | 496,850 |
| TOTAL ASSETS | <u>10,255,673</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|----------------------------|
| Pension and OPEB related | <u>2,801,573</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>\$13,057,246</u></u> |

LIABILITIES

| | |
|--------------------------|------------------|
| Accounts payable | \$19,499 |
| Salaries payable | 63,689 |
| Long term liabilities: | |
| Net pension liability | 935,114 |
| Net OPEB Obligation | <u>2,773,243</u> |
| TOTAL LIABILITIES | <u>3,791,545</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-----------------|-----------|
| Pension related | 3,443,554 |
|-----------------|-----------|

NET POSITION

| | |
|--|----------------------------|
| Invested in capital assets, net of related debt | 496,850 |
| Unrestricted | <u>5,325,297</u> |
| TOTAL NET POSITION | <u>5,822,147</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u><u>\$13,057,246</u></u> |

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2018

| | |
|---|---------------------------|
| Public safety: | |
| Personal service | \$1,657,509 |
| Operating services | 278,533 |
| Materials and supplies | 241,512 |
| Travel | 24,079 |
| Depreciation expense | 199,838 |
| Total Program Expenses | <u>2,401,471</u> |
| Program revenues: | |
| Commissions on licenses and taxes | 416,712 |
| Civil and criminal fees | 184,073 |
| Court attendance | 3,536 |
| Transportation of prisoners | 12,363 |
| Feeding and keeping prisoners | 52,223 |
| Tax notices | 1,570 |
| Other | 97,921 |
| Total program revenues | <u>768,398</u> |
| Net Program Expenses | <u>(1,633,073)</u> |
| General revenues: | |
| Taxes | |
| Ad valorem | 917,962 |
| Sales tax | 657,751 |
| Grants and contributions not restricted to specific programs: | |
| Federal sources | 11,571 |
| State sources: | |
| State revenue sharing (net) | 43,065 |
| State supplemental pay | 145,984 |
| Other | 467,783 |
| Local sources | 107,914 |
| Use of money and property | 52,616 |
| Special item - gain of disposal of assets | (637) |
| Change in Net Position | <u>770,936</u> |
| NET POSITION | |
| Beginning of year - as restated | <u>5,051,211</u> |
| End of year | <u><u>\$5,822,147</u></u> |

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

| |MAJOR FUND..... |NON MAJOR FUND..... | |
|--|-------------------------|-----------------------------|--------------------|
| | GENERAL FUND | GRANT FUND | TOTAL |
| ASSETS | | | |
| Cash and cash equivalents | \$9,479,016 | \$8,859 | \$9,487,875 |
| Receivables | 270,713 | | 270,713 |
| Due from other funds | 235 | | 235 |
| TOTAL ASSETS | <u>\$9,749,964</u> | <u>\$8,859</u> | <u>\$9,758,823</u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts payable | \$19,499 | | \$19,499 |
| Salaries payable | 63,689 | | 63,689 |
| Total Liabilities | <u>83,188</u> | <u>NONE</u> | <u>83,188</u> |
| Fund Equity - Fund Balances | | | |
| Assigned | | \$8,859 | 8,859 |
| Unassigned | 9,666,776 | | 9,666,776 |
| Total Fund Equity | <u>9,666,776</u> | <u>8,859</u> | <u>9,675,635</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$9,749,964</u> | <u>\$8,859</u> | <u>\$9,758,823</u> |

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

For the Year Ended June 30, 2018

| | | |
|--|--------------------|---------------------------|
| Total Fund Balances at June 30, 2018 - Governmental Funds (Statement C) | | <u>\$9,675,635</u> |
| Deferred outflows of resources | | 2,801,573 |
| Cost of capital assets at June 30, 2018 | \$1,797,123 | |
| Less: Accumulated depreciation as of June 30, 2018 | <u>(1,300,273)</u> | 496,850 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | |
| Net OPEB obligation | | (2,773,243) |
| Net pension liability | | (935,114) |
| Deferred inflows of resources | | <u>(3,443,554)</u> |
| Net Position at June 30, 2018 (Statement A) | | <u><u>\$5,822,147</u></u> |

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
GOVERNMENTAL FUND TYPES

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2018

| |MAJOR FUND..... | | |
|--|-------------------------|-----------------------|------------------|
| | <u>GENERAL FUND</u> | <u>GRANT FUND</u> | <u>TOTAL</u> |
| REVENUES | | | |
| Taxes | | | |
| Ad valorem | \$917,962 | | \$917,962 |
| Sales tax | 657,751 | | 657,751 |
| Intergovernmental revenues: | | | |
| Federal grants | 11,571 | | 11,571 |
| State grants: | | | |
| State revenue sharing (net) | 43,065 | | 43,065 |
| State supplemental pay | 145,984 | | 145,984 |
| Other | 467,783 | | 467,783 |
| Local grants | 107,663 | \$251 | 107,914 |
| Fees, charges, and commissions for services: | | | |
| Commissions on licenses and taxes | 416,712 | | 416,712 |
| Civil and criminal fees | 182,906 | 1,167 | 184,073 |
| Court attendance | 3,536 | | 3,536 |
| Transportation of prisoners | 12,363 | | 12,363 |
| Feeding and keeping of prisoners | 52,223 | | 52,223 |
| Tax notices | 1,570 | | 1,570 |
| Use of money and property | 52,542 | 74 | 52,616 |
| Other | 12,200 | | 12,200 |
| Total revenues | <u>3,085,831</u> | <u>1,492</u> | <u>3,087,323</u> |
| EXPENDITURES | | | |
| Public safety: | | | |
| Current: | | | |
| Personal services and related benefits | 2,247,530 | | 2,247,530 |
| Operating services | 278,533 | | 278,533 |
| Materials and supplies | 241,512 | | 241,512 |
| Travel and other charges | 24,079 | | 24,079 |
| Capital outlay | 66,277 | | 66,277 |
| Total expenditures | <u>2,857,931</u> | <u>NONE</u> | <u>2,857,931</u> |

