

ACADIA PARISH SHERIFF

Crowley, Louisiana

Financial Report

Year Ended June 30, 2017

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Penny Angelle Scroggins, CPA
Christine C. Doucet, CPA
Wanda F. Arceant, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

Casay L. Ardoin, CPA
Alan M. Taylor, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®*
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Jane R. Hebert, CPA
Deldre L. Stock, CPA
Karen V. Fontenot, CPA
Tabby A. LeMay, CPA
Shayne M. Breaux, CPA

* A Professional Accounting Corporation

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-8881

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

INDEPENDENT AUDITOR'S REPORT

The Honorable K. P. Gibson
Acadia Parish Sheriff
Crowley, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish Sheriff (hereinafter "Sheriff"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sheriff, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of funding progress, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 40 through 44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Sheriff has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 46 through 53 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative and combining statements on pages 46, 47, 51, and 52 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative and combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative and combining statements were derived from the Acadia Parish Sheriff's 2016 financial statements, which were subjected to the auditing procedures applied by other auditors in the audit of the basic financial statements and, in their opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules and the affidavit on pages 48 through 49 and 53 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 30, 2017

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

ACADIA PARISH SHERIFF
Crowley, Louisiana

Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 3,727,126
Investments	8,897,996
Receivables, net	1,114,451
Prepaid expenses	<u>12,574</u>
Total current assets	13,752,147
Noncurrent assets:	
Capital assets, net	<u>1,377,758</u>
TOTAL ASSETS	<u>15,129,905</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>1,848,275</u>
LIABILITIES	
Current liabilities:	
Accounts, salaries, and other payables	<u>237,539</u>
Noncurrent liabilities:	
Capital lease payable	713,466
Compensated absences	48,302
Postemployment benefit obligation	7,701,476
Net pension liability	<u>3,848,510</u>
Total noncurrent liabilities	<u>12,311,754</u>
TOTAL LIABILITIES	<u>12,549,293</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>496,571</u>
NET POSITION	
Net investment in capital assets	664,292
Unrestricted	<u>3,268,024</u>
TOTAL NET POSITION	<u>\$ 3,932,316</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Balance Sheet - Governmental Fund
June 30, 2017

	General Fund
ASSETS	
Cash and interest-bearing deposits	\$ 3,727,126
Investments	8,897,996
Receivables	1,114,451
Prepaid expenditures	12,574
Total assets	\$ 13,752,147
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 25,318
Accrued liabilities	133
Estimated medical payments	97,561
Total liabilities	123,012
Fund balances:	
Nonspendable for prepaid items	12,574
Unassigned	13,616,561
Total fund balances	13,629,135
Total liabilities and fund balances	\$ 13,752,147

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017

Total fund balances for governmental funds at June 30, 2017		\$ 13,629,135
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Vehicles, net of \$701,851 accumulated depreciation	\$1,216,973	
Equipment, net of \$533,825 accumulated depreciation	<u>160,785</u>	1,377,758
The deferred outflows of contributions for the Sheriffs' Pension and Relief Fund are not available resources, and therefore, are not reported in the fund financial statements.		
		1,848,275
Long-term liabilities at June 30, 2017:		
Capital lease payable	(713,466)	
Insurance claims payable	(114,527)	
Compensated absences	(48,302)	
Postemployment benefit obligation	(7,701,476)	
Net pension liability	<u>(3,848,510)</u>	(12,426,281)
The deferred inflows of contributions for the Sheriffs' Pension and Relief Fund are not available resources, and therefore, are not reported in the fund financial statements.		
		<u>(496,571)</u>
Net position at June 30, 2017		<u>\$ 3,932,316</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Fund
For the Year Ended June 30, 2017

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 2,983,631
Sales tax	3,762,009
Intergovernmental revenues -	
Federal grants	43,277
State grants	228,004
State revenue sharing	324,910
State supplemental pay	428,771
Local grants	6,581
Fees, charges and commissions for services -	
Civil and criminal fees	397,708
Court attendance	12,682
Feeding, keeping, and transporting prisoners	507,310
Other fees, charges and commissions	301,645
Interest income	68,450
Miscellaneous	486,786
Total revenues	<u>9,551,764</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	4,812,071
Operating services	2,153,498
Operations and maintenance	1,187,832
Travel and other charges	31,582
Capital outlay	1,372,888
Debt service -	
Principal	476,807
Interest	36,413
Total expenditures	<u>10,071,091</u>
Excess (deficiency) of revenues over expenditures	<u>(519,327)</u>
Other financing sources (uses):	
Proceeds from capital lease	1,190,273
Sale of capital assets	17,575
Total other financing sources (uses)	<u>1,207,848</u>
Net change in fund balances	688,521
Fund balances, beginning	<u>12,940,614</u>
Fund balances, ending	<u>\$ 13,629,135</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017

Total net changes in fund balances for the year ended June 30, 2017 per statement of revenues, expenditures and changes in fund balances		\$ 688,521
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$1,372,888	
Depreciation expense for the year ended June 30, 2017	<u>(378,430)</u>	994,458
Issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal are recorded as expenditures in the governmental funds but reduce liability in the statement of activities.		
Proceeds from capital lease	(1,190,273)	
Capital lease retirement	<u>476,807</u>	(713,466)
Compensated absences at June 30, 2017 not requiring the use of current economic resources and, therefore, are not recorded as a fund expenditure.		(4,820)
Group health insurance claims not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		89,399
Postemployment benefit obligation at June 30, 2017 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		(358,278)
Pension benefit at June 30, 2017 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		(120,947)
Non-employer pension contributions to the Sheriffs' Pension and Relief Fund		<u>235,544</u>
Total change in net position for the year ended June 30, 2017 per statement of activities		<u>\$ 810,411</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 576,908
Due from other governments	<u>80,930</u>
Total assets	<u>\$ 657,838</u>
LIABILITIES	
Due to other taxing bodies	\$ 191,410
Due to pending court action	439,885
Due to inmates	<u>26,543</u>
Total liabilities	<u>\$ 657,838</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

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

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

(1) Summary of Significant Accounting Policies

A. Reporting Entity

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

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Funds –

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

Grant Fund – This fund is used to account for the proceeds of specific revenue sources such as federal grants. These revenues are legally restricted by grant agreements to expenditures for specified purposes.

