

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2017
With Supplemental Information Schedules

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2017
With Supplemental Information Schedules

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Independent Auditor's Report

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Claiborne Parish Sheriff, a component unit of the Claiborne Parish Police Jury, as of June 30, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Independent Auditor's Report,

June 30, 2017

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Claiborne Parish Sheriff as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison information on pages 44 through 46, and the schedule of funding progress for the retiree healthcare plan on page 47, and the schedule of the Sheriff's proportionate share of the net pension liability on pages 48 through 49, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

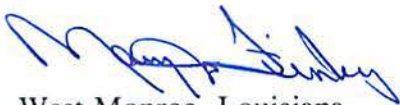
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Claiborne Parish Sheriff's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis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

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 51 and the Sheriff's sworn statement presented on page 50 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Independent Auditor's Report,
June 30, 2017

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated August 10, 2017, on my consideration of the Claiborne Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Claiborne Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana
August 10, 2017

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

Management's Discussion and Analysis
June 30, 2017

As management of the Claiborne Parish Sheriff, I offer readers of the Claiborne Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Claiborne Parish Sheriff for the fiscal year ended June 30, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Claiborne Parish Sheriff exceeded assets by \$1,293,230.

An additional portion of the Claiborne Parish Sheriff's net position represents capital assets, less any related debt used to acquire those assets that is still outstanding. The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Claiborne Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

ASSETS	2017	2016
Cash and cash equivalents	\$1,487,184	\$865,947
Receivables	366,968	388,834
Due from other funds	2,806	11,887
Capital assets (net of accumulated depreciation)	3,615,947	3,437,937
TOTAL ASSETS	5,472,905	4,704,605
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	1,125,707	394,048
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$6,598,612	\$5,098,653
LIABILITIES		
Accounts payable	\$117,197	\$100,758
Payroll deductions payable	6,735	1,669
Salaries payable	89,859	88,049
Due to others		
Net OPEB obligation	1,756,707	1,495,289
Net pension obligation	2,853,748	2,068,720
Long-term liabilities:		
Due within one year	262,182	597,048
Due in more than one year	2,505,032	1,088,733
TOTAL LIABILITIES	7,591,460	5,440,266
DEFERRED INFLOWS OF RESOURCES		
Pension related	300,382	519,107
NET POSITION		
Invested in capital assets, net of related debt	848,733	1,752,156
Unrestricted	(2,141,963)	(2,612,876)
TOTAL NET POSITION	(1,293,230)	(860,720)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$6,598,612	\$5,098,653

STATEMENT OF ACTIVITIES

	2017	2016
Public Safety:		
Personal services	\$4,475,057	\$4,530,602
Operating services	1,440,680	1,218,960
Materials and supplies	803,135	761,889
Travel	30,788	29,639
Debt service - interest	64,228	464,494
Depreciation expense	300,901	245,004
Total Program Expenses	7,114,789	7,250,588
Program revenues:		
Civil and criminal fees	194,183	190,018
Commissions on licenses and taxes	39,202	34,807
Court attendance	2,580	2,880
Feeding and keeping prisoners	3,554,217	3,546,125
Other	657,311	760,978
Total program revenues	4,447,493	4,534,808
Net Program Expenses	(2,667,296)	(2,715,780)
General revenues:		

Taxes - Ad valorem	\$1,624,569	\$1,569,161
Grants and contributions not restricted to specific programs:		
Federal sources	52,135	32,911
State sources	201,394	192,066
Local sources	85,000	78,700
Interest earned	16,941	17,381
Miscellaneous	240,728	205,800
Special items:		
Proceeds from certificates of indebtedness		350,000
Gain (loss) on sale of assets	14,019	
Change in Net Position	(432,510)	(269,761)
NET POSITION		
Beginning of year - as restated	(860,720)	(590,959)
End of year	<u>(\$1,293,230)</u>	<u>(\$860,720)</u>

Financial Analysis of the Government's Funds

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

As of June 30, 2017, combined governmental fund balances of \$1,643,167 showed an increase of \$566,975 over June 30, 2016. The General Fund's portion of the unreserved, undesignated fund balance of \$747,195 shows a decrease (of approximately \$332,936) from the prior year amount. The Detention Center portion of the unreserved, undesignated fund balance of \$747,970 shows an increase (of approximately \$794,466) from the prior year amount.

General Fund and Major Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget for the General Fund were due primarily to an increase in federal grants, other state grants, commissions on licenses and taxes, civil and criminal fees, feeding and keeping prisoners, use of money and property, other revenue and proceeds from disposal of assets and decreases in ad valorem taxes, state revenue sharing and state supplemental pay. Budgeted expenditures increased for personal services, operating services, and materials and supplies and had decreases in capital outlay and debt service. In the Detention Center, the original budgeted revenues differed from the final budgeted revenues due to a decrease in revenues for feeding and keeping of prisoners, other fees and charges and commissions and an increase in proceeds from bonds. Anticipated expenditures differed due to an increase in operating services, capital outlay and debt service and decreases in personal services and benefits and materials and supplies.

Capital Asset and Debt Administration

Capital assets. The Claiborne Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$3,615,947 (net of accumulated depreciation). This investment includes land, buildings, furniture, and equipment. The increase in capital assets for the year was \$479,292. There were decreases of \$128,034 for the year.

Long-term debt. At the end of the fiscal year, Claiborne Parish Sheriff had total debt outstanding of \$7,377,669. This amount is made up of revenue bonds of \$2,755,000 and a lease payable of \$12,214. Also included is the Claiborne Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2017 is \$1,756,707. The liability associated with the Net Pension Obligation is \$2,853,748 at June 30, 2017. During the current year \$1,855,031 was paid on the revenue bonds, and \$6,768 was paid on the lease payable, in accordance with the debt agreements. New refunding bonds of \$2,950,000 were issued during the current audit period.