(Continued)

Statement D

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

| |MAJOR FUND..... | | | |
|--|---------------------------|-----------------------|---------------------------|--|
| | <u>GENERAL FUND</u> | <u>GRANT FUND</u> | <u>TOTAL</u> | |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$227,900 | \$1,492 | \$229,392 | |
| FUND BALANCE AT BEGINNING OF YEAR | <u>9,438,876</u> | <u>7,367</u> | <u>9,446,243</u> | |
| FUND BALANCE AT END OF YEAR | <u><u>\$9,666,776</u></u> | <u><u>\$8,859</u></u> | <u><u>\$9,675,635</u></u> | |

(Concluded)

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2018

| | |
|--|------------------|
| Total net change in fund balances - governmental funds (Statement D) | \$229,392 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period. | (133,561) |
| Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed. | (637) |
| Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities. | (97,409) |
| Non-employer contributions to cost-sharing pension plan. | 85,721 |
| Pension expense | <u>687,430</u> |
| Change in net position of governmental activities (Statement B) | <u>\$770,936</u> |

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

| | TAX COLLECTOR FUND | CIVIL FUND | CRIMINAL FUND | SPECIAL ASSET FORFEITURE FUND | TOTAL |
|----------------------------|--------------------------|-----------------|------------------|--|------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$151,194 | \$33,190 | \$169,681 | \$24,753 | \$378,818 |
| Investment | 46,737 | | | | 46,737 |
| Total Assets | <u>\$197,931</u> | <u>\$33,190</u> | <u>\$169,681</u> | <u>\$24,753</u> | <u>\$425,555</u> |
| LIABILITIES | | | | | |
| Unsettled deposits due to: | | | | | |
| Other funds | \$1 | \$43 | \$191 | | \$235 |
| Others | \$197,930 | 33,147 | 169,490 | \$24,753 | 425,320 |
| Total Liabilities | <u>\$197,931</u> | <u>\$33,190</u> | <u>\$169,681</u> | <u>\$24,753</u> | <u>\$425,555</u> |

The accompanying notes are an integral part of this statement.

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying financial statements of the Madison Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides partial funding for equipment, furniture and supplies of the sheriff's office, the sheriff was determined to be a component unit of the Madison Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Madison Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Allocation of Indirect Expenses - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources such as grants and state and parish funds for maintaining state and parish prisoners. Those revenues are restricted to expenditures for specified purposes.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

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

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

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

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the sheriff has cash and equivalents (book balances) totaling \$9,866,693 as follows:

| | |
|-----------------|---------------------------|
| Demand deposits | \$6,863,573 |
| Time deposits | 3,000,000 |
| Petty cash | <u>3,120</u> |
| Total | <u><u>\$9,866,693</u></u> |

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

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

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2018, are secured as follows:

| | |
|---------------------------------------|---------------------|
| Bank balances | <u>\$9,918,564</u> |
| Federal deposit insurance | \$765,910 |
| Pledged securities (uncollateralized) | <u>9,667,247</u> |
| Total | <u>\$10,433,157</u> |

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

F. INVESTMENTS

Investments held at June 30, 2018 consist of \$46,737 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2018 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h)

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1000 for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|------------------------|----------------------------|
| Buildings | 20 - 40 years |
| Furniture and fixtures | 5 - 10 years |
| Vehicles | 5 - 15 years |
| Equipment | 5 - 20 years |

H. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

I. VACATION AND SICK LEAVE

All employees are granted from one to two weeks of vacation leave each year, depending on length of service. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

J. PENSION PLANS

The Madison Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

K. OPEB PLAN

The Sheriff's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. The plan provides OPEB for permanent full-time employees of the Sheriff. The Sheriff's OPEB plan is a single employer defined benefit OPEB plan administered by the Sheriff. Louisiana Revised Statute 13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the Sheriff, with the Sheriff determining the contribution requirements of the retirees.

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

L. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

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

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

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

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

M. 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.

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

The Madison Parish Sheriffs' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45. The net effect to the Government-Wide Statement of Net Position is as follows:

| | |
|---|---------------------------|
| Total Net Position, June 30, 2017, as previously stated | \$5,482,752 |
| Net Change in OPEB at June 30, 2018 | <u>(431,541)</u> |
| Total Net Position, June 30, 2018, Restated | <u><u>\$5,051,211</u></u> |

2. RECEIVABLES

The receivables of \$270,713, at June 30, 2018, are as follows:

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

| <u>Class of receivables:</u> | <u>General Fund</u> |
|--|-------------------------|
| Intergovernmental revenues: | |
| Federal grants | \$11,571 |
| State grants | 179,673 |
| Local funds | 2,588 |
| Fees, charges, and commissions for services: | |
| Commissions on licenses, taxes, etc. | 4,355 |
| Civil and criminal fees | 64,357 |
| Court attendance | 306 |
| Transportation of prisoners | 1,826 |
| Feeding and keeping prisoners | 4,410 |
| Miscellaneous | 1,627 |
| Total | <u><u>\$270,713</u></u> |

3. ON-BEHALF PAYMENTS

Certain employees of the Madison Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$145,984.