Fiduciary Funds -

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

C. Measurement Focus/Basis of Accounting

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

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

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

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

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

Expenditures

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

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

E. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section 150, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

F. Reserve for Uncollectible Receivables

Since the Sheriff is required to provide civil department services for pauper cases, the Sheriff has established a reasonable reserve for uncollectible receivables to cover the pauper cases and other balances determined to be uncollectible. Periodically, the Sheriff adjusts this reserve based on historical performance. The reserve for uncollectible receivables at June 30, 2017 was \$38,219.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

G. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). 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 \$2,500 or more for capitalizing capital assets.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Equipment	5-20 years
Vehicles	5 years

H. Compensated Absences

Employees of the Sheriff's office earn from four to ten days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned and cannot be accumulated. Unused vacation leave is paid upon termination of employment. Employees with a minimum of one year of service to the Sheriff earn ten days of sick leave per year, and an additional day earned annually for each year of completed full time service. Unused sick leave may be carried forward each year; however, it is not compensable upon termination of employment. At June 30, 2017, employees have accumulated and vested \$48,302 of benefits. This amount is included in noncurrent liabilities in the statement of net position.

I. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2017, the Sheriff's deferred outflows of resources and deferred inflows of resources are attributable to pension plans.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

J. Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net 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 do not meet the definition of “net investment in capital assets” or “restricted.”

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff’s adopted policy, only the Sheriff may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

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

K. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2017, the Sheriff has cash and interest-bearing deposits (book balances) as follows:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Assets and Liabilities	Total
Noninterest-bearing deposits	\$ 398,107	\$ 385,498	\$ 783,605
Interest-bearing deposits	<u>3,329,019</u>	<u>191,410</u>	<u>3,520,429</u>
	<u>\$ 3,727,126</u>	<u>\$ 576,908</u>	<u>\$ 4,304,034</u>

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Government's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Sheriff or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017, are secured as follows:

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Bank balances	<u>\$ 4,978,968</u>
Federal deposit insurance	278,642
Pledged securities	<u>4,700,326</u>
Total	<u>\$ 4,978,968</u>

Deposits in the amount of \$4,700,326 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities pledging institution's trust department or agent, but not in the Sheriff's name. The Sheriff does not have a policy for custodial credit risk.

(3) Investments

The Sheriff participates in Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. LAMP's portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

In accordance with GASB Codification Section I50.128, the investment in LAMP is not exposed to custodial credit risk, and is not in the three categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. Investments in LAMP are not exposed to credit risk and interest rate risk. LAMP has a fund rating of AAAM issued by Standard & Poors. This rating is given to a fund that has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. 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.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

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 market value of investments is determined on a weekly basis by LAMP and the value of position in the external investment pool is the same as the value of the pool shares.

At June 30, 2017, the Sheriff had investments in LAMP in the amount of \$8,897,996.

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions. Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2017, law enforcement taxes were levied at the rate of 7.87 mills on property with net assessed valuations (after homestead exemption) totaling \$29,067,459.

Total law enforcement taxes levied during 2017 were \$2,287,609.

(5) Receivables and Due From Other Governmental Agencies

Receivables and amounts due from other governmental agencies at June 30, 2017 consist of the following:

	Governmental Activities	Fiduciary Funds
Fees, charges, and commissions for services, net	\$ 232,288	\$ -
Sales taxes	668,486	-
Ad valorem taxes	10,364	-
Due from other governments	191,060	80,930
Other	12,253	-
Total	<u>\$1,114,451</u>	<u>\$ 80,930</u>

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance <u>7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2017</u>
Depreciable assets:				
Buildings	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Vehicles	779,744	1,269,932	130,852	1,918,824
Equipment	594,053	102,957	2,400	694,610
Totals	<u>2,373,797</u>	<u>1,372,889</u>	<u>133,252</u>	<u>3,613,434</u>
Less: accumulated depreciation				
Buildings	1,000,000	-	-	1,000,000
Vehicles	517,915	314,788	130,852	701,851
Equipment	472,583	63,642	2,400	533,825
Total accumulated depreciation	<u>1,990,498</u>	<u>378,430</u>	<u>133,252</u>	<u>2,235,676</u>
Capital assets, net	<u>\$ 383,299</u>	<u>\$ 994,459</u>	<u>\$ -</u>	<u>\$ 1,377,758</u>

Depreciation expense in the amount of \$378,430 was charged to public safety.

(7) Accounts, Salaries, and Other Payables

Accounts, salaries, and other payables at June 30, 2017 consist of the following:

Accounts payable	\$ 25,451
Estimated medical payments	<u>212,088</u>
Total	<u>\$ 237,539</u>

(8) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Sheriff for the year ended June 30, 2017:

Long-term debt payable at 6/30/16	Capital Lease <u>\$ -</u>
Long-term debt issued	1,190,273
Long-term debt retired	<u>(476,807)</u>
Long-term debt payable at 6/30/17	<u>\$ 713,466</u>

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Long-term debt payable at June 30, 2017 is comprised of the following capital leases:

		<u>Current Portion</u>
\$782,237 equipment (police vehicles) lease dated July 27, 2016, due in annual installments of \$168,642, including interest at 3.90%, through July 2020, secured by assets with a carrying value of \$638,820 at June 30, 2017.	\$ 468,885	\$ -
\$408,034 equipment (police vehicles) lease dated July 5, 2016, due in annual installments of \$87,968, including interest at 3.90%, through July 2020, secured by assets with a carrying value of \$326,420 at June 30, 2017.	244,581	-
Total	<u>\$ 713,466</u>	<u>\$ -</u>

The long-term debt is due as follows:

Year Ending June 30,	<u>Principal Payments</u>	<u>Interest Payments</u>
2019	\$ 228,784	\$ 27,826
2020	237,707	18,903
2021	246,975	9,635
Total	<u>\$ 713,466</u>	<u>\$ 56,364</u>

(9) Post Retirement Health Care and Life Insurance Benefits

In adopting the requirements of GASB Codification Section P50, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Codification Section P50) during the year ended June 30, 2009, the Sheriff began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Codification Section P50 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Plan Description: The Acadia Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement. For employees retiring on or before December 31, 2014, the employer pays 100% of the medical coverage for the retiree and a portion of the coverage for dependents. For employees who have met the eligibility requirements, on or before June 30, 2014, the employer pays 100% of the medical coverage for the retiree. The eligibility requirements are as follows: 30 years of service at any age or, age 55 and at least 15 years of service. For employees retiring on or after January 1, 2015, the employer pays 50% of the medical coverage for retirees with 20 years of service and age 55, or the employer pays 100% of the medical coverage for retirees with 30 years of service at any age. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 20 years of service.

Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 20 years of service. Life insurance coverage is continued to retirees and is based on a blended rate for active employees and retirees. The employer pays 100% of the cost of the retirees' life insurance after retirement. There is an age-related reduction formula after retirement (reducing to 75% of pre-retirement coverage at age 65 and to 50% at age 70). The employer cost is based on the blended active/retired rate and there is thus an additional implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Funding Policy: The monthly premiums for the retiree benefits are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

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

Normal cost	\$ 284,898
30-year UAL amortization amounts	<u>568,309</u>
Annual required contributions (ARC)	<u>\$ 853,207</u>

Net Postemployment Benefit Obligation (Asset) – The table below shows Acadia Parish Sheriff's Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ending June 30, 2017:

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Annual required contribution	\$ 853,207
Interest on net OPEB obligation	293,728
Adjustment to annual required contribution	<u>(424,658)</u>
Annual OPEB cost (expense)	722,277
Contributions made	<u>(363,999)</u>
Increase in net OPEB obligation	358,278
Net OPEB obligation - beginning of year	<u>7,343,198</u>
Net OPEB obligation - end of year	<u><u>\$ 7,701,476</u></u>

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of 2015, 2016, and 2017 follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 1,934,825	31.09%	\$ 6,984,375
6/30/2016	\$ 695,859	48.43%	\$ 7,343,198
6/30/2017	\$ 722,277	50.40%	\$ 7,701,476

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 10,220,271
Actuarial valuations of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 10,220,271</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0%

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

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

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 15.5%.

Postemployment Benefit Plan Eligibility Requirements – Historically, most employees have not retired until 25 to 30 years of service. We have therefore assumed that employees retire three years after the earliest of the following: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 15 years of service. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

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

Method of Determining Value of Benefits – The "value of benefits" was assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

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

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

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

(10) Pension Plan

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund (Fund) and additions to/deductions from the Fund's fiduciary net position have been determined on the accrual basis of accounting. Employer contributions are recognized in the period in which the employee is compensated for services performed. Investments are reported at fair value.

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

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

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

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In addition, the 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.

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

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

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Contributions: Contributions for all members are established by the Board of Trustees. The employee contribution rate for the year ended June 30, 2016 was 10.25%. Contributions are deducted from the member's salary and remitted monthly. Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For the year ended June 30, 2016, the employers contributed 13.75% of the members' salaries with an additional 0.0% allocated from the Funding Deposit Account. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$235,544 and excluded from pension expense for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, the Sheriff reported a liability of \$3,848,510 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was 0.606361%, which was a decrease of 0.018154% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$603,753 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$3,606.

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

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

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2010 through June 30, 2015. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.6% per annum
Discount Rate	7.50%
Projected Salary Increases	5.5% (2.875% Inflation, 2.625% Merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Discount Rate: The discount rate used to measure the total pension liability was 7.5%, which was a decrease of 0.1% from the prior year valuation. 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 which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and adding expected inflation.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target allocation as of June 30, 2016 were as follows:

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.5%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:

	1.0% Decrease	Current	1.0% Increase
	6.5%	Discount Rate 7.5%	8.5%
Employer's proportionate share of the net pension liability	\$ 6,529,389	\$ 3,848,510	\$ 1,635,762

At June 30, 2017, 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
Difference between expected and actual experience	\$ -	\$ 403,666
Change of assumptions	314,411	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	90,801	92,905
Net differences between projected and actual earnings on plan investments	963,860	-
Contributions subsequent to the measurement date	479,203	-
Total	<u>\$ 1,848,275</u>	<u>\$ 496,571</u>

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$479,203 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2018	\$ 116,271
2019	116,271
2020	397,024
2021	254,485
2022	(5,776)
Thereafter	<u>(5,774)</u>
	<u>\$ 872,501</u>

(11) Deferred Compensation Plan

Certain employees of the Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures related to the Plan are included in the separately issued audit report of the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(12) Changes in Agency Fund Balances

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

	Tax Collector Fund	Bond Fund	Inmate Fund	Civil Fund
Balances, June 30, 2016	\$ 346,608	\$ 331,944	\$ 23,457	\$ 32,782
Additions	30,663,875	1,068,111	164,408	2,196,738
Reductions	<u>(30,863,396)</u>	<u>(960,170)</u>	<u>(161,322)</u>	<u>(2,185,197)</u>
Balances, June 30, 2017	<u>\$ 147,087</u>	<u>\$ 439,885</u>	<u>\$ 26,543</u>	<u>\$ 44,323</u>

(13) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2017, include no taxes paid under protest.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Ex-officio Tax Collector

The amount of cash on hand at year end was \$147,087. The unsettled balances of the Tax Collector Fund at June 30, 2017 consist of the following:

Collection of current and prior year taxes, not settled	\$ 139,535
Refunds and redemptions	6,200
Occupational licences	1,296
Interest	56
Total	<u>\$ 147,087</u>

The amount of taxes collected for the current year by taxing authority was as follows:

Acadia Parish Law Enforcement	\$ 2,982,121
Acadia Parish School Board	12,497,467
Acadia Parish Police Jury	3,063,553
Acadia Parish Assessor	1,428,538
Acadia Parish Gravity Drainage Districts	2,450,364
Acadia Parish Fire Districts	2,626,080
Acadia Parish Council on Aging	575,962
Acadia/St. Landry Hospital District	212,823
Mermentau River and Harbor District	74,086
Acadia Parish Road Districts	1,223,920
Department of Agriculture & Forestry	5,992
Louisiana Tax Commission	54,597
Acadia Parish Library	1,636,946
Total	<u>\$ 28,832,449</u>

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

For the fiscal year ended June 30, 2017, the taxes assessed and uncollected as a result of Louisiana Tax Commission decreases and movable properties were as follows:

	Change Orders	Movables
Acadia Parish Law Enforcement	\$ 18,678	\$ 7,536
Acadia Parish School Board	68,713	26,933
Acadia Parish Police Jury	18,948	7,291
Acadia Parish Assessor	8,948	3,610
Acadia Parish Gravity Drainage Districts	19,268	6,742
Acadia Parish Fire Districts	8,791	6,275
Acadia Parish Council on Aging	3,608	1,456
Acadia/St. Landry Hospital District	986	536
LA Department of Agriculture & Forestry	2	-
Mermentau River and Harbor District	1,531	17
Acadia Parish Road Districts	7,666	3,093
Acadia Parish Library	10,253	4,137
Total	<u>\$ 167,392</u>	<u>\$ 67,626</u>