Requests for Information

This financial report is designed to provide a general overview of the Claiborne Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Claiborne Parish Sheriff, 613 East Main Street, Homer LA 71040.

August 10, 2017

BASIC FINANCIAL STATEMENTS

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

STATEMENT OF NET POSITION
June 30, 2017

ASSETS

Cash and cash equivalents	\$1,487,184
Receivables	366,968
Due from other funds	2,806
Capital assets (net of accumulated depreciation)	<u>3,615,947</u>
TOTAL ASSETS	<u>5,472,905</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>1,125,707</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OR RESOURCES	<u>\$6,598,612</u>

LIABILITIES

Accounts payable	117,197
Payroll deductions payable	6,735
Salaries payable	89,859
Net OPEB obligation	1,756,707
Net pension liability	2,853,748
Long-term liabilities:	
Due within one year	262,182
Due in more than one year	<u>2,505,032</u>
TOTAL LIABILITIES	<u>7,591,460</u>

DEFERRED INFLOWS OR RESOURCES

Pension related	300,382
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NET POSITION

Invested in capital assets, net of related debt	848,733
Unrestricted	<u>(2,141,963)</u>
TOTAL NET POSITION	<u>(1,293,230)</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

\$6,598,612

The accompanying notes are an integral part of this statement.

Statement B

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2017

Public Safety:	
Personal services	\$4,475,057
Operating services	1,440,680
Materials and supplies	803,135
Travel	30,788
Debt service	64,228
Depreciation expense	300,901
Total Program Expenses	<u>7,114,789</u>
Program revenues:	
Civil and criminal fees	194,183
Commissions on licenses and taxes	39,202
Court attendance	2,580
Feeding and keeping prisoners	3,554,217
Other	657,311
Total program revenues	<u>4,447,493</u>
Net Program Expenses	<u>(2,667,296)</u>
General revenues:	
Taxes - Ad valorem	1,624,569
Grants and contributions not restricted to specific programs:	
Federal sources	52,135
State sources	201,394
Local sources	85,000
Interest earned	16,941
Miscellaneous	240,728
Special items -	
Proceeds from sale of assets	<u>14,019</u>
Change in Net Position	(432,510)
NET POSITION	
Beginning of year - as restated	<u>(860,720)</u>
End of year	<u><u>(\$1,293,230)</u></u>

The accompanying notes are an integral part of this statement.

Statement C

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2017

	MAJOR FUNDS.....			OTHER GOVERNMENTAL FUND	
	GENERAL FUND	DETENTION CENTER	DEBT SERVICE	INMATE COMMISSARY	TOTAL
ASSETS					
Cash and cash equivalents	\$520,775	\$818,407	\$123,755	\$24,247	\$1,487,184
Receivables	54,886	312,082			366,968
Due from other funds	237,806				237,806
TOTAL ASSETS	<u>\$813,467</u>	<u>\$1,130,489</u>	<u>\$123,755</u>	<u>\$24,247</u>	<u>\$2,091,958</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$15,897	\$101,300			\$117,197
Payroll withholding payable	5,170	1,565			6,735
Salaries payable	45,205	44,654			89,859
Due to other funds		235,000			235,000
Total Liabilities	<u>66,272</u>	<u>382,519</u>	<u>NONE</u>	<u>NONE</u>	<u>448,791</u>
Fund Equity - Fund Balance:					
Restricted		747,970			747,970
Assigned			\$123,755	\$24,247	148,002
Unassigned	747,195				747,195
Total Fund Equity	<u>747,195</u>	<u>747,970</u>	<u>123,755</u>	<u>24,247</u>	<u>1,643,167</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$813,467</u>	<u>\$1,130,489</u>	<u>\$123,755</u>	<u>\$24,247</u>	<u>\$2,091,958</u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

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

For the Year Ended June 30, 2017

Total Fund Balances at June 30, 2017- Governmental Funds (Statement C)		<u>\$1,643,167</u>
Deferred outflows - pension related		1,125,707
Cost of capital assets at June 30, 2017	\$7,517,548	
Less: Accumulated depreciation as of June 30, 2017	<u>(3,901,601)</u>	3,615,947
Long-term liabilities at June 30, 2017:		
Bonds payable	2,755,000	
Lease payable	12,214	
Net pension liability	2,853,748	
Net OPEB obligation	<u>1,756,707</u>	<u>(7,377,669)</u>
Deferred inflows of resources		(300,382)
Net Position at June 30, 2017 (Statement A)		<u><u>(\$1,293,230)</u></u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

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

	MAJOR FUNDS.....			OTHER GOVERNMENTAL FUND	
	GENERAL FUND	DETENTION CENTER	DEBT SERVICE	INMATE COMMISSARY	TOTAL
REVENUES					
Taxes - ad valorem	\$1,624,569				\$1,624,569
Intergovernmental revenues:					
Federal grants	52,135				52,135
State grants:					
State revenue sharing (net)	87,749				87,749
State supplemental pay	99,279				99,279
Other	14,366				14,366
Local	85,000				85,000
Fees, charges, and commissions for services:					
Commissions on licenses and taxes	39,202				39,202
Civil and criminal fees	194,183				194,183
Court attendance	2,580				2,580
Feeding and keeping of prisoners	270,718	\$3,283,499			3,554,217
Other	1,565	655,746			657,311
Use of money and property	16,701	240			16,941
Other	7,028			\$59,039	66,067
Total revenues	<u>2,495,075</u>	<u>3,939,485</u>	<u>NONE</u>	<u>59,039</u>	<u>6,493,599</u>
EXPENDITURES					
Public safety:					
Current:					
Personal services and related benefits	2,192,024	2,012,310			4,204,334
Operating services	366,264	1,074,416			1,440,680
Materials and supplies	228,741	520,293		54,101	803,135
Travel and other charges	30,116	672			30,788
Capital outlay	17,552	461,740			479,292
Debt service	7,714	1,653,786	\$271,295		1,932,795
Total expenditures	<u>2,842,411</u>	<u>5,723,217</u>	<u>271,295</u>	<u>54,101</u>	<u>8,891,024</u>