4. CHANGES IN CAPITAL ASSETS

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|----------------------------|------------------------------|------------------|------------------|---------------------------|
| General Fund | | | | |
| Vehicles | \$930,396 | | | \$930,396 |
| Equipment | <u>572,972</u> | \$66,277 | (\$1,499) | <u>637,750</u> |
| Sub-total General Fund | <u>\$1,503,368</u> | <u>\$66,277</u> | <u>(\$1,499)</u> | <u>\$1,568,146</u> |
| Detention Center: | | | | |
| Furniture and equipment | <u>228,977</u> | | | <u>228,977</u> |
| Sub-total Detention Center | <u>228,977</u> | NONE | NONE | <u>228,977</u> |
| Total assets | <u>\$1,732,345</u> | <u>\$66,277</u> | <u>(\$1,499)</u> | <u>\$1,797,123</u> |

A summary of assets net of accumulated depreciation follows:

| | |
|-------------------------------------|-------------------------|
| Total assets | <u>\$1,797,123</u> |
| Prior year accumulated depreciation | (1,101,297) |
| Current year depreciation | (199,838) |
| Depreciation on deletions | <u>862</u> |
| Net capital assets | <u><u>\$496,850</u></u> |

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

The Sheriffs' Pension and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of the sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability.

Summary of Significant Accounting Policies.

The Sheriffs' Pension and Relief Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Sheriffs' Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2016.

Plan Description.

The Sheriffs' Pension and Relief Fund was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

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

Plan Benefits

Retirement Benefits

For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For a member whose first employment making him eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

For a member whose first employment making him eligible for membership in the system began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

earnings to be considered for each twelve-month period within the sixty month period shall not exceed 125% of the preceding twelve-month period.

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

Disability Benefits

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

Survivor Benefits

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the members' final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits:

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

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

Back Deferred Retirement Option Plan (Back-DROP)

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

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Madison Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Madison Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Madison Parish Sheriff's contributions to the System for the years ended June 30, 2018, 2017, and 2016 were \$185,995, \$198,189, and \$220,352, respectively, equal to the required contributions for each year.

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

At June 30, 2018, the Sheriff reported a liability of \$935,114 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2017, the Sheriffs' proportion was .216 percent, which was a decrease of .213 from its proportion measured as of June 30, 2016.

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$(501,435). The Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Beginning balance | \$2,590,878 | \$3,423,595 |
| Change in system deferred outflows and inflows of resources | (330,132) | 19,992 |
| Changes in proportionate share | 581,237 | |
| Differences between Sheriff contributions and proportionate share of contributions | | (\$33) |
| Contributions for measurement period | (\$198,188) | |
| Sheriff contributions subsequent to the measurement date | 185,995 | |
| Total | \$2,829,790 | \$3,443,554 |

\$185,995 reported as deferred outflows of resources related to pensions resulting from the Madison Parish Sheriffs' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-------------|
| 2018 | (\$709,457) |
| 2019 | (609,470) |
| 2020 | 29,178 |
| 2021 | (87,505) |
| 2022 | (10,226) |
| 2023 | (9,276) |
| Total | (1,396,756) |

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

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

The morality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality.

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

The long-term expected rate of return on pension plan investments was determined using a building block method.

Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.4%, as well as what the employers' net pension liability would be if it were calculated

MADISON PARISH SHERIFF

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

| | 1% Decrease (6.4%) | Current Discount Rate (7.4%) | 1% Increase (8.4%) |
|--|--------------------------|------------------------------------|--------------------------|
| Sheriffs' proportionate share of the net pension liability | \$1,926,581 | \$935,114 | \$100,929 |

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Madison Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Madison Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

Benefits Provided - Medical, dental and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical and dental coverage for the retiree only (not dependents). See the section below for details on Life Insurance benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: (1) For any sheriff or deputy sheriff who retired before July 1, 2009, 100% of the premium costs of medical and dental insurance, and the first \$10,000 of life insurance if the member retired satisfying the following criteria:

- (1) (a) At least 15 years of service and was at least 55 years old.
 (b) Worked for the Madison Parish Sheriff's Department for at least 30 years.
- (2) For any employee who retired on or after July 1, 2009, 100% of the medical, dental, and life insurance is paid for by the employer provided that the employee had 15 years of continuous service with the Madison Parish Sheriff's Department as of June 30, 2009.
- (3) For any employee who retired on and after July 1, 2009, 100% of the medical, dental, and life insurance is paid for by the employer provided that the employee worked for 30 or more consecutive years with the Madison Parish Sheriff's Department.
- (4) For any employee that retires on and after July 1, 2017, 100% of the medical, dental, and life insurance is paid for by the employer if the employee retires with at least 24 consecutive years of service with the Madison Parish Sheriff's Department and is at least 55.