(15) Litigation and Claims

At June 30, 2017, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

(16) Risk Management

A. Commercial Insurance Coverage

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

B. Group Self-Insurance Health Plan

The Sheriff maintains a limited risk management program for group hospitalization insurance. The Sheriff has contracted Meritain Health to act as the third party administrator for the program. An excess of coverage insurance policy covers individual claims in excess of \$60,000 per year and \$2,013,529 per lifetime.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

The General Fund participates in the program. The claims liability of \$97,561 reported in the General Fund at June 30, 2017 is based on the loss that is probable to have been at the date of the financial statements and the amount of loss that can be reasonably estimated. The total claims liability of \$212,088 for the program includes \$114,527 for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. The Sheriff currently does not discount its claims liabilities. Changes in the claims liabilities are as follows:

	Fiscal Year Liability	Changes in Estimates	Payments and Claims	Fiscal Year End
2015-2016	\$ 183,915	\$2,115,453	\$ 1,883,192	\$ 416,176
2016-2017	416,176	1,691,061	1,895,149	212,088

(17) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Sheriff's financial statements to record the exempt amounts. At June 30, 2017, the Sheriff's ad valorem revenues were reduced by \$81,536 as a result of these abatements.

(18) Compensation, Benefits, and Other Payments to Agency Head

In accordance with Act 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits, and other payments to K. P. Gibson, Sheriff, for the year ended June 30, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 159,540
Benefits - insurance	5,174
Benefits - retirement	50,654
Vehicle provided by government	5,958
Conference travel	1,318
Dues	112
Cellular phone	1,224
Total	<u>\$ 223,980</u>

REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH SHERIFF
Crowley, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 2,982,172	\$ 2,975,584	\$ 2,983,631	\$ 8,047
Sales tax	3,761,506	3,723,262	3,762,009	38,747
Intergovernmental revenues -				
Federal grants	49,304	1,500	43,277	41,777
State grants	236,842	226,647	228,004	1,357
State revenue sharing	319,221	324,911	324,910	(1)
State supplemental pay	440,620	425,068	428,771	3,703
Local grants	-	-	6,581	6,581
Fees, charges and commissions for services -				
Civil and criminal fees	316,522	327,987	397,708	69,721
Court attendance	14,729	12,648	12,682	-
Feeding, keeping, and transporting prisoners	443,837	501,000	507,310	6,310
Other fees, charges and commissions	214,484	298,053	301,645	3,592
Interest income	19,179	61,817	68,450	6,633
Miscellaneous	430,564	448,787	486,786	37,999
Total revenues	<u>9,228,980</u>	<u>9,327,264</u>	<u>9,551,764</u>	<u>224,466</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,889,265	4,795,661	4,812,071	(16,410)
Operating services	2,496,335	2,473,502	2,153,498	320,004
Operations and maintenance	1,417,496	1,266,772	1,187,832	78,940
Travel and other charges	29,892	33,637	31,582	2,055
Capital outlay	-	1,272,450	1,372,888	(100,438)
Debt service:				
Principal	255,000	476,806	476,807	(1)
Interest	10,000	36,413	36,413	-
Total expenditures	<u>9,097,988</u>	<u>10,355,241</u>	<u>10,071,091</u>	<u>284,150</u>
Excess of revenues over expenditures	<u>130,992</u>	<u>(1,027,977)</u>	<u>(519,327)</u>	<u>508,616</u>
Other financing sources:				
Proceeds from capital lease	-	1,190,273	1,190,273	-
Sale of capital assets	9,775	15,325	17,575	2,250
Total other financing sources	<u>9,775</u>	<u>1,205,598</u>	<u>1,207,848</u>	<u>2,250</u>
Net change in fund balance	140,767	177,621	688,521	510,866
Fund balance, beginning	<u>12,940,614</u>	<u>12,940,614</u>	<u>12,940,614</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,081,381</u>	<u>\$ 13,118,235</u>	<u>\$ 13,629,135</u>	<u>\$ 510,866</u>

ACADIA PARISH SHERIFF
Crowley, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2013	\$ -	\$22,522,484	\$22,522,484	0.0%	\$4,135,162	544.7%
July 1, 2014	-	23,423,383	23,423,383	0.0%	4,482,764	522.5%
July 1, 2015	-	9,827,184	9,827,184	0.0%	4,722,375	208.1%

ACADIA PARISH SHERIFF
Crowley, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2017*

Year ended June 30,	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
2017	0.606361%	\$ 3,848,510	\$ 4,143,218	92.9%	82.10%
2016	0.624515%	2,783,786	4,739,087	58.7%	86.61%
2015	0.622848%	2,466,481	4,127,371	59.8%	87.35%

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

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2017

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2017	\$ 479,203	\$ 479,203	\$ -	\$ 3,616,627	13.25%
2016	569,692	569,692	-	4,143,215	13.75%
2015	589,732	589,732	-	4,127,371	14.29%

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

ACADIA PARISH SHERIFF
Crowley, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2017

(1) Budgets and Budgetary Accounting

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

- a. The chief administrative deputy prepares a proposed budget for the General and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

(2) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Excess Expenditures Over Appropriations

For the year ended June 30, 2017, the General Fund had actual expenditures over appropriations as follows:

	Final Budget	Actual	Excess
Capital Outlay	\$1,285,068	\$ 1,375,287	\$ (90,219)

OTHER SUPPLEMENTARY INFORMATION

ACADIA PARISH SHERIFF
Crowley, Louisiana

Comparative Statement of Net Position
June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 3,727,126	\$ 3,226,737
Investments	8,897,996	8,837,927
Receivables, net	1,114,451	1,121,806
Prepaid expenses	12,574	2,660
Total current assets	13,752,147	13,189,130
Noncurrent assets:		
Capital assets, net	1,377,758	383,300
TOTAL ASSETS	15,129,905	13,572,430
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	1,848,275	840,860
LIABILITIES		
Current liabilities:		
Accounts, salaries, and other payables	237,539	452,442
Noncurrent liabilities:		
Capital lease payable	713,466	-
Compensated absences	48,302	44,655
Postemployment benefit obligation payable	7,701,476	7,343,198
Net pension liability	3,848,510	2,783,786
Total noncurrent liabilities	12,311,754	10,171,639
TOTAL LIABILITIES	12,549,293	10,624,081
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	496,571	668,477
NET POSITION		
Net investment in capital assets	664,292	383,300
Restricted by grantors	-	29,154
Unrestricted	3,268,024	2,709,451
TOTAL NET POSITION	\$ 3,932,316	\$ 3,121,905