(Continued)

Statement D

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and

Changes in Fund Balance

	MAJOR FUNDS.....			OTHER GOVERNMENTAL FUND INMATE COMMISSARY	
	GENERAL FUND	DETENTION CENTER	DEBT SERVICE		TOTAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$347,336)	(\$1,783,732)	(\$271,295)	\$4,938	(\$2,397,425)
OTHER FINANCING					
Proceeds from revenue bonds		2,950,000			2,950,000
Proceeds from sale of assets	14,400				14,400
Transfers in			395,050		395,050
Transfers out		(395,050)			(395,050)
Total Other Financing Sources	14,400	2,554,950	395,050	NONE	2,964,400
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	(332,936)	771,218	123,755	4,938	566,975
FUND BALANCE(Deficit) AT BEGINNING OF YEAR	1,080,131	(23,248)	NONE	19,309	1,076,192
FUND BALANCE (Deficit) AT THE END OF YEAR	<u>\$747,195</u>	<u>\$747,970</u>	<u>\$123,755</u>	<u>\$24,247</u>	<u>\$1,643,167</u>

(Concluded)

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

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

For the Year Ended June 30, 2017

Total net change in fund balances - governmental funds (Statement D)	\$566,975
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period.	178,391
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(14,019)
Proceeds for the sale of bonds is a financing source in the governmental funds. In the Statement of Activities, however, bonds are recognized as a long term liability.	(2,950,000)
Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	1,863,595
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(261,418)
Non-employer contributions to cost-sharing pension plan	174,661
Pension expense	<u>9,305</u>
Change in Net Position of governmental activities (Statement B)	<u><u>(\$432,510)</u></u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2017

	<u>CRIMINAL FUND</u>	<u>CIVIL FUND</u>	<u>INMATE FUNDS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	<u>\$28,581</u>	<u>\$11,680</u>	<u>\$65,319</u>	<u>\$105,580</u>
LIABILITIES				
Unsettled deposits due to:				
Other funds	\$1,408	\$1,398		\$2,806
Others	<u>27,173</u>	<u>10,282</u>	<u>\$65,319</u>	<u>102,774</u>
Total Liabilities	<u>\$28,581</u>	<u>\$11,680</u>	<u>\$65,319</u>	<u>\$105,580</u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management 's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

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

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

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

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

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

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Types

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

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

Fiduciary Fund Type - Agency Funds

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

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

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

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

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

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

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the sheriff has cash and equivalents (book balances) totaling \$1,592,764 as follows:

Demand deposits	\$1,191,316
Certificate of deposit	400,948
Petty cash	<u>500</u>
Total	<u>\$1,592,764</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2017, are secured as follows:

Bank balances	<u>\$1,813,213</u>
Federal deposit insurance	\$811,897
Pledged securities (uncollateralized)	<u>1,685,803</u>
Total	<u>\$2,497,700</u>

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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

G. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2017.

H. VACATION AND SICK LEAVE

Employees earn 1 week (7 calendar days) of vacation leave after one year of employment and 2 weeks (14 calendar days) of vacation leave after 2 years of employment. After the employee's fifth year of employment, an employee shall be entitled to 3 weeks (21 calendar days), and after ten years of employment, an employee is entitled to a 4 week (28 calendar days) of vacation leave. Vacation leave does not accumulate. Employees earn 10 days of sick leave each year. Sick leave not used at the end of the year cannot be carried over to the next year. Sick leave does not accumulate. There are no accumulated and vested vacation and sick leave benefits at June 30, 2017, which require accrual or disclosure to conform with generally accepted accounting principles.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

I. PENSION PLANS

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

2. RECEIVABLES

The receivables of \$366,968 at June 30, 2017, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Total</u>
Intergovernmental revenues -			
Federal grants	\$4,634		\$4,634
State grants	11,580		11,580
Fees, charges, and commissions for services:			
Feeding and keeping prisoners	36,847	\$261,340	298,187
Other commissions	1,245	50,742	51,987
Miscellaneous	580		580
Total	<u>\$54,886</u>	<u>\$312,082</u>	<u>\$366,968</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2017, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General Fund - vehicles and equipment	\$1,214,551	\$319,569	(\$83,327)	\$1,450,793
Detention Center:				
Land and improvements	214,182			214,182
Buildings	5,389,081	43,841		5,432,922
Furniture and equipment	335,476	32,394	(4,890)	362,980
Vehicles	13,000	83,488	(39,817)	56,671
Sub-total Detention Center	<u>5,951,739</u>	<u>159,723</u>	<u>(44,707)</u>	<u>6,066,755</u>

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

Total assets	<u>\$7,166,290</u>	<u>\$479,292</u>	<u>(\$128,034)</u>	<u>\$7,517,548</u>
Less accumulated depreciation	<u>3,728,354</u>	<u>300,900</u>	<u>(127,653)</u>	<u>3,901,601</u>
Net capital assets	<u>\$3,437,936</u>	<u>\$178,392</u>	<u>(\$381)</u>	<u>\$3,615,947</u>

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

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

Summary of Significant Accounting Policies.

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

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

Plan Description.

The Sheriffs' Pension and Relief Fund was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and the employees of the Fund. The projection of benefit payments in the calculation of the

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan Benefits

Retirement Benefits

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

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

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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

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.

Disability Benefits

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

Survivor Benefits

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

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

Deferred Benefits:

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

Back Deferred Retirement Option Plan (Back-DROP)

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

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Claiborne Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Claiborne Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Claiborne Parish Sheriff's contributions to the System for the years ended June 30, 2017, 2016, and 2015 were \$383,248, \$422,227, and \$430,299, respectively, equal to the required contributions for each year.

