

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2017**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Kevin W. Cobb  
Franklin Parish Sheriff  
Winnsboro, Louisiana

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 45 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

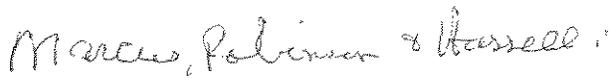
### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Franklin Parish Sheriff's basic financial statements. The accompanying financial information listed as other supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the Franklin Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Franklin Parish Sheriff's internal control over financial reporting and compliance.



MARCUS, ROBINSON & HASSELL, CPAs

Winnsboro, Louisiana  
December 18, 2017

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART I**



**KEVIN W. COBB**

**FRANKLIN PARISH**

**SHERIFF AND EX-OFFICIO TAX COLLECTOR**

6556 MAIN STREET . WINNSBORO, LOUISIANA 71295 . TELEPHONE (318) 435-4505 . FACSIMILE (318) 435-5810

As Management of the Franklin Parish Sheriff's Department, I offer readers of the Franklin Parish Sheriff's Department financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Sheriff's Department 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.

Financial Highlights:

- Revenues of the sheriff exceeded expenditures by \$729,132.
- Personnel and related benefit costs comprise 60% of total expenditures.
- Cash and Cash Equivalents increased by \$1,110,803 from the prior year.
- DOC inmate housing revenue was \$7,864,759 or 70% of total revenues.

Overview of the Financial Statements

This discussion and analysis provides an overview of the sheriff's basic financial statements. The statement of net assets and the statement of activities (Governmental-wide financial statements) provide information about the financial activities as a whole and illustrate a long-term view of the sheriff's finances. The balance sheet and statement of revenues, expenditures and changes in fund balance - Governmental fund tell how these services were financed in the short term as well as what remains for future. The report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditors Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditors Report should be used to judge the level of assurances provided for each portion in the financial section.

Government - wide Financial Statements:

These financial statements are used to present a general overall look at the finances of the Franklin Parish Sheriff's Department similar to a private sector business.

Statement of Net Positions. By determining the difference between the assets and the liabilities of the Franklin Parish Sheriff's Department, "Net Position" is determined. By comparing statements of Net Position over a period of time, the overall financial trend of the sheriff can be monitored.

Statement of Activities. This statement shows changes in the sheriff's net positions during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net positions as soon as the event affecting net positions occurs.

**Fund Financial Statements** - To comply with finance related legal requirements, the Franklin Parish Sheriff's Department groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

Government Funds. Information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds. These funds are used to manage monies and resources held by the sheriff on behalf of others, such as inmate trust deposits, taxes, fines, and bonds. Since these resources do not belong to the sheriff and are not available to support the operations of the sheriff, they are not reflected on the government-wide financial statements.

**Notes to the Financial Statements** - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

**Other Information** - This report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Franklin Parish Sheriff's Department.

## Financial Analysis of the Sheriff as a Whole

The Sheriff's net position as of June 30, 2017 was \$13,030,747, an increase of \$601,444 from the previous year.

	<u>Sheriff's Net Position</u>	
	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current & Other Assets	12,552,562	11,338,278
Capital Assets	4,737,632	4,898,101
<b>Total Assets</b>	<u>17,290,194</u>	<u>16,236,379</u>
Deferred Outflows of Resources	1,744,157	689,729
<b>Total Assets and Deferred Outflows of Resources</b>	<u>19,034,351</u>	<u>16,926,108</u>
Current Liabilities	616,458	121,076
Long-Term Liabilities	4,990,638	3,756,699
<b>Total Liabilities</b>	<u>5,607,096</u>	<u>3,877,775</u>
Deferred Inflows of Resources	396,508	619,030
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>6,003,604</u>	<u>4,496,805</u>
Net Position		
Net Investment in Capital Assets	4,737,632	4,898,101
Unrestricted	8,293,115	7,531,202
<b>Total Net Position</b>	<u>13,030,747</u>	<u>12,429,303</u>

**Governmental Activities**

Revenues for the Sheriff's governmental activities increased .003% to approximately \$11.1 million while total expenses increased .792% to approximately \$10.5 million for the reasons mentioned previously.

**Changes in Sheriff's Net Position**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Program Revenues		
Fees, Charges and Commissions	8,044,288	8,063,148
Operating Grants and Contributions	64,157	105,899
Total Program Revenues	<u>8,108,445</u>	<u>8,169,047</u>
General Revenues		
Ad Valorem Taxes	913,234	885,920
Sales Taxes	1,232,491	1,235,525
Other General Revenues	863,321	794,462
Total General Revenues	<u>3,009,046</u>	<u>2,915,907</u>
Total Revenues	11,117,491	11,084,954
General Governmental Expenses	<u>10,516,047</u>	<u>10,433,374</u>
Change in Net Position	<u>601,444</u>	<u>651,580</u>

## Financial Analysis of the Government's Funds

Fund accounting is used by the Franklin Parish Sheriff's Department to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Franklin Parish Sheriff's Department's combined governmental fund balances as of June 30, 2017 is \$12,061,003. The June 30, 2016 combined governmental fund balance was \$11,331,871. This is an increase of \$729,132. Of the June 30, 2017 balances, \$11,948,673 is unassigned.

### General Fund Budgetary Highlights

While expenditures reported on the final budget are more than projected expenditures at the beginning of the year, the final adopted budget for June 30, 2017 also reflects an increase in revenue over the original budget for the fiscal year. This is the result of slight increase in most revenue generating resources but primarily from an increase in revenue from housing inmates.

### Capital Assets and Debt Administration:

**Capital Assets** - The Franklin Parish Sheriff's Department's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$4,737,632 (net of accumulated depreciation). Fixed assets decreased by \$160,469 for the year.

The following summarizes Capital assets:	<u>6/30/17</u>	<u>6/30/16</u>
Capital Assets:		
Land	90,000	90,000
Buildings	8,894,508	8,894,508
Equipment	<u>2,062,922</u>	<u>1,795,221</u>
	11,047,430	10,779,729
Accumulated Depreciaton	<u>6,309,798</u>	<u>5,881,628</u>
Capital Assets, net	<u>4,737,632</u>	<u>4,898,101</u>

## Long-Term Debt

At June 30, 2017, the Sheriff had the following long-term debt outstanding at year end.