ACADIA PARISH SHERIFF
Crowley, Louisiana

General Fund
Comparative Balance Sheet
June 30, 2017 and 2016

		General Fund	
		2017	2016
ASSETS			
Cash and interest-bearing deposits		\$ 3,727,126	\$ 3,226,737
Investments		8,897,996	8,837,927
Receivables		1,114,451	1,121,806
Prepaid expenditures		12,574	2,660
Total assets		\$ 13,752,147	\$ 13,189,130
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable		\$ 25,318	\$ 36,266
Accrued liabilities		133	-
Estimated medical payments		97,561	212,250
Total liabilities		123,012	248,516
Fund balances:			
Nonspendable for prepaid items		12,574	2,660
Restricted by grantors		-	29,154
Unassigned		13,616,561	12,908,800
Total fund balances		13,629,135	12,940,614
Total liabilities and fund balances		\$ 13,752,147	\$ 13,189,130

ACADIA PARISH SHERIFF
Crowley, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

With Comparative Actual Balances for Year Ended June 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Ad valorem taxes	\$ 2,982,172	\$ 2,975,584	\$ 2,983,631	\$ 8,047	\$ 3,096,895
Sales tax	3,761,506	3,723,262	3,762,009	38,747	3,849,257
Intergovernmental revenues -					
Federal grants	49,304	1,500	43,277	41,777	66,095
State grants	236,842	226,647	228,004	1,357	238,936
State revenue sharing	319,221	324,911	324,910	(1)	319,222
State supplemental pay	440,620	425,068	428,771	3,703	484,392
Local grants	-	-	6,581	6,581	-
Fees, charges and commissions for services -					
Civil and criminal fees	316,522	327,987	397,708	69,721	484,680
Court attendance	14,729	12,648	12,682	-	14,817
Feeding, keeping and transporting prisoners	443,837	501,000	507,310	6,310	1,165,486
Other fees, charges & commissions	214,484	298,053	301,645	3,592	298,128
Interest income	19,179	61,817	68,450	6,633	28,748
Miscellaneous	430,564	448,787	486,786	37,999	570,620
Total revenues	<u>9,228,980</u>	<u>9,327,264</u>	<u>9,551,764</u>	<u>224,466</u>	<u>10,617,276</u>
Expenditures:					
Current -					
Public safety:					
Personal services and related benefits	4,889,265	4,795,661	4,812,071	(16,410)	5,635,994
Operating services	2,496,335	2,473,502	2,153,498	320,004	2,117,579
Operations and maintenance	1,417,496	1,266,772	1,187,832	78,940	1,401,094
Travel and other charges	29,892	33,637	31,582	2,055	104,769
Capital outlay	-	1,272,450	1,372,888	(100,438)	173,842
Debt service:					
Principal	255,000	476,806	476,807	(1)	90,000
Interest	10,000	36,413	36,413	-	900
Total expenditures	<u>9,097,988</u>	<u>10,355,241</u>	<u>10,071,091</u>	<u>284,150</u>	<u>9,524,178</u>
Excess of revenues over expenditures	<u>130,992</u>	<u>(1,027,977)</u>	<u>(519,327)</u>	<u>508,616</u>	<u>1,093,098</u>
Other financing sources:					
Proceeds from capital lease	-	1,190,273	1,190,273	-	-
Transfer from Grant Fund	-	-	-	-	19,154
Sale of capital assets	9,775	15,325	17,575	2,250	9,775
Total other financing sources	<u>9,775</u>	<u>1,205,598</u>	<u>1,207,848</u>	<u>2,250</u>	<u>28,929</u>
Excess of revenues and other financing sources over expenditures	140,767	177,621	688,521	510,866	1,122,027
Fund balance, beginning	<u>12,940,614</u>	<u>12,940,614</u>	<u>12,940,614</u>	<u>-</u>	<u>11,818,587</u>
Fund balance, ending	<u>\$ 13,081,381</u>	<u>\$ 13,118,235</u>	<u>\$ 13,629,135</u>	<u>\$ 510,866</u>	<u>\$ 12,940,614</u>

ACADIA PARISH SHERIFF
Crowley, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2017
With Comparative Actual Balances for the Year Ended June 30, 2016

	2017		Actual	Variance with Final Budget Positive (Negative)	2016 Actual
	Budget				
	Original	Final			
Current:					
Public safety -					
Personal services and related benefits:					
Sheriff's salary	\$ 159,000	\$ 159,540	\$ 159,540	\$ -	\$ 158,108
Deputies salaries	4,125,000	4,040,878	4,042,530	(1,652)	4,832,331
Pension and payroll taxes	<u>605,265</u>	<u>595,243</u>	<u>610,001</u>	<u>(14,758)</u>	<u>645,555</u>
Total personal services and related benefits	<u>4,889,265</u>	<u>4,795,661</u>	<u>4,812,071</u>	<u>(16,410)</u>	<u>5,635,994</u>
Operating services:					
Hospitalization insurance	2,190,474	2,211,690	1,905,707	305,983	1,894,787
Auto insurance	131,420	128,488	128,422	66	81,420
Other liability insurance	<u>174,441</u>	<u>133,324</u>	<u>119,369</u>	<u>13,955</u>	<u>141,372</u>
Total operating services	<u>2,496,335</u>	<u>2,473,502</u>	<u>2,153,498</u>	<u>320,004</u>	<u>2,117,579</u>
Operations and maintenance:					
Auto fuel and oil	213,001	178,049	183,861	(5,812)	172,060
Auto maintenance	290,999	165,883	61,462	104,421	101,322
Deputy uniforms, supplies, etc.	116,060	155,191	167,223	(12,032)	145,482
Office supplies and expenses	335,826	290,560	296,127	(5,567)	322,474
Telephone	97,596	111,418	115,834	(4,416)	144,464
Maintenance contracts and rentals	4,328	5,618	6,191	(573)	5,172
Prisoner feeding and maintenance	282,093	275,893	284,944	(9,051)	449,796
Professional fees	40,315	55,484	55,423	61	40,315
Criminal investigation expense	<u>27,278</u>	<u>16,058</u>	<u>14,368</u>	<u>1,690</u>	<u>20,009</u>
Total operations and maintenance	<u>1,407,496</u>	<u>1,254,154</u>	<u>1,185,433</u>	<u>68,721</u>	<u>1,401,094</u>
Other charges	<u>29,892</u>	<u>33,637</u>	<u>31,582</u>	<u>2,055</u>	<u>104,769</u>
Capital outlay	<u>10,000</u>	<u>1,285,068</u>	<u>1,375,287</u>	<u>(90,219)</u>	<u>173,842</u>
Debt service:					
Principal	255,000	476,806	476,807	(1)	90,000
Interest	<u>10,000</u>	<u>36,413</u>	<u>36,413</u>	<u>-</u>	<u>900</u>
Total debt service	<u>265,000</u>	<u>513,219</u>	<u>513,220</u>	<u>(1)</u>	<u>90,900</u>
Total expenditures	<u>\$ 9,097,988</u>	<u>\$ 10,355,241</u>	<u>\$ 10,071,091</u>	<u>\$ 284,150</u>	<u>\$ 9,524,178</u>