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

At June 30, 2017, the Sheriff reported a liability of \$2,853,748 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 Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

sheriffs', actuarially determined. At June 30, 2016, the Sheriffs' proportion was .4496 percent, which was a decrease of .0145 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$392,553. At June 30, 2016, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$394,048	\$519,107
Change in system deferred outflows and inflows of resources	835,912	(186,784)
Differences between Sheriff contributions and proportionate share of contributions	(65,274)	(32,291)
Difference in proportion of contributions and actual proportions		350
Contributions for measurement period	(422,227)	
Sheriff contributions subsequent to the measurement date	383,248	
Total	\$1,125,707	\$300,382

\$383,248 reported as deferred outflows of resources related to pensions resulting from the Claiborne Parish Sheriffs' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$33,807
2018	33,807
2019	241,991
2020	161,463
2021	(5,011)
2022	(5,010)
Thereafter	461,047

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

Valuation Date	June 30, 2016
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.6%, net of investment expense
Discount Rate	7.5%
Projected salary increases	5.5% (2.875% inflation, 2.625% merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	7 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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

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

Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.5%, as well as what the employers' net pension liability would be if it were calculated

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Sheriffs' proportionate share of the net pension liability	\$4,841,674	\$2,853,748	\$1,212,951

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 15 years of service.

Life insurance coverage is continued to retirees at a blended rate for active employees and retirees. The employer pays for 50% of the retiree's life insurance after retirement. However, the rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table 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. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. 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.

Fund Policy. Until 2009, the Claiborne Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Claiborne Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Claiborne Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$114,788 and \$106,285, respectively.

Effective July 1, 2009, the Claiborne Parish Sheriff implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment*

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

Benefits Other than Pensions (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual required Contribution - The Claiborne 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:

	2017	2016
Normal Cost	\$155,071	\$149,107
30-year UAL amortization amount	247,796	238,265
Annual required contribution	<u>\$402,867</u>	<u>\$387,372</u>

Net Post-Employment Benefit Obligation (Asset) - The table below shows the Claiborne Parish Sheriff's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	2017	2016
Beginning Net OPEB Obligation	\$1,495,289	\$1,236,245
Annual required contribution	402,867	387,372
Interest on net OPEB obligation	59,812	49,450
Adjustment to annual required contribution	<u>(86,473)</u>	<u>(71,493)</u>
Annual OPEB cost (expense)	376,206	365,329
Contributions made	<u>(114,788)</u>	<u>(106,285)</u>
Change in Net OPEB Obligation	261,418	259,044
Net OPEB obligation at end of year	<u>\$1,756,707</u>	<u>\$1,495,289</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	\$ 376,206	30.51%	\$1,756,707
June 30, 2016	\$ 365,330	29.09%	\$1,495,289

Funded Status and Funding Progress. In 2017 and 2016, the Claiborne Parish Sheriff made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation,

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$4,456,819 which is defined as that portion, as determined by a particular actuarial cost method (the Claiborne Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$4,456,819
Actuarial Value of Plan Assets (AVP)	NONE
Unfunded Act. Accrued Liability (UAAL)	\$4,456,819
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$2,904,534
UAAL as a percentage of covered payroll	153.44%

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 Claiborne Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Claiborne Parish 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 Claiborne Parish 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.

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

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 22%.

Post employment Benefit Plan Eligibility Requirements - We have assumed that employees retire four years after the earliest eligibility to retire as described in the section above entitled "Plan Description", but not later than 30 years of service. 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 ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, is used. This is a published mortality table which was designed to be 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" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical, dental and life insurance for the retirees only(not dependents). The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the "unblended" rates for as required by GASB Codification Section P50 for valuation purposes to be 130% of the blended rate prior to Medicare eligibility.

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

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

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

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

6. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2017, are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund		\$237,806
Special Revenue Funds:		
Detention Center Fund	\$235,000	
Agency Funds:		
Criminal Fund	1,408	
Civil Fund	1,398	
Total	<u>\$237,806</u>	<u>\$237,806</u>

7. CHANGES IN AGENCY FUND BALANCES

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

	<u>Tax Collector</u>	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
Balance at June 30, 2016	\$9,106	\$75,538	\$9,607	\$141,085	\$235,336
Additions	11,527,708	570,751	747,130	836,164	13,681,753
Reductions	<u>(11,536,814)</u>	<u>(619,116)</u>	<u>(746,455)</u>	<u>(911,930)</u>	<u>(13,814,315)</u>
Balance at June 30, 2017	<u>NONE</u>	<u>\$27,173</u>	<u>\$10,282</u>	<u>\$65,319</u>	<u>\$102,774</u>

**8. CHANGES IN GENERAL LONG-TERM
OBLIGATIONS**

On August 2, 2016, the sheriff issued \$2,950,000 in revenue refunding bonds with an interest rate ranging from 1.2 percent to 2.1 percent to retire \$1,622,327 of outstanding 2013 series bonds with a 3.00 percent interest rate. The 2016 series bonds were used to refund the 2009 series bond used for acquisition and construction of a detention center. The net proceeds were \$3,018,820 (after issuance costs of \$68,820). Principal is due in annual installments ranging from \$195,000 to \$301,000 and LPFA bond payments with annual installments of \$50,000 through March 1, 2026. Debt retirement payments are to be made from Detention Center Revenue Fund.