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Other Post-Employment Benefits	1,399,413	1,234,832
Net Pension Liability	<u>3,591,225</u>	<u>2,521,867</u>
Total	<u>4,990,638</u>	<u>3,756,699</u>

## Economic Factors and Next Year's Budget

The Franklin Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Taxes
2. Intergovernmental Revenues
3. Fees, Charges, and Commissions for Services

The Franklin Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

## Request for Information

This report may be used by all persons with an interest in the financial status of the Franklin Parish Sheriff's Office. It is designed to help the reader gain a general overall view of the sheriff's finances. Any question or request for additional information should be addressed to the Franklin Parish Sheriff's Office, 6556 Main Street, Winnsboro, Louisiana 71295.



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Kevin W. Cobb,  
Sheriff

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash and Cash Equivalents	12,300,673
Accounts Receivable	139,559
Inventories	112,330
Capital Assets (net of accumulated depreciation)	<u>4,737,632</u>

TOTAL ASSETS 17,290,194

DEFERRED OUTFLOWS OF RESOURCES

Pension Related	<u>1,744,157</u>
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Total Deferred Outflows of Resources 1,744,157

TOTAL ASSETS AND DEFERRED OUTFLOWS OF  
RESOURCES 19,034,351

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accounts Payable	491,559
Long-Term Liabilities	
Due Within One Year	124,899
Net Post Employment Benefit Obligation	1,399,413
Net Pension Liability	<u>3,591,225</u>

TOTAL LIABILITIES 5,607,096

DEFERRED INFLOWS OF RESOURCES

Pension Related	<u>396,508</u>
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Total Deferred Inflows of Resources 6,003,604

NET POSITION

Net Investment in Capital Assets	4,737,632
Unrestricted	<u>8,293,115</u>

TOTAL NET POSITION 13,030,747

TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND NET POSITION 19,034,351

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF ACTIVITIES  
JUNE 30, 2017**

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
		<u>OPERATING GRANTS</u>	<u>CAPITAL GRANTS</u>	
<b><u>FUNCTIONS/PROGRAMS:</u></b>				
<b><u>Public Safety:</u></b>				
Personal Services	6,273,427	48,648	0	(6,224,779)
Operating Services	1,208,095	7,733	0	(1,200,362)
Materials and Supplies	2,505,233	7,200	0	(2,498,033)
Travel and Other Charges	80,817	576	0	(80,241)
Depreciation	448,475	0	0	(448,475)
Capital Outlay	0	0	0	0
Total Government Activities	10,516,047	64,157	0	(10,451,890)
 <b><u>PROGRAM REVENUES:</u></b>				
Commissions				27,049
Civil & Criminal Fees				152,480
Housing Prisoners				7,864,759
Total Program Revenues				8,044,288
Net Program Expenses				(2,407,602)
 <b><u>GENERAL REVENUES:</u></b>				
Taxes - Ad Valorem				913,234
Taxes - Sales Tax				1,232,491
Taxes - State Revenue Sharing				71,046
Interest				49,962
State Supplemental Pay				419,746
Book Value of Disposed Assets				3,653
Other				318,914
Total General Revenues				3,009,046
<b><u>CHANGES IN NET POSITION</u></b>				601,444
<b><u>NET POSITION AT BEGINNING OF YEAR</u></b>				12,429,303
<b><u>NET POSITION AT END OF YEAR</u></b>				13,030,747

See Notes to Financial Statements

**BASIC FINANCIAL STATEMENTS:**  
**FUND FINANCIAL STATEMENTS (FFS)**

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2017

	<u>GENERAL</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	12,300,673
Accounts Receivable	139,559
Inventories	<u>112,330</u>
TOTAL ASSETS	<u><u>12,552,562</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts Payable	<u>491,559</u>
Total Liabilities	491,559
Fund Balances:	
Nonspendable	112,330
Unassigned	<u>11,948,673</u>
Total Fund Balance	<u>12,061,003</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>12,552,562</u></u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

Total Fund Balances at June 30, 2017 - Governmental Funds		12,061,003
Deferred Outflows - Pension Related		1,744,157
Cost of Capital Assets at June 30, 2017	11,047,430	
Less: Accumulated Depreciation at June 30, 2017	<u>(6,309,798)</u>	4,737,632
Long-Term Liabilities at June 30, 2017		
Deferred Compensation Payable	124,899	
Net Post Employment Benefit Obligation	<u>1,399,413</u>	<u>(1,524,312)</u>
Net Pension Liability		(3,591,225)
Deferred Inflows - Pension Related		<u>(396,508)</u>
<b><u>NET POSITION AT JUNE 30, 2017</u></b>		<b><u>13,030,747</u></b>

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>GENERAL</u>
<u>REVENUES</u>	
Ad Valorem Taxes	913,234
Sales Taxes	1,232,491
Intergovernmental Revenues:	
Federal Grants	40,248
State and Local Grants	23,909
State Revenue Sharing	71,046
Fees, Charges & Services:	
Commissions	27,049
Civil & Criminal Fees	152,480
Housing Prisoners	7,864,759
State Supplemental Pay	419,746
Interest	49,962
Other	318,914
 <u>TOTAL REVENUE</u>	 11,113,838
 <u>EXPENDITURES</u>	
<u>Public Safety:</u>	
Personal Services & Related Benefits	6,306,208
Operating Services	1,208,095
Materials and Supplies	2,506,420
Travel and Other Charges	80,817
<u>Capital Outlay:</u>	
General Fund	283,166
 <u>TOTAL EXPENDITURES</u>	 10,384,706
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	 729,132

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>GENERAL</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>11,331,871</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>12,061,003</u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, 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	729,132
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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 these assets is allocated over their estimated useful life as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the period:

Capital Outlays	284,353	
Depreciation	<u>(448,475)</u>	(164,122)

In the statement of activities, the gain or loss on the retirement of assets is reported, whereas in the governmental funds it is not. The change in net assets differs from the change in fund balance by the cost of the assets retired net of accumulated depreciation.	3,653
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In the Statement of Activities, certain operating expenses - K-time - are measured by the amounts earned or used during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (actually paid).	(10,230)
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Net Post Employment Benefit Obligation Expense	(164,581)
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Non-Employer Contributions to Cost-Sharing Pension Plan	219,797
Pension Expense	<u>(12,205)</u>