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 and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bond Fund -

To account for the collection of cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

Inmate Fund -

To account for the receipts and disbursements made to the individual prison inmate accounts.

Civil Fund -

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

Acadia Parish Sheriff
Crowley, Louisiana
Agency Funds

Combining Balance Sheet
June 30, 2017
With Comparative Totals for June 30, 2016

	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Inmate Fund</u>	<u>Civil Fund</u>	<u>Total</u>	
					2017	2016
ASSETS						
Cash and cash equivalents	\$ 147,087	\$ 358,955	\$ 26,543	\$ 44,323	\$ 576,908	\$ 653,861
Due from other governments	-	80,930	-	-	80,930	80,930
Total assets	<u>\$ 147,087</u>	<u>\$ 439,885</u>	<u>\$ 26,543</u>	<u>\$ 44,323</u>	<u>\$ 657,838</u>	<u>\$ 734,791</u>
LIABILITIES						
Due to other taxing bodies	\$ 147,087	\$ -	\$ -	\$ 44,323	\$ 191,410	\$ 379,390
Due to others pending court action	-	439,885	-	-	439,885	331,944
Due to inmates	-	-	26,543	-	26,543	23,457
Total liabilities	<u>\$ 147,087</u>	<u>\$ 439,885</u>	<u>\$ 26,543</u>	<u>\$ 44,323</u>	<u>\$ 657,838</u>	<u>\$ 734,791</u>

ACADIA PARISH SHERIFF
Crowley, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2017
With Comparative Totals for the Year Ended June 30, 2016

	Tax	Bond	Inmate	Civil	Total	
	Collector Fund	Fund	Fund	Fund	2017	2016
Balances, beginning of year	\$ 346,608	\$ 331,944	\$ 23,457	\$ 32,782	\$ 734,791	\$ 2,400,911
Additions:						
Deposits -						
Sheriff's sales	-	-	-	1,979,377	1,979,377	832,988
Bonds, fines and costs	-	1,068,111	-	-	1,068,111	1,064,516
Garnishments	-	-	-	217,361	217,361	207,040
Inmates	-	-	164,408	-	164,408	285,001
Taxes, fees, etc. paid to tax collector	30,661,099	-	-	-	30,661,099	28,857,566
Interest on investments	2,776	-	-	-	2,776	4,241
Total additions	<u>30,663,875</u>	<u>1,068,111</u>	<u>164,408</u>	<u>2,196,738</u>	<u>34,093,132</u>	<u>31,251,352</u>
Total	<u>31,010,483</u>	<u>1,400,055</u>	<u>187,865</u>	<u>2,229,520</u>	<u>34,827,923</u>	<u>33,652,263</u>
Reductions:						
Taxes, fees, etc. distributed to taxing bodies and others	30,604,092	960,170	-	-	31,564,262	31,322,308
Deposits settled to -						
Sheriff's General Fund	-	-	-	318,275	318,275	433,176
Clerk of court	-	-	-	63,854	63,854	104,989
Inmates	-	-	161,322	-	161,322	285,279
Litigants	-	-	-	1,429,914	1,429,914	395,612
Attorneys, appraisers, etc.	-	-	-	24,550	24,550	44,550
Settlements	36,633	-	-	54,401	91,034	84,672
Other reductions	222,671	-	-	294,203	516,874	246,886
Total reductions	<u>30,863,396</u>	<u>960,170</u>	<u>161,322</u>	<u>2,185,197</u>	<u>34,170,085</u>	<u>32,917,472</u>
Balances, end of year	\$ 147,087	\$ 439,885	\$ 26,543	\$ 44,323	\$ 657,838	\$ 734,791

STATE OF LOUISIANA, PARISH OF ACADIA

AFFIDAVIT

K. P. Gibson, Sheriff of Acadia

BEFORE ME, the undersigned authority, personally came and appeared, K. P. Gibson, the Sheriff of Acadia Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$148,087 is the amount of cash on hand in the tax collector account on June 30, 2017;

He further deposed and said:

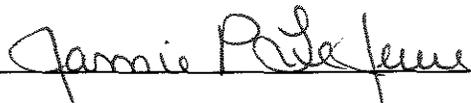
All itemized statements of the amount of taxes collected for tax year 2016, by taxing authority, are true and correct.

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

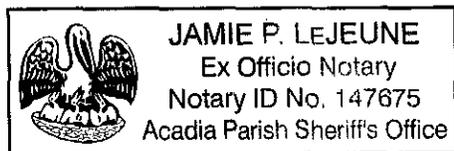


Sheriff of Acadia

SWORN to and subscribed before me, Notary, this 12th day of October 2017, in my office in Crowley, Louisiana.

 (Signature)
Jamie P. LeJeune (Print), # 147675
Notary Public

(Commission)



INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
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Oberlin, LA 70655
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1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

The Honorable K. P. Gibson
Acadia Parish Sheriff
Crowley, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Acadia Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2017-001 and 2017-002 to be material weaknesses.