The following is a summary of long-term obligation transactions (revenue refunding bonds) for the year ended June 30, 2017:

Balance at July 1, 2016	\$1,666,799
Additions	2,950,000
Retirements	<u>(1,861,799)</u>
Balance at June 30, 2017	<u>\$2,755,000</u>

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
Notes to the Financial Statements (Continued)

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2017 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$205,000	\$38,275	\$50,000	\$3,738	\$297,013
2019	215,000	35,712	50,000	3,425	304,137
2020	226,000	32,917	50,000	3,100	312,017
2021	237,000	29,753	50,000	2,750	319,503
2022-2026	1,372,000	83,812	300,000	7,375	1,763,187
Total	<u>\$2,255,000</u>	<u>\$220,469</u>	<u>\$500,000</u>	<u>\$20,388</u>	<u>\$2,995,857</u>

Refunding bonds totaling \$1,076,519 at June 30, 2016, are secured by revenues derived from a cooperative endeavor agreement with the Louisiana Department of Public Safety and Corrections and the sheriff's office for the housing of state inmates. The agreement provides that the Department of Public Safety and Corrections will provide and maintain an inmate population of not less than forty percent (40%) of the 400 bed detention facility.

9. CAPITAL LEASE

The Claiborne Parish Sheriff entered into a lease program with Ally for the purchase of a vehicle. This vehicle was totaled during the current year and was paid off with insurance proceeds. The Claiborne Parish Sheriff also entered into a lease program with Ford Motor Credit for a vehicle. Current year principal payments equaled \$12,214. Future minimum payments as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$7,182	\$533	\$7,715
2019	5,032	112	5,144
Total payments	<u>\$12,214</u>	<u>\$645</u>	<u>\$12,859</u>

10. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2017, the tax collector has cash and equivalents (book balances) totaling \$0.

11. AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2017, by taxing body as follows:

Louisiana Forestry Service	\$26,442
Louisiana Tax Commission	20,345

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

Claiborne Parish Assessor	\$609,200
Claiborne Parish Police Jury	2,876,922
Claiborne Parish School Board	3,700,358
Claiborne Parish Sheriff	1,562,732
Evergreen Fire District	2,011
Haynesville Fire District #3	230,216
Homer Fire District #4	340,844
South Claiborne Fire District #5	184,811
Fire District #6	413,358
Recreation District	184,174
Village of Athens	8,185
Town of Junction City	2,289
Town of Homer	<u>126,989</u>
Total	<u><u>\$10,288,876</u></u>

12. TAX UNCOLLECTED AND UNSETTLED

The tax collector has not collected and disbursed the following taxes for the year ended June 30, 2017, by taxing body as follows:

Claiborne Parish Assessor	\$738
Claiborne Parish Police Jury	3,359
Claiborne Parish School Board	7,140
Claiborne Parish Sheriff	1,889
Homer Fire District #4	54
Fire District #6	66
Town of Homer	<u>1,352</u>
Total	<u><u>\$14,598</u></u>

The majority of uncollected taxes were an oil company that has filed bankruptcy. The sheriff is still attempting to collect these taxes.

13. OCCUPATIONAL LICENSES COLLECTED

At June 30, 2017, the tax collector has collected and disbursed the following:

	Total Collections	Collection Cost	Final Distribution
Claiborne Parish Police Jury	<u>\$85,714</u>	<u>\$12,857</u>	<u>\$72,857</u>

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

14. LITIGATION AND CLAIMS

At June 30, 2017, the Claiborne Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

PART II

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes - Ad valorem	\$1,650,000	\$1,624,500	\$1,624,569	\$69
Intergovernmental revenues:				
Federal grants - federal revenue	31,200	32,218	52,135	19,917
State grants:				
State revenue sharing (net)	90,000	87,750	87,749	(1)
State supplemental pay	96,000	90,000	99,279	9,279
Other state grants	25,830	32,176	14,366	(17,810)
Local	85,000	85,000	85,000	
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	32,500	39,986	39,202	(784)
Civil and criminal fees	168,900	193,888	194,183	295
Court attendance	2,600	2,580	2,580	
Feeding and keeping of prisoners	228,200	259,296	270,718	11,422
Other	1,600	1,565	1,565	
Use of money and property	13,500	16,000	16,701	701
Other revenue		4,229	7,028	2,799
Total revenues	<u>2,425,330</u>	<u>2,469,188</u>	<u>2,495,075</u>	<u>25,887</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	2,152,336	2,185,931	2,192,024	(6,093)
Operating services	312,500	360,319	366,264	(5,945)
Materials and supplies	182,400	223,707	228,741	(5,034)
Travel and other charges	28,100	28,947	30,116	(1,169)
Capital outlay	105,000	3,752	17,552	(13,800)
Debt service	12,500	7,715	7,714	1
Total expenditures	<u>2,792,836</u>	<u>2,810,371</u>	<u>2,842,411</u>	<u>(32,040)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(367,506)</u>	<u>(341,183)</u>	<u>(347,336)</u>	<u>(6,153)</u>
OTHER FINANCING SOURCES				
Disposal of assets		16,400	14,400	(2,000)
Total financing sources	<u>NONE</u>	<u>16,400</u>	<u>14,400</u>	<u>(2,000)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>(367,506)</u>	<u>(324,783)</u>	<u>(332,936)</u>	<u>(8,153)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,068,177</u>	<u>1,080,131</u>	<u>1,080,131</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u>\$700,671</u>	<u>\$755,348</u>	<u>\$747,195</u>	<u>(\$8,153)</u>