Changes in Net Position of Governmental Activities	<u><u>601,444</u></u>
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See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2017**

	LICENSE FUND	CRIMINAL FUND	CIVIL FUND	WORK RELEASE PROGRAM FUND
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	78	105,601	16,527	22,362
Due From Others	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>78</u>	<u>105,601</u>	<u>16,527</u>	<u>22,362</u>
<b><u>LIABILITIES</u></b>				
Due to Taxing Bodies And Others	<u>78</u>	<u>105,601</u>	<u>16,527</u>	<u>22,362</u>
TOTAL LIABILITIES	<u>78</u>	<u>105,601</u>	<u>16,527</u>	<u>22,362</u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2017**

TAX COLLECTION FUND	INMATE TRUST FUND	TOTAL
7,398	121,245	273,211
1,714	0	1,714
9,112	121,245	274,925
9,112	121,245	274,925
9,112	121,245	274,925

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**INTRODUCTION**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within Franklin and surrounding parishes.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

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

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all the Sheriff's activities.

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification 2100, the sheriff includes all funds, account groups, activities, etc. that are controlled by the sheriff as an independently elected parish official. As an independently elected parish official, the sheriff is solely responsible for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff's office that are paid by the parish police jury as required by Louisiana law, the sheriff is financially independent. Accordingly, the sheriff is a separate governmental reporting entity. Certain units of local government over which the sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish sheriff.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. 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 Assets at the fund financial statement level.

*In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are 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.

**D. 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.

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**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS, Continued**

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 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:

**Government 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. The general fund is the only fund classified as a major fund.

**Fiduciary Fund Type - Agency Funds**

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

**E. 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 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.

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**2. Modified Accrual, Continued**

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 and demand 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.

**Expenditures**

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

**F. SALES AND USE TAX**

The Franklin Parish Sheriff is authorized to collect a one percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collecting and administering the tax, are dedicated to constructing, maintaining and operating a jail facility and offices for the Franklin Parish Sheriff, including the payment of salaries for the operation of the jail facilities. The tax was approved for an indefinite time period; however, on March 10, 1993, the voters approved a referendum changing the indefinite expiration date to June 1, 2010. On July 21, 2007, the voters approved a one-half percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collection and administering the tax, are dedicated for general operations. This tax has been renewed for five years starting January 1, 2013 and expiring on December 31, 2017.

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**G. ENCUMBRANCES**

Encumbrance accounting is not used in the sheriff's operations.

**H. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must 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 their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**I. INVENTORY**

Inventory at June 30, 2017, consists of commissary items purchased during preceding months. Inventory items are valued at unit prices established by purchase prices paid for purchased items. Amounts are recorded as expenditures under the consumption method using the First-In, First-Out (FIFO) cost flow assumption.

**J. 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 \$5,000 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>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

**K. RISK MANAGEMENT**

The sheriff's office is exposed to risks of loss in areas of health care, general and auto liability, property hazards, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

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**L. COMPENSATORY TIME (K-TIME)**

Compensatory Time (K-time) represents a one and one-half credit for each hour of overtime worked. The maximum for law enforcement personnel (deputies, detectives and guards) is 480 K-time hours which represent not more than 320 hours of actual overtime worked. The maximum for non-law enforcement personnel is 240 K-time hours which represents 160 hours of actual overtime worked. Employees may take K-time as compensated time-off.

An employee shall upon termination be paid for the unused K-time at a rate of compensation not less than: a) the average regular rate received by such employee during the last three years of employment or b) the final regular rate, whichever is higher. All overtime work in excess of K-time limits must be paid in the period earned.

**M. BAD DEBTS**

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectible and no allowance for bad debts is necessary.

**N. ESTIMATES**

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

**O. BUDGET PRACTICES**

The proposed budget for the fiscal year ended June 30, 2017, was made available for public inspection on June 10, 2016. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal as required prior to the public hearing, which was held at the Franklin Parish Sheriff's office June 10, 2016, for comments from taxpayers. The budget was legally amended June 16, 2017, by the sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balances.

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**P. INVESTMENTS**

Under state law, the sheriff may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The sheriff reports United States Treasury bills and notes as investments.

**Q. VACATION AND SICK LEAVE**

Employees earn two weeks of noncumulative vacation leave and one week of noncumulative sick leave each year. There are no accumulated or vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

**R. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Sheriff reports three categories of net position, as follows:

- a. Net investment in capital assets - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- b. Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Sheriff.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The Sheriff's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

**S. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

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

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

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

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**S. FUND EQUITY OF FUND FINANCIAL STATEMENTS, Continued**

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

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

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

**T. PENSION PLANS**

The Franklin Parish Sheriff's Office is participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. 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.

**NOTE 2 - LEVIED TAXES**

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u> <u>Expiration</u>	<u>Levied</u> <u>Millage</u>	<u>Millage</u>
Constitutional	Indefinite	9.23	9.23

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**NOTE 3 - CASH AND CASH EQUIVALENTS**

For the purpose of these financial statements, the sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2017 the sheriff had cash and cash equivalents (book balances) totaling \$12,573,884 as follows:

	<u>Statement of Net Position</u>	<u>Statement of Fiduciary Net Position</u>	<u>Total</u>
Petty Cash	1,800	-0-	1,800
Demand Deposits	<u>12,298,873</u>	<u>273,211</u>	<u>12,572,084</u>
<b>TOTAL</b>	<b><u>12,300,673</u></b>	<b><u>273,211</u></b>	<b><u>12,573,884</u></b>

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.

At June 30, 2017, the sheriff has \$13,143,725 in deposits (collected bank balances). These deposits are secured from risk by \$750,477 of federal deposit insurance and \$12,300,468 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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.

The sheriff was undercollateralized by \$92,780 at Citizens Progressive Bank at June 30, 2017.