Compliance and Other Matters

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

Sheriff's Response to Findings

The Sheriff's response to the finding identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 30, 2017

ACADIA PARISH SHERIFF
Crowley, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/17) --</u>						
<u>Internal Control:</u>						
2017-001	Unknown	The Sheriff did not have adequate segregation of duties in the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A
2017-002	2016	Per testing of payroll files, it was noted that current pay rates and approval of such was not properly documented in employee personnel files. The majority of personnel files tested did not have a current approved pay rate documented. All employee files should contain a current approved pay rate form.	No	Management will review documentation in each personnel file and ensure that current approved pay rate forms are documented in each file.	Jamie LeJeune, Chief Finance Officer	6/30/2018
<u>Management Letter:</u>						
2017-003	2016	All monthly bank reconciliations should be performed by staff in the finance department who do not have involvement in daily cash transactions (collections or distributions).	No	Management will assign monthly bank reconciliations to finance department staff who are independent of cash collections and/or cash distributions.	Jamie LeJeune, Chief Finance Officer	6/30/2018
2017-004	2016	We were unable to obtain trial balances and year-to-date activity for the Tax Collector Fund. The Sheriff should consider utilizing the Software and Services accounting program in order to properly account for and reconcile tax collector activity. This will allow management to properly reconcile and monitor ad valorem tax collections and disbursements.	No	Management will review the required reconciliation procedures with tax department staff and ensure that they receive proper software training so that they prepare the required documents and reconcile activity.	Jamie LeJeune, Chief Finance Officer	6/30/2018

ACADIA PARISH SHERIFF
Crowley, Louisiana

*Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2017*

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
<i>PRIOR YEAR (6/30/16) --</i>						
<u>Internal Control:</u>						
2016-001	Unknown	The Sheriff did not have adequate segregation of duties in the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A
2016-002	2016	The Sheriff should implement policies and procedures to strengthen controls over purchasing and disbursements. Such procedures should include the use of pre-numbered purchase requisitions and purchase orders, documented lines of authority for initiation and authorization of purchases, and reconciliation of purchase requisitions and purchase orders to invoices.	No	Management implement these recommended procedures in order to strengthen controls over purchasing and disbursements.	Jamie LeJeune, Chief Finance Officer	6/30/2017
2016-003	2016	Per testing of payroll files, it was noted that current pay rates and approval of such was not properly documented in employee personnel files. Of 40 personnel files tested, 34 employees did not have current approved pay rates documented. All employee files should contain a current approved pay rate form.	No	Management will review documentation in each personnel file and ensure that current approved pay rate forms are documented in each file.	Jamie LeJeune, Chief Finance Officer	6/30/2017
2016-004	2016	During the fiscal year, Maxine Trahan, a former of employee of the Acadia Parish Sheriff, was arrested for misappropriation of seized assets. The seized assets are the property of another governmental entity, but there was a lack of oversight of her activities by the Sheriff. The theft by Ms. Trahan could expose the Sheriff's office to potential liability due to her employment.	Yes	Ms. Trahan was performing this duty as an "Agent At Large" on behalf of the District Attorney of the 15th Judicial District (District Attorney), rather than as an employee of the Sheriff. Additionally, the seized assets in question were never the property of Acadia Parish Sheriff. Ms. Trahan would collect the funds on behalf of the arresting agency and deposit them into a cash account belonging to the District Attorney. Since the termination of Ms. Trahan's position, there are no employees of the Acadia Parish Sheriff that are responsible for depositing seized assets on behalf of other entities.	Jamie LeJeune, Chief Finance Officer	6/30/2017

ACADIA PARISH SHERIFF
Crowley, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
PRIOR YEAR (6/30/16) --						
<u>Management Letter:</u>						
2016-005	2016	All monthly bank reconciliations should be performed by staff in the finance department who do not have involvement in daily cash transactions (collections or distributions).	No	Management will assign monthly bank reconciliations to finance department staff who are independent of cash collections and/or cash distributions.	Jamie LeJeune, Chief Finance Officer	6/30/2017
2016-006	2016	All monthly timesheets for supervisory positions should be signed and approved by either the Chief Deputy or the Chief Finance Officer. Our testing disclosed instances where supervisors signed their own timesheet with no approval from a superior staff person who could verify hours worked.	No	Management has implemented procedures to ensure that all timesheets for supervisory positions are properly approved by the Chief Deputy or Chief Finance Officer.	Jamie LeJeune, Chief Finance Officer	6/30/2017
2016-007	2016	The Sheriff should consider purchasing an upgraded accounting system. The current system is antiquated with accounting functions that do not interface with the financial reporting system. The system does not easily allow management to prepare financial statements and monitor departmental activities. Investment in a new accounting system will allow management to easily access updated financial statements, budget variance reports, oversee departmental activities, and improve controls over these areas.	No	Management is in the process of purchasing a new accounting software that will allow all departmental activities to interface with the financial reporting system and improve controls and efficiency over financial reporting.	Jamie LeJeune, Chief Finance Officer	6/30/2017

ACADIA PARISH SHERIFF
Crowley, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (6/30/16) --</u>						
<u>Management Letter:</u>						
2016-008	2016	Our review of predecessor auditor workpapers indicated that there was not satisfactory evidence to support the Quietus. Management should verify that satisfactory evidence supports proper accounting for ad valorem taxes.	Partial	Management has reviewed the reconciliation and supporting documentation for the accounting of ad valorem taxes for the year ending June 30, 2016 and is satisfied that the reconciliation supports proper collections and distributions. We have distributed the documentation to the Acadia Parish Police Jury in order to properly issue the Quietus for 2016.	Jamie LeJeune, Chief Finance Officer	6/30/2017
2016-009	2016	We were unable to obtain trial balances and year-to-date activity for the Tax Collector Fund. The Sheriff should consider utilizing the Software and Services accounting program in order to properly account for and reconcile tax collector activity. This will allow management to properly reconcile and monitor ad valorem tax collections and disbursements.	No	Management will review the required reconciliation procedures with tax department staff and ensure that they receive proper software training so that they prepare the required documents and reconcile activity.	Jamie LeJeune, Chief Finance Officer	6/30/2017

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OFFICES

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Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

P. O. Box 82329
Lafayette, LA 70598

Phone (337) 232-4141
Fax (337) 232-8660

183 South Beadle Rd
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberna, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bndge St
Breaux Bndge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

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Ville Platte, LA 70586
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Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Dnve
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

Casey L. Ardoin, CPA
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Shayne M. Breaux, CPA

MANAGEMENT LETTER

* A Professional Accounting Corporation

**The Honorable K. P. Gibson
Acadia Parish Sheriff
Crowley, Louisiana**

During our audit of the basic financial statements of the Acadia Parish Sheriff for the year ended June 30, 2017, we noted a certain area in which improvements in the accounting system and financial practices of the Sheriff should be considered.