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER
For the Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fees, charges, and commissions for services:				
Feeding and keeping of prisoners	\$3,763,000	\$3,326,600	\$3,283,499	(\$43,101)
Other	794,400	664,037	655,746	(8,291)
Use of money and property - interest	500	250	240	(10)
Total revenues	<u>4,557,900</u>	<u>3,990,887</u>	<u>3,939,485</u>	<u>(51,402)</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	2,235,000	2,012,583	2,012,310	273
Operating services	696,570	739,916	1,074,416	(334,500)
Materials and supplies	926,500	808,504	532,177	276,327
Travel and other charges	2,000	700	672	28
Capital outlay	55,000	461,740	449,856	11,884
Debt service	635,000	2,048,834	1,653,786	395,048
Total expenditures	<u>4,550,070</u>	<u>6,072,277</u>	<u>5,723,217</u>	<u>349,060</u>
EXCESS OF REVENUES OVER EXPENDITURES	7,830	(2,081,390)	(1,783,732)	(400,462)
OTHER FINANCING USE				
Proceeds from bonds		2,950,000	2,950,000	
Transfer out			(395,050)	(395,050)
Total financing source (use)	<u>NONE</u>	<u>2,950,000</u>	<u>2,554,950</u>	<u>(395,050)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	7,830	868,610	771,218	(97,392)
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	<u>114,041</u>	<u>(23,248)</u>	<u>(23,248)</u>	
FUND BALANCES AT END OF YEAR	<u>\$121,871</u>	<u>\$845,362</u>	<u>\$747,970</u>	<u>(\$97,392)</u>

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2017

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

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

**Claiborne Parish Sheriff
Retiree Healthcare Plan
June 30, 2017**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$2,534,333	\$2,534,333	0.00%	\$2,965,680	85.46%
June 30, 2012	\$0	\$3,068,536	\$3,068,536	0.00%	\$3,048,205	100.67%
June 30, 2015	\$0	\$4,285,403	\$4,285,403	0.00%	\$3,079,086	139.18%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations.

Claiborne Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2017

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	0.489572%	\$1,939,420	\$3,019,643	64.23%	87.34%
June 30, 2015	0.464097%	\$2,068,720	\$3,070,743	67.37%	86.16%
June 30, 2016	0.449629%	\$2,853,748	\$2,892,440	98.66%	82.09%

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

Claiborne Parish Sheriff
Schedule of Employer Contributions
June 30, 2017

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$430,299	\$430,299	\$0	\$3,019,643	14.25%
June 30, 2015	\$422,227	\$422,227	\$0	\$3,070,743	13.75%
June 30, 2016	\$383,248	\$383,248	\$0	\$2,892,440	13.25%

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

STATE OF LOUISIANA

PARISH OF CLAIBORNE

**AFFIDAVIT
KEN BAILEY, SHERIFF OF CLAIBORNE PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, KEN BAILEY, SHERIFF OF CLAIBORNE PARISH, State of Louisiana, who after being duly sworn, deposed and said:

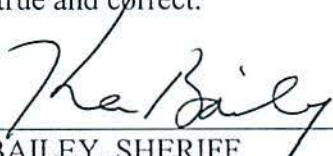
The following information is true and correct:

\$0, is the amount of cash on hand in the tax collector account on June, 30, 2017.

He further deposed and said:

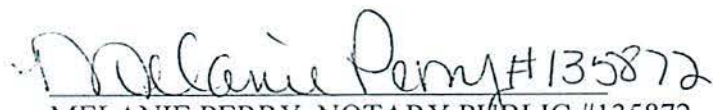
All itemized statements of the amount of taxes collected for the tax year, 2016, by taxing authority, are true and correct.

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.



KEN BAILEY, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 10th day of August, 2017, in my office in Homer, Louisiana.



MELANIE PERRY, NOTARY PUBLIC #135872
CLAIBORNE PARISH, LOUISIANA

CLAIBORNE PARISH SHERIFF
Homer, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2017

KENNETH BAILEY, SHERIFF

PURPOSE	AMOUNT
Salary	\$144,126
Expense Allowance	14,413
Benefits-insurance	10,734
Benefits-retirement	21,006
Benefits-other	2,177
Registration fees	385
Housing and lodging	1,745
Membership dues-Sheriffs Association	12,086

OTHER SUPPLEMENTARY INFORMATION

PART III

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2017

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

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

CRIMINAL FUND

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

SHERIFF'S CIVIL FUND

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

INMATE FUND

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

CLAIBORNE PARISH SHERIFF
Homer, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2017

	TAX COLLECTOR FUND	CRIMINAL FUND	CIVIL FUND	INMATE FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$9,106</u>	<u>\$75,538</u>	<u>\$9,607</u>	<u>\$141,085</u>	<u>\$235,336</u>
ADDITIONS					
Deposits - sheriff's sales, etc.			601,779		601,779
Fines, forfeitures, bonds, etc.		570,751			570,751
Ad valorem taxes	10,980,569				10,980,569
State Revenue Sharing	321,839				321,839
Sportsmen license	24,274				24,274
Parish licenses	85,714				85,714
Interest on:					
NOW accounts	1,016				1,016
Delinquent taxes	68,838				68,838
Garnishments			111,792		111,792
Tax notices, etc.	31,400		33,559		64,959
Inmate deposits				836,164	836,164
Other deposits	14,058				14,058
Total additions	<u>11,527,708</u>	<u>570,751</u>	<u>747,130</u>	<u>836,164</u>	<u>13,681,753</u>
Total	<u>11,536,814</u>	<u>646,289</u>	<u>756,737</u>	<u>977,249</u>	<u>13,917,089</u>
REDUCTIONS					
Deposits settled to:					
Claiborne Parish:					
Sheriff's General Fund	1,772,394	123,517	54,213		1,950,124
Assessor	656,531				656,531
Clerk of Court	690	52,483	330,060		383,233
Police jury	3,174,618	9,787			3,184,405
School board	3,975,676				3,975,676
District attorney		69,902			69,902
Fire Districts	1,234,699				1,234,699
Recreation District	206,694				206,694
Municipalities	137,827	1,570			139,397
Indigent Defender Board		93,559			93,559
Louisiana Supreme Court		6,722			6,722
Judicial Expense fund		25,614			25,614
Salary-judges secretary		46,569			46,569

(Continued)