Life insurance coverage is continued to retirees by election and based on a blended rate for active employees and retirees. The employer pays for the first \$10,000 of life insurance after retirement for the

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

retiree and the retirees pay for the volume in excess of \$10,000, if any. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

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

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 9 |
| Inactive employees entitled to but not yet receiving benefit payments | 0 |
| Active employees | <u>32</u> |
| Total employees | <u>41</u> |

Total OPEB Liability

The Sheriff's total OPEB liability of \$2,773,243 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

| | |
|-----------------------------|---|
| Inflation | 2.5% |
| Salary increases | 3.0%, including inflation |
| Discount rate | 3.62%, net of OPEB plan investment expense, including inflation |
| Healthcare cost trend rates | Flat 5.5% annually |

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

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

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

Changes in the Total OPEB Liability

| | |
|---|-----------------|
| Balance at June 30, 2017 | \$2,704,051 |
| Changes for the year: | |
| Service cost | \$18,534 |
| Interest | 98,558 |
| Differences between expected and actual | 29,876 |
| Benefit payments and net transfers | <u>(77,776)</u> |

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

| | |
|--------------------------|---------------------------|
| Net Changes | <u>\$69,192</u> |
| Balance at June 30, 2018 | <u><u>\$2,773,243</u></u> |

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

| | 1.0% Decrease (2.62%) | Current Discount Rate (3.62%) | 1.0% Increase (4.62%) |
|-----------------------------|--------------------------------------|--|--------------------------------------|
| <u>Total OPEB liability</u> | <u>\$3,351,206</u> | <u>\$2,773,243</u> | <u>\$2,329,462</u> |

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

| | 1.0% Decrease (4.5%) | Current Discount Rate (5.5%) | 1.0% Increase (6.5%) |
|-----------------------------|-------------------------------------|---|-------------------------------------|
| <u>Total OPEB liability</u> | <u>\$2,345,701</u> | <u>\$2,773,243</u> | <u>\$3,319,922</u> |

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$118,751. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual expenditures | \$28,217 | NONE |

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

| Year ended June 30: | |
|---------------------|---------|
| 2019 | \$1,660 |
| 2020 | 1,660 |
| 2021 | 1,660 |
| 2022 | 1,660 |

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

| | |
|------------|----------|
| 2023 | \$1,660 |
| Thereafter | \$18,258 |

7. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2018, are as follows:

| | <u>Due To</u> | <u>Due From</u> |
|---------------|---------------|-----------------|
| General Fund: | | |
| Civil Fund | | \$43 |
| Criminal Fund | | 191 |
| License Fund | | 1 |
| Agency Funds: | | |
| Civil Fund | \$43 | |
| Criminal Fund | 191 | |
| License Fund | 1 | |
| Total | <u>\$235</u> | <u>\$235</u> |

8. CHANGES IN AGENCY FUND BALANCES

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

| | <u>Tax Collector Fund</u> | <u>Civil Fund</u> | <u>Criminal Fund</u> | <u>Special Asset Forfeiture Fund</u> | <u>Total</u> |
|--------------------------|-----------------------------------|-----------------------|--------------------------|--|------------------|
| Balance at June 30, 2017 | \$42,315 | \$31,753 | \$204,462 | \$19,065 | \$297,595 |
| Additions | 12,701,981 | 413,314 | 1,535,711 | 5,688 | 14,656,694 |
| Reductions | (12,546,366) | (411,920) | (1,570,683) | NONE | (14,528,969) |
| Balance at June 30, 2018 | <u>\$197,930</u> | <u>\$33,147</u> | <u>\$169,490</u> | <u>\$24,753</u> | <u>\$425,320</u> |

9. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2018, the tax collector has cash and equivalents (book balances) totaling \$197,931 as follows:

| | |
|------------------------------|---------|
| Taxes | \$204 |
| Licenses | 1,544 |
| Protest taxes | 45,653 |
| In Lieu of Taxes | 149,391 |
| Interest on delinquent taxes | 12 |
| Interest on tax account | 1 |

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

| | |
|---------------------------|-------------------------|
| Interest on protest taxes | \$1,084 |
| Costs | <u>42</u> |
| Total | <u><u>\$197,931</u></u> |

10. AD VALOREM TAXES COLLECTED

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

| | |
|----------------------------------|----------------------------|
| Louisiana Forestry Service | \$11,402 |
| Fifth District Levee Board | 421,495 |
| Louisiana Tax Commission | 27,008 |
| Madison Parish Assessor | 633,340 |
| Madison Parish Police Jury | 4,385,513 |
| Madison Parish School Board | 2,306,812 |
| Madison Parish Sheriff | 916,581 |
| Madison Parish Library | 581,194 |
| Hospital Service District | 1,338,857 |
| Madison Parish Port Commission | 296,933 |
| Madison Parish 911 | 306,446 |
| Madison Fire Protection District | 211,343 |
| Madison Parish Council on Aging | <u>102,500</u> |
| Total | <u><u>\$11,539,424</u></u> |

11. TAX UNCOLLECTED AND UNSETTLED

The tax collector has collected and disbursed all the taxes for the year ended June 30, 2018.