- (1) All monthly bank reconciliations should be performed by staff in the finance department who do not have involvement in daily cash transactions (collections or distributions).
- (2) We were unable to obtain trial balances and year-to-date activity for the Tax Collector Fund. The Sheriff should consider utilizing the Software and Services accounting program in order to properly account for and reconcile tax collector activity. This will allow management to properly reconcile and monitor ad valorem tax collections and disbursements.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 30, 2017

ACADIA PARISH SHERIFF
Crowley, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA
Alan M. Taylor, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guildry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®**
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
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Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

The Honorable K. P. Gibson
Acadia Parish Sheriff
Crowley, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the Acadia Parish Sheriff and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Sheriff's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the Acadia Parish Sheriff is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above, but these policies were not implemented until fiscal year 2018.

- 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.

Written policies and procedures were obtained and address the functions noted above except as follows: how vendors are added to the vendor list, but these policies were not implemented until fiscal year 2018.

- c) **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the functions noted above.
Receipts, including receiving, recording, and preparing deposits.
Written policies and procedures were obtained and address the functions noted above.
- d) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address the functions noted above.
- e) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained and address the functions noted above, but these policies were not implemented until fiscal year 2018.
- f) **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.
Written policies and procedures were obtained and address the functions noted above, but these policies were not implemented until fiscal year 2018.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and address the functions noted above, but these policies were not implemented until fiscal year 2018.
- h) **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. Note: Ethics requirements are not applicable to nonprofits.
Written policies and procedures were obtained and address the functions noted above.
- i) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
The Sheriff did not have written policies and procedures to address the functions noted above.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
The Acadia Parish Sheriff does not have a Board or Finance Committee, and therefore, this attribute is not applicable.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- *This step is not applicable to the Acadia Parish Sheriff.*
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
This step is not applicable to the Acadia parish Sheriff.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
Obtained listing of client bank accounts from management and management's representation that listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
Obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations for two of the five bank accounts had not been prepared. Although there was no current activity in these bank accounts, a reconciliation should have still been prepared.
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
Obtained bank statements and reconciliations for all months in the fiscal period noting evidence of management's review not present for all months for all five of the bank accounts selected.
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months were not present on two of the five bank accounts examined that had outstanding items.

Collections

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

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

In all five of the locations selected, the person responsible for collecting cash is bonded. In four of the five locations selected, there is no documentation that the person collecting cash is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. Of the five locations selected, none are required to share a drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

In all locations selected, there is a formal process to reconcile cash collections to the general ledger by revenue source, but in four of the five locations, this process is done by a person who is responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements. Four of the five locations had deposits that were not deposited within one day.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

All collections were completely supported by documentation for each of the locations tested.

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

In four of the five locations, there is not a process defined to determine the completeness of all collections by a person who is not responsible for collections.

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

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

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Examined supporting documentation for each of the twenty-five disbursements selected and found that ten of the twenty-five disbursements were not initiated using a purchase order system.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Examined supporting documentation for each of the twenty-five disbursements selected and found that ten of the twenty-five disbursements did not have appropriate approval of purchase orders.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Examined supporting documentation for each of the twenty-five disbursements and found that ten of the twenty-five payments were not processed after purchased order was approved, receiving report indicated that goods were received and invoice was approved.

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

The entity does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the Sheriff's purchasing/disbursement system.

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

The entity has written documentation that requires that the person with signatory authority or the person that makes the final authorization for disbursements has no responsibility for initiating or recording purchases, but these policies were not implemented until fiscal year 2018.

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

Inquiry of management indicated that unused check stock is maintained in a locked location. It was noted that staff with signatory authority do not have system access to print checks.

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

There were no exceptions noted upon inquiry of authorized signers.

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

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

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

There were forty-six credit and fuel cards active for the year, ten cards were selected for testing.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [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.]

Monthly statements were obtained, and no credit card statements were approved in writing by someone other than the cardholder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed on any of the cards selected.

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

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

One card selected for testing had one of the two transactions that did not have an original itemized receipt. All other cards selected for testing had original itemized receipts.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

One card selected for testing did not have documentation of the business/public purpose for the two transactions tested.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

One card selected for testing had one of the five transactions that did not have a purchase order or written authorization.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

There were no exceptions noted as a result of the testing of transaction details to the entity's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

All transactions were in compliance with Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

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

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

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

The entity's written policies relating to travel and expense reimbursements were obtained.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions were noted as a result of applying this procedure.

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
No exceptions were noted as a result of applying this procedure.
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
No exceptions were noted as a result of applying this procedure.
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
No exceptions were noted as a result of applying this procedure.
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
No exceptions were noted as a result of applying this procedure.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions were noted as a result of applying this procedure.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
Listing of all contracts in effect and management's representation that the listing is complete was obtained.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
No exceptions were noted as a result of applying this procedure.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
There were no instances of noncompliance noted as a result of applying this procedure.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

There were no instances of noncompliance noted as a result of applying this procedure.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No contracts selected were amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

There were no instances of noncompliance noted as a result of applying this procedure.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

The Acadia Parish Sheriff does not have a Board.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions were noted as a result of applying this procedure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Three of the five employees selected for testing did not have approved written documentation of their current salary/ pay rate.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

All selected employees had daily attendance and leave documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exceptions were noted as a result of applying this procedure.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions were noted as a result of applying this procedure.

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

One of the two termination payments selected for testing was not approved in writing by management.

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

No exceptions were noted as a result of applying this procedure.

Ethics (excluding nonprofits)

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

No exceptions were noted as a result of applying this procedure.

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

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

Debt was issued during the fiscal period, but it was not required to be approved by the State Bond Commission.

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

No exceptions were noted as a result of applying this procedure..

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

The Acadia Parish Sheriff has no tax millages relating to debt service.

Other

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

Management has asserted that the entity did not have any misappropriations of public funds or assets.

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

The entity has the required notices posted on its premises and website.

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

No exceptions were observed or identified regarding management's representations in the procedures above.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Acadia Parish Sheriff and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 30, 2017