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances

Due to Taxing Bodies and Others, 2017

	TAX COLLECTOR FUND	CRIMINAL FUND	CIVIL FUND	INMATE FUND	TOTAL
REDUCTIONS (CONTD.)					
Deposits settled to (contd.):					
North Louisiana Crime Lab		\$65,308			\$65,308
Commission on Law Enforcement		6,225			6,225
LA Tax Commission	\$20,346				20,346
Department of Public Safety		500			500
Department of Wildlife & Fisheries	23,315	50			23,365
Louisiana Forestry Commission	26,486				26,486
LA Rehab. Services THSCITF		8,165			8,165
Juvenile Maint. Fund		19,240			19,240
Second Judicial Criminal Court		89,741			89,741
Pension funds	295,894				295,894
Refunds	11,644				11,644
Litigants			\$347,631		347,631
Other settlements		164	14,551	\$911,930	926,645
Total reductions	<u>11,536,814</u>	<u>619,116</u>	<u>746,455</u>	<u>911,930</u>	<u>13,814,315</u>
UNSETTLED BALANCES					
DUE TO TAXING BODIES					
AND OTHERS AT END OF YEAR	<u>NONE</u>	<u>\$27,173</u>	<u>\$10,282</u>	<u>\$65,319</u>	<u>\$102,774</u>

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

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

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

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

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

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Claiborne Parish Sheriff, a component unit of the Claiborne Parish Police Jury as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Claiborne Parish Sheriff's basic financial statements, and have issued my report thereon dated August 10, 2017.

Internal Control Over Financial Reporting

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

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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2017

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

Compliance and Other Matters

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

Purpose of this Report

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



West Monroe, Louisiana

August 10, 2017

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

CLAIBORNE PARISH SHERIFF
Homer, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

There were no audit findings reported in the audit for the year ended June 30, 2016.

MARY JO FINLEY, CPA, INC.

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116 Professional Drive - West Monroe, LA 71291

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

Claiborne Parish Sheriff
613 East Main Street
Homer, LA 71003

To the Claiborne Parish Sheriff's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Claiborne Parish Sheriff's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. Management of Claiborne Parish Sheriff's Office is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. The Claiborne Parish Sheriff has no written policies and procedures for the test period.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

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

BANK RECONCILIATIONS

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

The agency provided me with a certified list of all bank accounts.

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:

The agency had a total of 16 bank accounts, so a random sample of 7 bank accounts were selected to test the following:

A) Bank reconciliations have been prepared;

For the 7 bank accounts selected above, all were reconciled each month for the period tested.

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;

For the 7 bank accounts selected above, it was determined that a member of management did not review any of the reconciliations, the chief civil deputy prepares all bank reconciliations. The member of management was not always independent of involvement in the transactions of the associated bank account.

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.

For the 7 bank accounts selected above, 6 of the 7 accounts had no outstanding reconciling items over six months. One account had several checks over 6 months old, none over \$75.

COLLECTIONS

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

Agency provided me with a certified list of collection locations and I verified that it was 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:**

The agency has 2 collection locations. Both were selected for testing for the following:

- 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.

All employees of the sheriff's office are covered by a commercial crime insurance policy which includes theft. All employees collect tax payments and work out of the same cash drawer. The other drawer is the criminal fund, and only one employee works out of it. Bank reconciliations are prepared by the chief civil deputy.

- 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.

The tax cash register is reconciled and deposits are made daily. The criminal fund drawer is reconciled daily and deposited daily. The deposit is not always made by an employee that is different from the employee that is reconciling the bank statement for that particular fund.

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

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was December 19, 2016 thru December 23, 2016, which was tested for the following:

- 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 12 funds were tested for deposits of collections. For the week tested, 2 of the 12 funds did not make daily deposits.

- ▶ 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.

The 12 funds were tested for deposits of collections. All collections for the week tested had proper documentation.

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.

The agency has no written policies or procedures to determine completeness of collections or revenue sources.

DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT 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.

Agency provided a complete year to date general ledger for every fund and represented that the general ledgers were complete.

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/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.

Of the disbursements selected to be tested, 1 of the 25 tested for the sheriff's office had no purchase order or requisitions. The detention center does not use purchase orders.

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

Of the 25 sheriff's office disbursements selected to test, 3 of the 25 were approved by the person that initiated the purchase. The detention center does not use 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.

Of the 25 sheriff's office disbursements selected to be tested, 2 of the 25 were processed without a signed receiving report. All other support required for the purchase was present. The detention center does not use purchase orders.

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.

Claiborne sheriff uses GFA software which does not allow them to restrict any user from adding vendors.

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 sheriff and chief criminal deputy sign checks and the chief civil deputy reconciles the bank accounts.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those person 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.

The unused checks are stored in a secure location, but are not restricted to the employees with signatory authority.

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.

Checks at the sheriff's office require 1 signature. The Claiborne sheriff's office has 1 check stamp, for the civil deputy and the sheriff approves all checks. This stamp is kept in a locked safe. The civil deputy has limited authority to use the sheriff's signature stamp, and the sheriff approves all checks. All other funds the chief civil deputy prints all checks with the sheriff's signature and the sheriff approves all the checks.

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.

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

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.

From the list in #14, 10 credit/fuel cards were randomly selected to test the following:

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.)]

The chief civil deputy reviews all credit card statements when checks are written. If any unusual purchases are noted, they are investigated.

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

For the 10 cards tested, service charges were noted on one of the statements. There was also interest charges paid during the test period.

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)

All of the transactions tested had the original itemized receipts.

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

The transactions tested appear to be for business purposes.

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

There is no other documentation required for credit card purchases.

- 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 transactions on the credit cards that required compliance with the public bid law. The agency had no written policies or procedures concerning purchases/disbursements during the test period.

- 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.

For the 10 cards selected there was no evidence of Article 7, Section 14 violations.