12. COLLECTIONS FOR OTHERS

At June 30, 2018, the tax collector has collected and disbursed the following:

| | <u>Total</u> | <u>Collection</u> | <u>Final</u> |
|--|--------------|-------------------|--------------|
| Occupational Licenses - Madison Parish Police Jury | \$98,522 | \$14,781 | \$83,741 |

13. LITIGATION AND CLAIMS

At June 30, 2018, the Madison Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

MADISON PARISH SHERIFF
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

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

The Madison Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Madison Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL (BUDGETARY BASIS) | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|--------------------|--------------------------------|--|
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem | \$935,000 | \$915,000 | \$917,962 | \$2,962 |
| Sales tax | 650,000 | 650,000 | 657,751 | 7,751 |
| Intergovernmental revenues: | | | | |
| Federal grants | 11,000 | 11,000 | 11,571 | 571 |
| State grants: | | | | |
| State revenue sharing (net) | 41,000 | 43,000 | 43,065 | 65 |
| State supplemental pay | 155,000 | 144,500 | 145,984 | 1,484 |
| Other | 506,000 | 466,000 | 467,783 | 1,783 |
| Local grants | 100,000 | 105,000 | 107,663 | 2,663 |
| Fees, charges, and commissions for services: | | | | |
| Commissions on licenses and taxes | 100,500 | 103,000 | 416,712 | 313,712 |
| Civil and criminal fees | 448,500 | 483,000 | 182,906 | (300,094) |
| Court attendance | 3,500 | 3,500 | 3,536 | 36 |
| Transportation of prisoners | 14,000 | 14,000 | 12,363 | (1,637) |
| Feeding and keeping of prisoners | 50,000 | 50,000 | 52,223 | 2,223 |
| Tax notices | 500 | 1,400 | 1,570 | 170 |
| Use of money and property | 43,000 | 51,000 | 52,542 | 1,542 |
| Other | | 12,000 | 12,200 | 200 |
| Total revenues | <u>3,058,000</u> | <u>3,052,400</u> | <u>3,085,831</u> | <u>33,431</u> |
| EXPENDITURES | | | | |
| Public safety: | | | | |
| Current: | | | | |
| Personal services and benefits | 2,469,336 | 2,469,336 | 2,247,530 | 221,806 |
| Operating services | 342,700 | 328,200 | 278,533 | 49,667 |
| Materials and supplies | 305,500 | 303,500 | 241,512 | 61,988 |
| Travel and other charges | 25,503 | 30,503 | 24,079 | 6,424 |
| Capital outlay | 412,500 | 412,500 | 66,277 | 346,223 |
| Total expenditures | <u>3,555,539</u> | <u>3,544,039</u> | <u>2,857,931</u> | <u>686,108</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(497,539)</u> | <u>(491,639)</u> | <u>227,900</u> | <u>719,539</u> |
| FUND BALANCES AT BEGINNING OF YEAR | <u>9,260,670</u> | <u>9,592,383</u> | <u>9,438,876</u> | <u>(153,507)</u> |
| FUND BALANCES AT END OF YEAR | <u>\$8,763,131</u> | <u>\$9,100,744</u> | <u>\$9,666,776</u> | <u>\$566,032</u> |

MADISON PARISH SHERIFF
Tallulah, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2018

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

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

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

Schedule of Funding Progress

Total OPEB Liability

| | |
|--|---------------------------|
| Service cost | \$18,534 |
| Interest | 98,558 |
| Changes of benefits terms | NONE |
| Differences between expected and actual experience | 29,876 |
| Changes of assumptions | NONE |
| Benefit payments | <u>(77,776)</u> |
| Net change in total OPEB liability | 69,192 |
| Total OPEB liability - beginning | <u>2,704,051</u> |
| Total OPEB liability - ending | <u><u>\$2,773,243</u></u> |
| Covered employee payroll | \$1,516,906 |
| Net OPEB liability as a percentage of covered-employee payroll | 182.82% |

Note:

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

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

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

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

| Actuarial Valuation Date | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Employee Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------------------------|---|--|--|---|--|
| June 30, 2015 | 0.214797% | \$850,601 | \$3,493,277 | 24.35% | 87.34% |
| June 30, 2016 | 0.239656% | \$1,068,271 | \$1,588,954 | 67.23% | 86.61% |
| June 30, 2017 | 0.234652% | \$1,489,312 | \$1,602,557 | 92.93% | 82.09% |
| June 30, 2018 | 0.215948% | \$935,114 | \$1,495,767 | 62.52% | 88.49% |

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

Madison Parish Sheriff
Schedule of Employer Contributions
June 30, 2018

| Actuarial Valuation Date | Contractually Required Contribution | Contributions in Relations to Contractual Required Contributions | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a Percentage of Covered Payroll |
|--------------------------------|---|--|--|--|--|
| June 30, 2015 | \$485,216 | \$485,216 | \$0 | \$3,493,277 | 13.89% |
| June 30, 2016 | \$226,426 | \$226,426 | \$0 | \$1,588,954 | 14.25% |
| June 30, 2017 | \$220,352 | \$220,352 | \$0 | \$1,602,557 | 13.75% |
| June 30, 2018 | \$198,189 | \$198,189 | \$0 | \$1,495,767 | 13.25% |

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

OTHER SUPPLEMENTARY INFORMATION

PART III

STATE OF LOUISIANA

PARISH OF MADISON

AFFIDAVIT
LARRY G. COX, SHERIFF OF MADISON PARISH

BEFORE ME, the undersigned authority, personally came and appeared, LARRY G. COX, SHERIFF of MADISON Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 149,650.00 is the amount of cash on hand in the tax collector account on June 30, 2018;

He further deposed and said:

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

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



LARRY G. COX, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 26th day of November, 2018, in my office in Tallulah, Louisiana.