**NOTE 4 - RECEIVABLES**

The receivables at June 30, 2017, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Fees, Charges, and Commissions for Services	139,559	1,714	141,273
Feeding and Keeping of Prisoners	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL</b>	<b><u>139,559</u></b>	<b><u>1,714</u></b>	<b><u>141,273</u></b>

**FRANKLIN PARISH SHERIFF  
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**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2017 follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<u>Capital Assets</u>				
Equipment	1,795,221	284,353	16,652	2,062,922
Buildings	8,894,508	-0-	-0-	8,894,508
Land	<u>90,000</u>	<u>-0-</u>	<u>-0-</u>	<u>90,000</u>
	10,779,729	284,353	16,652	11,047,430
 <u>Accumulated Depreciation</u>				
Equipment	1,263,348	226,112	20,305	1,469,155
Buildings	<u>4,618,280</u>	<u>222,363</u>	<u>-0-</u>	<u>4,840,643</u>
	<u>5,881,628</u>	<u>448,475</u>	<u>20,305</u>	<u>6,309,798</u>
 <u>Net Capital Assets</u>	<u>4,898,101</u>	<u>(164,122)</u>	<u>3,653</u>	<u>4,737,632</u>

**NOTE 6 - PENSION PLAN**

Substantially all employees of the Franklin Parish Sheriff's office are members of the Louisiana Sheriffs' Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least 800 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. For an employee whose first employment making him eligible began on or after July 1, 2006, the employee's average monthly salary shall be the 60 highest successive months of employment, or the highest 60 successive joined months of employment where interruption of service occurred. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

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 Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

**FRANKLIN PARISH SHERIFF  
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**NOTE 6 - PENSION PLAN, Continued**

Plan members are required by state statute to contribute 10.25% of their annual covered salary and the Franklin Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25% 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 Franklin Parish Sheriff are established and may be amended by state statute. As provided by R.S. 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 Franklin Parish Sheriff's contributions to the System for the years ending June 30, 2017, 2016 and 2015 were \$533,853, \$531,940 and \$531,592, 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 \$3,591,225 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was 0.565824% which was an increase of 0.00012% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$12,205 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At June 30, 2017, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	-0-	(376,680)
Changes of assumptions	293,392	-0-
Net difference between projected and actual earnings on pension plan investments	899,423	-0-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	17,489	(19,828)
Employer contributions subsequent to the measurement date	<u>533,853</u>	<u>-0-</u>
Total	<u>1,744,157</u>	<u>(396,508)</u>

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**NOTE 6 - PENSION PLAN, Continued**

**Pension Plan** - The Sheriff reported a total of \$533,853 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows and resources related to pensions will be recognized in pension expense as follows:

Year	
2017	94,530
2018	94,530
2019	356,513
2020	253,329
2021	7,448
2022	<u>7,446</u>
	<u>813,796</u>

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.6%, net of investment expense
Discount Rate	7.5%
Projected Salary Increases	5.5% (2.875% Inflation, 2.625% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries
	RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	
	2016 - 7 years
	2015 - 6 years
	2014 - 6 years

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**NOTE 6 - PENSION PLAN, Continued**

**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 projected benefit payments 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.

**Changes in Valuation Methods and Assumptions**

The discount rate was lowered from 7.6% to 7.5% for the year ended June 30, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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

**Mortality Rate** - The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2010 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the pension plan'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.

**FRANKLIN PARISH SHERIFF  
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**NOTE 6 - PENSION PLAN, Continued**

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the Sheriff's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Sheriff's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.5%	7.5%	8.5%
FPSO Share of NPL	\$6,092,880	\$3,591,225	\$1,526,406

**Change in Net Pension Liability** - The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the pension liability, changes of assumptions about future economic or demographic factors, and changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS**

**Plan Description** - Franklin Parish Sheriff's Office's medical 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 12 years of service. Effective for retirements on or after December 31, 2012, the following schedule applies based on age and years of service at actual retirement for a retiree to receive employer paid retiree medical coverage: 100% for thirty or more years of service; 75% for attainment of age 55 and completion of twenty-seven years of service; or, 50% for attainment of age 55 and completion of twenty-three years of service.

Life insurance coverage is continued to retirees in the same amount as while active. The retiree pays 100% of the "cost" of life insurance after retirement, but it is 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 described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. 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.

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, Continued**

**Fund Policy** - Until 2009, the Franklin Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (Franklin Parish Sheriff's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, Franklin Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$81,687, and \$75,636, respectively.

Effective July 1, 2009, Franklin Parish Sheriff implemented Government Accounting Standards Board Accounting and Financial Reporting by Employers for Post employment 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** - Franklin 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:

	<u>2017</u>	<u>2016</u>
Normal Cost	\$ 80,491	\$ 77,395
30-year UAL amortization amount	<u>187,794</u>	<u>180,571</u>
Annual required contribution (ARC)	<u>\$268,285</u>	<u>257,966</u>

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

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$1,234,832	\$1,071,609
Annual Required Contribution	268,285	257,966
Interest on Net OPEB Obligation	49,393	42,864
ARC Adjustment	<u>(71,410)</u>	<u>(61,971)</u>
OPEB Cost	246,268	238,859
Contribution to Irrevocable Trust	-0-	-0-
Current year retiree premium	<u>(81,687)</u>	<u>(75,636)</u>
Change in Net OPEB Obligation	<u>164,581</u>	<u>163,223</u>
Ending Net OPEB Obligation	<u>\$1,399,413</u>	<u>\$1,234,832</u>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, Continued**

The following table shows Franklin Parish Sheriff'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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$246,267	33.17%	\$1,399,413
June 30, 2016	\$238,859	31.67%	\$1,234,832

**Funded Status and Funding Progress** - In 2017 and 2016, Franklin 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, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$3,377,374 which is defined as that portion, as determined by a particular actuarial cost method (Franklin 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.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$3,377,374	\$3,247,475
Actuarial Value of Plan Assets (AVP)	-0-	-0-
Unfunded Act. Accrued Liability (UAAL)	<u>3,377,374</u>	<u>3,247,475</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$4,029,123	\$3,868,737
UAAL as a percentage of covered payroll	83.82%	83.94%

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

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, Continued**

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

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

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

**Post employment Benefit Plan Eligibility Requirements** - Based on the revised eligibility schedule for employer paid retiree medical coverage, we have assumed that employees retire three years after the earliest eligibility to enter the D.R.O.P. as described in the section above under "Plan Description". The three years are to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement.