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.

The agency provided me with a certified statement that no employees received travel or related expense reimbursements during the testing period.

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.

Agency does not have written policies and procedures for travel, so travel amounts tested were compared to the U.S. General Services Administration policies. None of the agencies rates exceeded the GSA rates.

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 expense selected:

The Claiborne Parish Sheriff had no employees with travel costs during the test period, therefore none were tested.

- 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.

The agency had no employees that received any travel costs during the test period.

- 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.]

The agency had no employees that received any travel costs during the test period.

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

The agency had no employees that received any travel costs during the test period.

- ▶ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No other documentation is required by the agency for travel reimbursements.

- 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 violations of Article 7 Section 14 were noted during testing.

- D) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The agency had no employees that received any travel costs during the test period.

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.

Agency provided a certified list of all contracts in effect during the test period.

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:

The contracts that were paid the most money were selected from the list of contracts from #20 and tested for the following:

- A) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Agency has a formal/written contract for all selected to be tested.

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

For the contracts tested, none of them required compliance with the public bid law. The agency did solicit quotes to get the best deal for the sheriff's office.

- 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.

None of the contracts selected were amended.

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

The contract payments that were tested were in compliance with the contract terms and conditions.

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

This is not applicable to the Sheriff.

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:

Agency provided a certified list of all employees with their authorized salaries. Five employees were selected to test the following:

- 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.

The 5 employees chosen were paid in accordance with the terms and conditions of their employment.

- 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.

All changes to the salaries of the 5 employees chosen were approved by the sheriff in writing.

- 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/official 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.)

Of the 25 employees selected, all employees that are eligible to earn leave time documented their daily attendance. The agency prepares an annual recap to track leave time earned and used, which is audited annually.

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

Of the 25 employees that were selected, supervisors approved the employees attendance and leave time.

- 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.

The agency prepares an annual schedule of leave time earned and used, which is audited annually.

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.

Agency provided a list of employees terminated during the testing period. The agency certified that it was complete. The employees terminated with the largest payments were selected and tested to determine that their termination payments were in accordance with the policy - no exceptions noted.

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.

During testing of the agency it was determined that the Claiborne Sheriff's office is submitting payroll tax, retirement contributions and required forms by the required deadlines.

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.

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

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.

There were no ethics violations reported to the sheriff’s office during the test period.

DEBT SERVICE (EXCLUDING NONPROFIT)

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

The Claiborne Parish Sheriff had debt outstanding of revenue bonds that were issued during the test period that required bond commission approval. The sheriff’s office provided support for the bond commission approval.

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.

The Claiborne Parish Sheriff has debt outstanding of revenue bonds during the test period and debt service payments are made according to the debt service schedule.

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 Claiborne Parish Sheriff has debt outstanding, but does not have a tax millage relating to the debt.

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.

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

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.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises and a link to the notice was posted on the 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.

There were no other exceptions noted during procedures.

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

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



Mary Jo Finley, CPA
October 28, 2017

KEN BAILEY

CLAIBORNE PARISH SHERIFF



613 East Main Street • Homer, Louisiana 71040 • Office: 318-927-2011 • Fax: 318-927-9819

October 28, 2017

Mary Jo Finley, CPA
116 Professional Drive
West Monroe, LA 71291

RE: Responses to Independent Accountant's Report on Applying Agreed-Upon Procedures
FYE June 30, 2017

Written Policies and Procedures

1. We agree written policies should be in place and have recently prepared and implemented them.

Board

2. No response is required.

Bank Reconciliations

3. No response is required
4. A. No response is required
B. The Sheriff now signs off on all bank reconciliations after they are prepared by the Chief Accounting Deputy.
C. We are in the process of researching and clearing up any items which have been outstanding for more than six months.

Collections

5. No response is required.
6. No response is required.
 - A. Each Civil Deputy now has her own tax collection cash drawer and her own criminal fund cash drawer, if applicable.
 - B. The Chief Accounting Deputy is not responsible for collections of criminal or tax monies. Funds are reconciled by Chief Accounting Deputy who prepares the deposits which are then deposited daily by someone other than the Chief Accounting Deputy. In the absence of the Chief Accounting Deputy, it would not be cost effective to add additional personnel to completely segregate those duties.
 - C. We attempt to make daily deposits; sometimes it is not cost effective.
7. Written policies and procedures are being developed to determine completeness of collections.

Disbursements

8. No response is required.
9. Process has been put into place to assure all purchases that require a purchase order will be attached to the invoice.
10. The issue with GFA has been corrected. The Chief Accounting Deputy is the only user authorized to add vendors.
11. No response is required.
12. All unused checks are locked in a secure location in the Civil Office, but are not restricted to those employees with signature authority.
13. No response is required.

Credit Cards/Fuel Cards

14. No response is required.
15. A. No response is required.
 - B. Procedures have been put in place to verify credit cards are paid timely.

16. No response is required.

Travel and Expense Reimbursements

17. No response is required.

18. Written policies and procedure have been put into place.

19. No response is required.

Contracts

20. No response is required.

21. No response is required.

Payroll and Personnel

22. No response is required.

23. No response is required.

24. No response is required.

25. No response is required.

Ethics

26. No response is required.

27. No response is required.

Debt Services

28. No response is required.

29. No response is required.

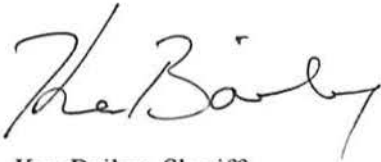
30. No response is required.

Other

31. No response is required.

32. No response is required.

33. No response is required.

A handwritten signature in black ink, appearing to read "Ken Bailey". The signature is fluid and cursive, with a large initial "K" and a stylized "B".

Ken Bailey, Sheriff
Claiborne Parish Sheriff