LISA BYRD, NOTARY PUBLIC #033958
MADISON PARISH, LOUISIANA

MADISON PARISH SHERIFF
Tallulah, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018

LARRY COX, SHERIFF

| <u>PURPOSE</u> | <u>AMOUNT</u> |
|--|---------------|
| Salary | \$145,761 |
| Expense allowance | 14,576 |
| Benefits-insurance | 9,977 |
| Benefits-retirement | 40,658 |
| Per diem | 324 |
| Registration fees | 385 |
| Cellphone | 1,264 |
| Housing and lodging | 1,974 |
| Membership dues - Sheriffs Association | 13,302 |
| Other benefits paid on behalf of sheriff | 340 |

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

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

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

CIVIL FUND

The Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments. Payment of these collections to recipients are made in accordance with applicable laws.

CRIMINAL FUND

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

SPECIAL ASSET FORFEITURE FUND

The Special Asset Forfeiture Fund was established in compliance with Louisiana Revised Statute 40:2616 and consists of seized property and controlled substances that, if not rightfully claimed, is subject to forfeiture to law enforcement agencies that participated in the seizing process.

MADISON PARISH SHERIFF
Tallulah, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

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

| | TAX COLLECTOR FUND | CIVIL FUND | CRIMINAL FUND | SPECIAL ASSET FORFEITURE FUND | TOTAL |
|--|--------------------------|-----------------|------------------|--|-------------------|
| UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR | <u>\$42,315</u> | <u>\$31,753</u> | <u>\$204,462</u> | <u>\$19,065</u> | <u>\$297,595</u> |
| ADDITIONS | | | | | |
| Deposits : | | | | | |
| Fines, bond forfeitures and costs | | | 1,535,711 | | 1,535,711 |
| Suits and seizures | | 292,846 | | 5,507 | 298,353 |
| Garnishments | | 120,468 | | | 120,468 |
| Taxes, fees, etc. paid to tax collector | 12,701,981 | | | | 12,701,981 |
| Interest earnings | | | | 181 | 181 |
| Total additions | <u>12,701,981</u> | <u>413,314</u> | <u>1,535,711</u> | <u>5,688</u> | <u>14,656,694</u> |
| Total | <u>12,744,296</u> | <u>445,067</u> | <u>1,740,173</u> | <u>24,753</u> | <u>14,954,289</u> |
| REDUCTIONS | | | | | |
| Deposits, taxes, fees, etc. settled to: | | | | | |
| Madison Parish: | | | | | |
| Sheriff's General Fund | 992,958 | 61,217 | 195,543 | | 1,249,718 |
| Clerk of Court | 1,370 | 9,377 | 125,125 | | 135,872 |
| Police jury | 4,609,966 | | 462,573 | | 5,072,539 |
| School board | 2,382,546 | | | | 2,382,546 |
| Assessor | 660,933 | | | | 660,933 |
| Louisiana Department of | | | | | |
| Agriculture | 9,697 | | | | 9,697 |
| Louisiana Tax Commission | 27,009 | | | | 27,009 |
| Levee district | 443,378 | | | | 443,378 |
| District Attorney | | | 214,662 | | 214,662 |
| Indigent defender board | | | 248,544 | | 248,544 |
| Judicial Expense fund | | | 25,590 | | 25,590 |
| Hospital service district | 1,376,178 | | | | 1,376,178 |
| Library | 599,263 | | | | 599,263 |
| Port commission | 312,856 | | | | 312,856 |
| Communications district | 311,758 | | | | 311,758 |
| Council of Aging | 104,277 | | | | 104,277 |
| Pension funds | 336,893 | | | | 336,893 |
| Attorneys, appraisers, etc. | | 3,000 | | | 3,000 |
| Litigants | | 326,717 | | | 326,717 |

(Continued)

MADISON PARISH SHERIFF
 Tallulah, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS
 Combining Schedule of Changes in Balances
 Due to Taxing Bodies and Others, 2018

| | TAX COLLECTOR FUND | CIVIL FUND | CRIMINAL FUND | SPECIAL ASSET FORFEITURE FUND | TOTAL |
|----------------------------------|--------------------------|-----------------|------------------|--|-------------------|
| REDUCTIONS (CONTD.) | | | | | |
| Deposits settled to (contd.): | | | | | |
| Northwest Louisiana Crime Lab | | | \$158,133 | | \$158,133 |
| Commission on Law Enforcement | | | 12,499 | | 12,499 |
| Dept. Of Public Safety - LSP | | | 729 | | 729 |
| Delta Recovery | | | 600 | | 600 |
| Division A Judicial Expense Fund | | | 1,750 | | 1,750 |
| Supreme Court Judicial ADM-CM | | | 15,324 | | 15,324 |
| Louisiana Head/Spinal Injury | | | 22,942 | | 22,942 |
| Fire Protection District | \$214,986 | | | | 214,986 |
| Refunds | 119,253 | \$7,265 | 65,007 | | 191,525 |
| Other reductions | 43,045 | 4,344 | 21,662 | | 69,051 |
| Total reductions | <u>12,546,366</u> | <u>411,920</u> | <u>1,570,683</u> | <u>NONE</u> | <u>14,528,969</u> |
| UNSETTLED BALANCES | | | | | |
| DUE TO TAXING BODIES | | | | | |
| AND OTHERS AT END OF YEAR | | | | | |
| | <u>\$197,930</u> | <u>\$33,147</u> | <u>\$169,490</u> | <u>\$24,753</u> | <u>\$425,320</u> |

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent Auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditors Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

MADISON PARISH SHERIFF
Tallulah, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the Madison Parish Sheriff as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Madison Parish Sheriff's basic financial statements, and have issued my report thereon dated November 26, 2018.