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

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

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

**Method of Determining Value of Benefits** - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB Codification Section P50 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

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

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

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, Continued**

**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.

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

OPEB Costs and Contributions			
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$226,379	\$238,859	\$246,267
Contribution	-0-	-0-	-0-
Retiree Premium	69,716	75,636	81,687
Total contribution and premium	<u>69,716</u>	<u>75,636</u>	<u>81,687</u>
Change in net OPEB obligation	<u>\$156,663</u>	<u>\$163,223</u>	<u>\$164,581</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	30.80%	31.67%	33.17%

**NOTE 8 - CHANGES IN AGENCY FUNDS**

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

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Agency Funds:				
License	76	163,089	163,087	78
Criminal	92,568	580,559	567,526	105,601
Civil	18,355	368,859	370,687	16,527
Work Release Program	28,681	291,093	297,412	22,362
Tax Collection	3,420	10,426,762	10,421,070	9,112
Inmate Trust	<u>76,790</u>	<u>1,021,164</u>	<u>976,529</u>	<u>121,425</u>
<b>TOTAL</b>	<u>219,890</u>	<u>12,851,526</u>	<u>12,796,311</u>	<u>275,105</u>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

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

	<u>K-Time</u>	<u>TOTAL</u>
Long-term Obligations at July 1, 2016	114,669	114,669
Additions	10,230	10,230
Deductions	<u>-0-</u>	<u>-0-</u>
Long-term Obligations at June 30, 2017	<u>124,899</u>	<u>124,899</u>

**NOTE 10 - FEDERAL FINANCIAL ASSISTANCE**

The sheriff participated in the following federal assistance programs during the year ended June 30, 2017:

<u>Federal Grantor/Pass-Through Grantor/ Program Name</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>United States Department of Justice Passed through Louisiana Division of Administration through Louisiana Commission of Law Enforcement and Administration: Victims of Crime Act</u>	16.575	30,024
<u>United States Department of Justice Passed through Louisiana Division of Administration through Louisiana Commission on Law Enforcement and Administration of Criminal Justice -Street Sales Disruption</u>	16.738	<u>10,224</u>
		<u>40,248</u>

**NOTE 11 - ON-BEHALF PAYMENTS**

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Franklin Parish Police Jury, except for the jail as set forth in the intergovernmental agreement discussed in Note 13.

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 12 - LITIGATION AND CLAIMS**

At June 30, 2017, the sheriff has no pending or threatened litigation which would adversely affect the financial status of the Franklin Parish Sheriff's Office.

**NOTE 13- INTERGOVERNMENTAL AGREEMENT**

As provided by Louisiana Revised Statute (LSA-R.S.) 33:1324, the Franklin Parish Sheriff has entered into an intergovernmental agreement with the Franklin Parish Police Jury to assume all liabilities and responsibilities of the jail operations within Franklin Parish effective May 1, 1989, and perpetually thereafter, so long as the Franklin Parish Law Enforcement District sales and use tax remains in force and effect. The liabilities assumed by the sheriff include utilities, maintenance and upkeep, feeding and keeping prisoners, salaries and cost of jail operations, and construction of a new jail. The intergovernmental agreement also states that the parish of Franklin relinquishes, transfers, and assigns to the Franklin Parish Sheriff and the Law Enforcement District of Franklin Parish all jurisdiction, responsibility, and control over the present and any future jail within Franklin Parish.

**NOTE 14- RELATED PARTY TRANSACTIONS**

There were no related party transactions that came to our attention.

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 15 - EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand at year end was \$7,398. The unsettled balances of the Tax Collection Fund at June 30, 2017 consist of:

Collection of current and prior year	
taxes not settled	1,123
Protest Taxes	<u>6,275</u>
	<u><u>7,398</u></u>

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

<b><u>TAXING AUTHORITY</u></b>	<b><u>TAXES COLLECTED</u></b>
Franklin Parish Police Jury	3,238,634
Franklin Parish Sheriff	987,080
Franklin Parish School Board	2,372,024
Franklin Parish Tax Assessor	706,183
Louisiana Agriculture & Forestry Commission	5,560
Louisiana Tax Commission	8,007
Tensas Basin Levee District	196,739
Fire District I	113,443
Fire District II	128,921
Fire District III	51,244
Fire District IV	68,521
Franklin Parish Library	749,143
Franklin Parish Council on Aging	191,627
Franklin Parish Clerk of Court Retirement	26,191
Franklin Parish District Attorney Retirement	19,136
Municipal Employees Retirement	26,191
Parochial Employees Retirement	26,191
Franklin Parish Registrar of Voters	6,549
Franklin Medical Center	1,203,355
Assessor's Retirement Fund	33,857
Sheriff's Pension and Relief Fund	52,382
Teacher's Retirement Fund	<u>104,762</u>
	<u><u>10,315,740</u></u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

The amount of taxes assessed and uncollected by the specified taxing authority is presented below:

<u>TAXING AUTHORITY</u>	<u>TAXES UNCOLLECTED</u>
Franklin Parish Police Jury	1,789
Franklin Parish Sheriff	504
Franklin Parish School Board	1,355
Franklin Parish Tax Assessor	382
Louisiana Agriculture & Forestry Commission	0
Louisiana Tax Commission	0
Tensas Basin Levee District	152
Fire District I	4
Fire District II	0
Fire District III	46
Fire District IV	0
Franklin Parish Library	419
Franklin Parish Council on Aging	113
Franklin Medical Center	710
	<hr/>
	5,474
	<hr/> <hr/>

The above amounts represent taxes assessed and uncollected by the specified taxing authority. Failure to collect these taxes is due to bankruptcies or the fact that the property is considered movable, and therefore, it cannot be sold at a property tax sale.

The amount of collection on behalf of other taxing authorities is as follows:

<u>TAXING AUTHORITY</u>	<u>FRANKLIN PARISH POLICY JURY</u>	<u>COMMISSION TO FRANKLIN PARISH SHERIFF</u>	<u>FINAL DISTRIBUTION</u>
OCCUPATIONAL LICENSE	<hr/> <hr/> 138,624	<hr/> <hr/> 24,463	<hr/> <hr/> 163,087

Franklin Parish Sheriff does not collect sales tax, tax incremental finance district, public utility, insurance premiums, gaming admissions, or any other taxes other than ad valorem tax and occupational licenses for taxing authorities.