Internal Control Over Financial Reporting

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

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

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

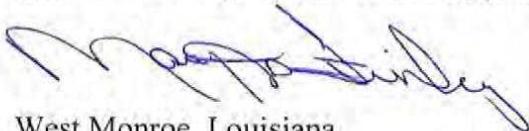
MADISON PARISH SHERIFF
Tallulah, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2018

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Madison Parish Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison Parish Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana
November 26, 2018

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

MADISON PARISH SHERIFF
Tallulah, Louisiana

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

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

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Madison Parish Sheriff
100 N Cedar
Tallulah, LA 71282

To the Madison Parish Sheriff's Office

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

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

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operation):

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

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

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

- B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The purchasing policies and procedures are in compliance with the agreed upon procedures guidelines. The Sheriff does not use purchase orders or requisitions. The accounts payable clerk initiates the purchases and the Chief Financial Officer approves under the bid law amount. The accounts payable clerk adds any new vendors and the Chief Financial Officer approves all vendors added. The policy and procedures outlines any purchases requiring compliance with the bid law.

C. Disbursements, including processing, reviewing, and approving

The purchasing policies and procedures are in compliance with the agree upon procedures guidelines. The accounts payable deputy compiles all accounts payable documentation and gives to the Chief Financial Officer to review. The accounts payable deputy initiates all disbursements and the Chief Financial Officer signs all checks. The accounts payable deputy mails all checks. The sheriff reviews all disbursements.

D. Receipts/Collections, including receiving, recording, and preparing deposits. Also policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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

G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

The Sheriff has a written policies and procedures addressing credit cards. The cards are in the name of the Sheriff, the Chief Financial Officer, and designated employees. Fuel cards are assigned to the deputies. The accounts payable deputy attaches the backup to the statements. The Sheriff is in compliance with the AUP guidelines.

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

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

- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Sheriff has ethics policies and procedures in place. All employees are required to take the online ethics course. There was signature verification that the employees have read the agency policy on ethics.

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

The Sheriff has a written policies and procedures in place for debt service and is in compliance with the AUP guidelines.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. The Madison Parish Sheriff's office does not have a board or a finance committee therefore this procedure is not applicable.

BANK RECONCILIATIONS

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

The agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. The agency had a total of 11 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

For the 5 bank accounts selected above, it was determined that the bank reconciliations were dated to show evidence that they were reconciled within 2 months of the closing date of the statements.

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

For the 5 bank accounts selected above, it was determined that the all 5 bank reconciliations were performed by the Chief Financial Officer and that the reconciliations were reviewed by the accounts payable deputy.

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

For the 5 bank accounts selected above, 4 of the 5 accounts had no outstanding reconciling items over 12 months. One account had items over 12 months.

COLLECTIONS

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Agency provided me with a certified list of deposit sites and I verified that it was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A) Employees that are responsible for cash collections do not share cash drawers/registers.

The agency has 2 collection locations with one cash drawer at the Sheriff's office and one at the jail. Multiple deputies work out of the cash drawer for tax collections and criminal fund.

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.

Two deputies reconcile the cash drawer and give to the accounts payable deputy to verify that the deposit is reconciled to support. A uniformed deputy makes the deposit and gives the deposit slip to the accounts payable clerk for filing. Collections over the counter for tax collector and criminal are posted to the accounting software when collected. The mail is opened by the 2 front office deputies who give general fund and civil fund checks to the Chief Financial Officer who posts the checks to the accounting software. The Chief Financial Officer gives the checks and accounting reports to the accounts payable clerk who verifies and prepares the bank deposit. A uniformed officer makes the deposit and gives the deposit slip to the accounts payable clerk to be filed. Bank reconciliations are prepared by the Chief Financial Officer and there was written documentation that the reconciliations are reviewed by the accounts payable deputy.

- 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.

Two deputies reconcile the cash drawer and give to the accounts payable deputy to verify that the deposit is reconciled to support. A uniformed deputy makes the deposit and gives the deposit slip to the accounts payable clerk for filing. Collections over the counter for tax collector and criminal are posted to the accounting software when collected. The mail is opened by the 2 front office deputies who give general fund and civil fund checks to the Chief Financial Officer who posts the checks to the accounting software. The Chief Financial Officer gives the checks and accounting reports to the accounts payable clerk who verifies and prepares the bank deposit. A uniformed officer makes the deposit and gives the deposit slip to the accounts payable clerk to be filed. Bank reconciliations are prepared by the Chief Financial Officer and there was written documentation that the reconciliations are reviewed by the accounts payable deputy.

- 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.

Two deputies reconcile the cash drawer and give to the accounts payable deputy to verify that the deposit is reconciled to support. A uniformed deputy makes the deposit and gives the deposit slip to the accounts payable clerk for filing. Collections over the counter for tax collector and criminal are posted to the accounting software when collected. The mail is opened by the 2 front office deputies who give general fund and civil fund checks to the Chief Financial Officer who posts the checks to the accounting software. The Chief Financial Officer gives the checks and accounting reports to the accounts payable clerk who verifies and prepares the bank deposit. A uniformed officer makes the deposit and gives the deposit slip to the accounts payable clerk to be filed. Bank reconciliations are prepared by the Chief Financial Officer and there was written documentation that the reconciliations are reviewed by the accounts payable deputy.