**NOTE 16 - SUBSEQUENT EVENTS**

The Sheriff's management has evaluated subsequent events through the date the financial statements were available to be issued, December 18, 2017 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

See Notes to Financial Statements

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART II**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGET COMPARISON SCHEDULES  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
<b><u>REVENUES</u></b>				
Ad Valorem Taxes	886,250	915,750	913,234	(2,516)
Sales Taxes	1,200,000	1,225,000	1,232,491	7,491
<i>Intergovernmental Revenues:</i>				
Federal Grants	43,200	45,100	40,248	(4,852)
State and Local Grants	70,000	24,250	23,909	(341)
State Revenue Sharing	68,250	68,250	71,046	2,796
<i>Fees, Charges &amp; Services:</i>				
Commissions	24,000	24,000	27,049	3,049
Civil & Criminal Fees	150,000	155,000	152,480	(2,520)
Housing Prisoners	7,378,836	8,420,000	7,864,759	(555,241)
State Supplemental Pay	456,000	456,000	419,746	(36,254)
Interest	42,500	48,000	49,962	1,962
Other	159,614	238,525	318,914	80,389
<b><u>TOTAL REVENUES</u></b>	<b>10,478,650</b>	<b>11,619,875</b>	<b>11,113,838</b>	<b>(506,037)</b>
<b><u>EXPENDITURES</u></b>				
<i>Public Safety:</i>				
Personal Services and Related Benefits	6,483,747	6,382,687	6,306,208	76,479
Operating Services	1,248,000	1,326,050	1,208,095	117,955
Materials and Supplies	2,476,350	2,345,200	2,506,420	(161,220)
Travel and Other Charges	127,954	107,450	80,817	26,633
<i>Capital Outlay:</i>				
General Fund	127,500	379,500	283,166	96,334
<b><u>TOTAL EXPENDITURES</u></b>	<b>10,463,551</b>	<b>10,540,887</b>	<b>10,384,706</b>	<b>156,181</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>				
	<b>15,099</b>	<b>1,078,988</b>	<b>729,132</b>	<b>(349,856)</b>

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**BUDGET COMPARISON SCHEDULES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>11,759,181</u>	<u>11,331,871</u>	<u>11,331,871</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>11,774,280</u>	<u>12,410,859</u>	<u>12,061,003</u>	<u>(349,856)</u>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, 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 Franklin 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.

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED JUNE 30, 2017

FISCAL YEAR ENDED	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITIES (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
6/30/17	7/1/15	0	3,377,374	3,377,374	0.00%	4,029,123	83.82%
6/30/16	7/1/15	0	3,247,475	3,247,475	0.00%	3,868,737	83.94%
6/30/15	7/1/12	0	2,999,122	2,999,122	0.00%	3,731,059	80.38%
6/30/14	7/1/12	0	2,883,771	2,883,771	0.00%	3,594,947	80.22%
6/30/13	7/1/12	0	2,772,856	2,772,856	0.00%	3,653,095	75.90%
6/30/12	7/1/09	0	1,970,042	1,970,042	0.00%	3,570,684	55.17%
6/30/11	7/1/09	0	1,970,042	1,970,042	0.00%	3,755,378	52.46%
6/30/10	7/1/09	0	1,970,042	1,970,042	0.00%	3,804,463	51.78%

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LA  
SCHEDULE OF THE SHERIFF'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2017 \***

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.560699%	\$2,220,371	\$3,731,059	59.5104%	87.3447%
2016	0.565756%	\$2,521,867	\$3,868,737	65.1857%	86.6065%
2017	0.565824%	\$3,591,225	\$4,029,123	89.1316%	82.0969%

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

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

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SCHEDULE OF FRANKLIN PARISH SHERIFF'S  
CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2017**

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$531,592	\$531,592	\$0	\$3,731,059	14.25%
2016	\$531,940	\$531,940	\$0	\$3,868,737	13.75%
2017	\$533,853	\$533,853	\$0	\$4,029,123	13.25%

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

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTE TO CHANGES TO REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017**

*Changes in Valuation*  
Methods and Assumptions

The valuation interest rate was lowered from 7.6% to 7.5% for the year ended June 30, 2017.

**OTHER SUPPLEMENTAL INFORMATION**

**PART III**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2017**

FIDUCIARY FUND TYPE - AGENCY FUNDS

These funds account for assets held by the sheriff department in a trust or agency capacity.

LICENSE FUND

The License Fund is a depository for occupational licenses. Payments are made from the fund to the Sheriff's General Fund and the Franklin Parish Police Jury.

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.

CIVIL FUND

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

WORK RELEASE PROGRAM FUND

The Work Release Program Fund accounts for funds paid to the Sheriff's office for the Work Release Program. The funds are then disbursed to the inmates or the Inmate Trust Fund and the Sheriff's General Fund.

TAX COLLECTION FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collection Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

INMATE TRUST FUND

The Inmate Trust 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. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FIDUCIARY FUND TYPES - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN BALANCES  
DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>LICENSE FUND</u>	<u>CRIMINAL FUND</u>	<u>CIVIL FUND</u>	<u>WORK RELEASE PROGRAM FUND</u>
<b><u>BALANCES AT BEGINNING OF YEAR</u></b>	76	92,568	18,355	28,681
<b><u>ADDITIONS:</u></b>				
Deposits:				
Licenses	163,087	0	0	0
Fines and Costs	0	580,445	0	0
Sheriff's Sales	0	0	320,032	0
Garnishments	0	0	36,058	0
Other Deposits	0	0	12,728	0
Taxes, Fees, Etc. Paid to				
Tax Collector	0	0	0	0
Interest on Investments	2	114	41	31
Inmate Deposits	0	0	0	0
Work Release Income	0	0	0	291,062
<b>TOTAL ADDITIONS</b>	<b>163,089</b>	<b>580,559</b>	<b>368,859</b>	<b>291,093</b>
<b>TOTAL AVAILABLE</b>	<b>163,165</b>	<b>673,127</b>	<b>387,214</b>	<b>319,774</b>
<b><u>REDUCTIONS:</u></b>				
Taxes, Fees, Etc. Distributed				
to Taxing Bodies and Others	0	0	0	0
Deposits Settled To:				
Sheriff's General Fund	24,463	64,610	46,870	193,671
Police Jury	138,624	7,200	0	0
District Attorney	0	177,718	0	0
Clerk of Court	0	24,624	21,160	0
Indigent Defender Board	0	44,398	0	0
Attorneys, Appraisers, Etc.	0	0	300,395	0
Other Settlements	0	248,976	2,262	103,741
<b>TOTAL REDUCTIONS</b>	<b>163,087</b>	<b>567,526</b>	<b>370,687</b>	<b>297,412</b>
<b>BALANCES AT END OF YEAR</b>	<b>78</b>	<b>105,601</b>	<b>16,527</b>	<b>22,362</b>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FIDUCIARY FUND TYPES - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN BALANCES  
DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2017**

TAX COLLECTION FUND	INMATE TRUST FUND	TOTAL
3,420	76,790	219,890
0	0	163,087
0	0	580,445
0	0	320,032
0	0	36,058
0	0	12,728
10,425,795	0	10,425,795
967	116	1,271
0	1,021,048	1,021,048
0	0	291,062
10,426,762	1,021,164	12,851,526
10,430,182	1,097,954	13,071,416
10,421,070	0	10,421,070
0	976,709	1,306,323
0	0	145,824
0	0	177,718
0	0	45,784
0	0	44,398
0	0	300,395
0	0	354,979
10,421,070	976,709	12,796,491
9,112	121,245	274,925

STATE OF LOUISIANA, PARISH OF FRANKLIN

AFFADAVIT

KEVIN W. COBB, Sheriff of Franklin Parish

**BEFORE ME**, the undersigned authority, personally came and appeared KEVIN W. COBB, the sheriff of FRANKLIN Parish, State of Louisiana, who after being duly sworn, deposed and said:

**The following information is true and correct:**

**\$ 7,398 is the amount of cash on hand in the tax collector account on June 30, 2017;**

He further deposed and said:

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

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

  
\_\_\_\_\_  
Signature

**Sheriff of FRANKLIN  
(Parish)**

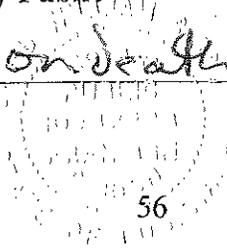
**SWORN** to and subscribed before me, Notary, this 21<sup>st</sup> day of December,

20 17, in my office in Winnsboro, Louisiana.  
(City/Town)

  
\_\_\_\_\_  
(Signature)

David W. Bigdon (Print), # 32228  
Notary Public

exp. on death (Commission)



**FRANKLIN PARISH SHERIFF  
SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER  
PAYMENTS TO SHERIFF  
JUNE 30, 2017**

SHERIFF: KEVIN COBB

<u>PURPOSE</u>	<u>AMOUNTS</u>
Salary	158,840
Benefits - Insurance	17,274
Benefits - Retirement	42,344
Benefits - Other	4,596
Car Allowance	0
Vehicle Provided by Entity	0
Per Diem	150
Reimbursements	0
Travel	435
Registration Fees	575
Conference Travel	324
Continuing Professional Education Fees	0
Housing	0
Unvouchered Expenses	0
Special Meals	60
	<hr/>
	224,598
	<hr/> <hr/>

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

**MARCUS, ROBINSON and HASSELL**

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Kevin W. Cobb  
Franklin Parish Sheriff  
Winnsboro, Louisiana

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Sheriff as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Franklin Parish Sheriff's basic financial statements and have issued our report thereon dated December 18, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (Item number 2017-01).

## **Compliance and Other Matters**

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

## **Franklin Parish Sheriff's Response to Findings**

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

## **Purpose of this Report**

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

This report is intended solely for the information and use of the Franklin Parish Sheriff, management of the Sheriff's office, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.



MARCUS, ROBINSON & HASSELL  
December 18, 2017

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Sheriff as of and for the year ended June 30, 2017, which collectively comprise the Franklin Parish Sheriff's basic financial statements and have issued our report thereon dated December 18, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2017, resulted in an unmodified opinion.

**SECTION I - SUMMARY OF THE AUDITOR'S RESULTS**

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

Internal Control

Material Weaknesses  yes  no                      Significant Deficiency  yes  none reported

Compliance

Compliance Material to Financial Statements  yes  none reported

B. Federal Awards

Internal Control

Material Weaknesses  yes  no                      Significant Deficiency  yes  none reported

Type of Opinion on Compliance  
For Major Programs

Unmodified       Modified   
Disclaimer       Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .5109(a)?

No

C. Identification of Major Programs

None Identified

Dollar threshold used to distinguish between Type A and Type B Programs \$300,000

Is the auditee a "low-risk" auditee as defined by OMB Circular 133  yes  no

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION II - FINANCIAL STATEMENT FINDINGS:**

**Findings, Reference #, and Title:** 2017-01

**Under-collateralized Funds**

**Condition:**

The Franklin Parish Sheriff Department had under-collateralized funds in Citizens Progressive Bank.

**Recommendation:**

Our recommendation is for the chief financial officer to review the pledged securities reports and compare them with funds on deposit at each bank. This should be done on a monthly basis.

**Management's Response and  
Planned Corrective Action:**

We concur with the finding. We will follow the auditor's recommendation.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

SECTION I - Internal Control and Compliance Material to the Financial Statements

FINDINGS

RESPONSE

2016-01 Under-Collateralized Funds

Unresolved

SECTION II - Findings and Questioned Costs - Major Federal Awards

Not applicable.

SECTION III - Management Letter

None issued.

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**Winnsboro, Louisiana**

**Independent Accountant's Report**  
**On Applying Agreed-Upon Procedures**

**Year Ended June 30, 2017**

**MARCUS, ROBINSON and HASSELL**

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**AGREED-UPON PROCEDURES REPORT**

**Franklin Parish Sheriff**

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

**For the Period of July 1, 2016 - June 30, 2017**

Franklin Parish Sheriff  
Winnsboro, Louisiana

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

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

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

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

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

c) ***Disbursements***, including processing, reviewing and approving

*Written policies and procedures were obtained and address the function noted above.*

d) ***Receipts***, including receiving, recording, and preparing deposits

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*Written policies and procedures were obtained and address the function noted above.*

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Written policies and procedures were obtained and address the function noted above.*

**Board (or Finance Committee, if applicable)**

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*The Franklin Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and a budget to actual comparison takes place at this meeting.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*The Franklin Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and a budget to actual comparison takes place at this meeting.*

- ◇ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*The Franklin Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and a budget to actual comparison takes place at this meeting.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*The Franklin Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and non-budgetary financial information is discussed at this meeting.*

### **Bank Reconciliations**

---

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

*Obtained a listing of client bank accounts from management and management's representation that listing is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioners. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.*