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

The Sheriff does not have employee theft insurance coverage on the employees. The Chief Financial Officer and the Sheriff have surety bond coverage.

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 statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

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

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

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

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

The deposit slips selected were traced to the bank statement.

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

Both Sheriff's office locations make daily deposits.

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

The deposits were traced to the posting in the Software and Services (GFA) accounting software.

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

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

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

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

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

The Sheriff does not use a purchase order system or purchase requisitions. The accounts payable clerk initiate purchases and the Chief Financial Officer approves all purchases. The Sheriff reviews all purchases, and has ultimate approval on all major purchases.

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

The accounts payable deputy initiates disbursements and the Chief Financial Officer approves all disbursements and signs all checks.

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

The accounts payable deputy adds vendors and the Chief Financial Officer approves all new vendors.

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

The accounts payable deputy initiates the checks and gives to the Chief Financial Officer to review and sign all checks. The accounts payable deputy mails all check 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.

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

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

The accounts payable deputy initiates the disbursements and the Chief Financial Officer signs all checks. The Chief Financial Officer reconciles all bank statements and there is evidence that the accounts payable deputy reviews the reconciliations.

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

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

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

12. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

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

The accounts payable deputy reviews all credit card statements and attaches proper support to the statement. The accounts payable deputy reviews all fuel credit card statements for consistency and approves them for payment. There is written documentation showing the fuel statements were reviewed for exceptions.

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

For the card tested, there were interest charges on the credit card statement.

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).

All transactions tested had the proper documentation. The Chief Financial Officer or authorized card holder initiates all purchases and the accounts payable deputy approves all purchases. No meal charges were tested.

TRAVEL AND EXPENSE REIMBURSEMENT

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

CONTRACTS

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

PAYROLL AND PERSONNEL

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

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

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

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

ETHICS (EXCLUDING NONPROFITS)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:

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

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

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

Agency had documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

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

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

OTHER

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

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

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

I observed the fraud hotline notice posted on the premises.

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

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



Mary Jo Finley, CPA
November 26, 2018



**MADISON PARISH
SHERIFF'S DEPARTMENT**

LARRY G. COX, SHERIFF & EX-OFFICIO TAX COLLECTOR

**Response to Independent Accountant's Report
On Applying Agreed-Upon Procedures
Fiscal Year Ending June 30, 2018**

WRITTEN POLICIES AND PROCEDURES

1. A. No Response Needed
- B. No Response Needed
- C. No Response Needed
- D. Because of the layout and size of the collection area, one cash drawer is shared between two ladies that share the one office. The two deputies balance the drawer together and turn funds over to the Accounts Payable Deputy for verification. No problems in balancing have occurred, however the Sheriff will consider using two cash drawers.
We are reviewing our current insurance policy and will research the options to insure or bond the employees that collect and deposit funds.
- E. No Response Needed
- F. No Response Needed
- G. No Response Needed
- H. No Response Needed
- I. No Response Needed
- J. No Response Needed

BOARD OR FINANCE COMMITTEE

2. Not Applicable

BANK RECONCILIATIONS

3. A. No Response Needed
- B. No Response Needed
- C. We are in the process of researching the remaining reconciled items that have been outstanding for more than 6 months. Most of the checks have cleared since June 30, 2018.

COLLECTIONS

4. No Response Needed
5. A. Because of the layout and size of the collection area, one cash drawer is shared between two ladies that share the one office. The two deputies balance the drawer together and

turn funds over to the Accounts Payable Deputy for verification. No problems in balancing have occurred, however the Sheriff will consider using two cash drawers.

We are reviewing our current insurance policy and will research the options to insure or bond the employees that collect and deposit funds.

- B. No Response Needed.
- C. No Response Needed.
- D. No Response Needed.
- 6. We are reviewing our current insurance policy and will research the options to insure or bond all employees that collect and deposit funds.
- 7. A. No Response Needed.
- B. No Response Needed.
- C. No Response Needed.
- D. No Response Needed.
- E. No Response Needed.

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

- 8. No Response Needed
- 9. A. No Response Needed
- B. No Response Needed
- C. No Response Needed
- D. No Response Needed.
- 10. A. No Response Needed.
- B. No Response Needed.

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

- 11. No Response Needed
- 12. A. No Response Needed.
- B. More attention will be paid to the timely payment of invoices to ensure there are no late fees or interest charged.
- 13. No Response Needed

TRAVEL AND EXPENSE REIMBURSEMENTS

- 14. No Response Needed

CONTRACTS

- 15. No Response Needed.

PAYROLL AND PERSONNEL

- 16. No Response Needed
- 17. No Response Needed.
- 18. No Response Needed.
- 19. No Response Needed.

ETHICS

- 20. A. No Response Needed
- B. No Response Needed.

DEBT SERVICES

- 21. No Response Needed
- 22. No Response Needed

OTHER

- 23. No Response Needed
- 24. No Response Needed

Signed this 26th day of NOVEMBER, 2018, in Madison Parish, Tallulah, Louisiana.



**LARRY G. COX, SHERIFF
MADISON PARISH, LOUISIANA**

LGC/lb