- b) Bank reconciliations include evidence that a member of management or board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months. **Exceptions noted below:***

*No evidence management has reviewed the reconciliations.*

#### **Management's Response:**

*The Sheriff will start having a member of management (with no involvement in the transactions associated with the bank account) review the bank reconciliations and document the review.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period

*Obtained bank statements and reconciliations for all months in the fiscal period.*

***Exceptions noted below:***

*No evidence management has researched reconciling items over 6 months as of the end of the fiscal period.*

**Management's Response:**

*The Sheriff will start having a member of management (with no involvement in the transactions associated with the bank account) research reconciling items that have been outstanding for more than 6 months as of the end of the fiscal year.*

**Collections**

---

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

*Obtained listing of cash collection locations and management's representation that the listing is complete.*

- a. FPDC Detention Center Front Office (Inmate Intake)*
- b. FPDC Detention Center Booking (Inmate Intake)*
- c. FPSO Main Office Fines & Fees*
- d. FPSO Main Office Taxes*

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

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

*Written documentation was obtained and address the functions noted above. There is an exception to #3 above. The drawer at the FPSO C & D) is shared. Each person has a separate login for their specific collections. The computer reports are reconciled everyday to the cash drawer.*

**Management's Response:**

*We feel we have controls in place to offset the fact that more than one employee uses each cash drawer.*

- 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.

*Written documentation was obtained and address the functions noted above.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - ◇ Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*FPSO - Obtained collection documentation by location for the highest dollar week. The deposits weren't deposited daily. They make their deposits on Monday and Thursday in the Tax Account drawer. The Fines and Fees drawer is deposited on Thursdays or Fridays.*

*FPDC - Obtained collection documentation by location for the highest dollar week. The deposits were made daily for both accounts. No exceptions were noted.*

**Management's Response:**

*We feel that our schedule of days we deposit funds at the Franklin Parish Sheriff Office is adequate.*

- ◇ 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.

*Obtained collection documentation by location noticing cash collections are completely supported by 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.

*Written policies and procedures were obtained noting the entity has a process specifically designed to determine the completeness of collections.*

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

---

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

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

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

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

*Examined supporting documentation for each of the 25 disbursements selected and found that all purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions.*

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

*Examined supporting documentation of each of the 25 disbursements selected and found appropriate approval of purchase orders or an electronic equivalent.*

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

*Examined supporting documentation for each of the 25 disbursements and found all payments were processed with proper approval, receiving report (if applicable), and an approved invoice.*

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

*The person responsible for processing payments does have access to add vendors; however, written approval must be obtained by the CFO before the vendor can be added.*

**Management's Response:**

*We feel we have controls in place to offset the fact the person processing the payments can add vendors to the system.*

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

*Persons with signature authority are able to initiate purchases; however, they are restricted from recording purchases.*

**Management's Response:**

*We feel that we have controls in place to offset the fact a person with signature authority or who makes the final authorization for disbursements can initiate or record purchases.*

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

*The unused checks are maintained in a locked cabinet and vault; however, office employees have access to the vault.*

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.

*A signature stamp is occasionally used on letters and is only used with the knowledge and consent of the signer.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

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

*Listing of active credit cards, bank debit cards, fuel cards, and the names of persons who maintained possession of the cards was obtained along with management's representation that the listing was complete.*

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.

*Listing was obtained and randomly selected 10 cards.*

1. *VISA David Rigdon #4036470689358930*
2. *Fuel Cards - FP3*
3. *Fuel Cards - FP7*
4. *Fuel Cards - FP12*
5. *Fuel Cards - FP 16*
6. *Fuel Cards - FP 21*
7. *Fuel Cards - FP 26*
8. *Fuel Cards - FP 30*
9. *Fuel Cards - DC Transport 1*
10. *Fuel Cards - Rescue Truck*

Obtain the monthly statements, or combined monthly 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 cards (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.]

*All monthly statements chosen for testing contained review and approval in writing by someone other than the authorized card holder.*

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

*No finance charges and/or late fees were assessed on the selected items.*

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).

*March 2017 was selected for David's credit card.*

*May 2017 was selected for the fuel cards.*

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

*All transactions on the credit cards are supported by an original itemized receipt. The fuel cards weren't supported by original itemized receipts. Each transaction on the statement showed the itemized purchases.*

**Management's Response:**

*We feel that the itemized transaction listings on the fuel cards' monthly statements are adequate documentation.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

### **Travel and Expense Reimbursement**

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

*Listing of travel and expense reimbursements by person and management's representation that the listing is complete. No reimbursements were issued during the year. State per diem was paid to the employees for meals.*

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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*Policies were obtained and comply with the Louisiana State Employees Travel Regulations.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*Expense documentation was compared to written policies and it appears each expense tested was reimbursed in accordance with written policy.*

- 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].

*Itemized receipts were not applicable in any instance tested because all items tested were per diem amounts.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No exceptions noted.*

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

*Each expense was reviewed and approved by someone other than the person receiving the reimbursement.*

### **Contracts**

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- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*Listing of all contracts in effect and management's representation that the listing is complete was obtained.*

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

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

*3 of the 4 have annual formal written contracts. The 4<sup>th</sup> one is a formal written contract that was obtained at the inception of the contract and rolls over annually until cancelled by the Sheriff.*

- 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)

*These were maintenance contracts on specific equipment. These contracts were included in bids received when equipment was leased or bought on all 4 contracts.*

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

*These were maintenance contracts on specific equipment. These contracts were included in bids received when equipment was leased or bought on all 4 contracts.*

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

*No contracts were amended during the year.*

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

*No noncompliance was noted in any of the contracts obtained.*

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

*All contracts obtained has proper approval.*

### **Payroll and Personnel**

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

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

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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 has less than 25 employees during the fiscal period), and:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*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.

*No exceptions noted.*

### ***Ethics***

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

*No exceptions noted.*

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

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

### ***Debt Service (excluding nonprofits)***

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

*Not Applicable. No debt was issued.*

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.

*Not Applicable. No outstanding debt.*

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.

*Not Applicable*

***Other***

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

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

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

*Required notices were posted on the entity's premises and website.*

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

*No exceptions noted.*

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

The purpose of this report is solely to describe the scope of testing performed on those 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.

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December 18, 2017  
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