

RED RIVER PARISH SHERIFF
Coushatta, Louisiana

Financial Statements
Year Ended June 30, 2018

RED RIVER PARISH SHERIFF
Coushatta, Louisiana

Financial Statements
Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT

Honorable Glen T. Edwards
Red River Parish Sheriff
Coushatta, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Red River Parish Sheriff (the "Sheriff"), Coushatta, Louisiana, as of and for the year then ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. 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, the major fund, and the aggregate remaining fund information of the Red River Parish Sheriff as of June 30, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter*Adoption of New Accounting Pronouncement*

As described in Note 11 to the financial statements, the Sheriff adopted Government Accounting Standards Board "GASB" Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Other than Pensions, which resulted in a cumulative effect of change in accounting principle of (\$1,777,713) to the June 30 2017 net position for governmental activities. Our opinions are not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Schedule of the Sheriffs' Proportionate Share of the Net Pension Liability, and the Schedule of Contributions to the Sheriffs' Pension and Relief Fund, the Schedule of Changes in Net OPEB Liability and Related Ratios on pages 4 through 8, and 36 through 40, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The Sheriff's Affidavit presented on page 41 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Sheriff's Affidavit and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head are the responsibility of management and were 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2018 on our consideration of Red River 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 Sheriff's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 31, 2018

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2018

This section of Red River Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position increased \$57,340 or .22% over the course of this year's operations.
- Expenses for the year were \$6,365,557, an increase of \$761,832 over 2017 expenses of \$5,603,725 or 13.60%.
- During the year, the Sheriff's governmental fund expenditures were \$361,728 more than the \$6.4 million generated in ad valorem taxes, sales tax, charges for services and operating grants for governmental programs.
- The General Fund's decrease in fund balance was \$361,728. The General Fund ended the year with a \$29.8 million fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the financial statements, and required supplementary information, and other supplementary information. The financial statements include two kinds of statements that present different views of the Sheriff:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Sheriff's government, reporting the Sheriff's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the Sheriff acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net position and how they have changed. Net position—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

- Over time, increases or decreases in the Sheriff's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Sheriff you need to consider additional nonfinancial factors such as changes in the Sheriff's property tax base and growth of Red River Parish.

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2018

The government-wide financial statements of the Sheriff include:

- Governmental activities—most of the Sheriff's basic services are included here, such as police and general administration. Ad valorem taxes, state and federal grants, and fees, charges, and commissions for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Sheriff's most significant funds—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

- Governmental funds—Most of the Sheriff's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The Sheriff has one governmental fund – the General Fund.
- Fiduciary funds—Funds which are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net position. The Sheriff's net position is comprised of the following assets plus deferred outflows less liabilities and deferred inflows. The 2017 amounts presented in the following tables were restated to reflect the retrospective effect of implementing GASB 75.

<i>June 30,</i>	2018	2017 (restated)	Percentage Change
Current and other assets	\$ 30,083,049	\$ 30,401,269	(1.0)
Capital assets	1,294,940	818,482	58.2
Total assets	31,377,989	31,219,751	0.5
Deferred outflows of resources	1,227,120	1,546,175	(20.6)
Current and other liabilities	248,513	205,005	21.2
Long-term liabilities	5,560,391	4,145,411	34.1
Total liabilities	5,808,904	4,350,416	33.5
Deferred inflows of resources	373,647	272,579	37.1
Net position			
Net investment in capital assets	1,294,940	818,482	58.2
Unrestricted	25,127,618	25,546,736	(1.6)
Total net position	\$ 26,422,558	\$ 26,365,218	0.2

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2018

The Sheriff reported an overall positive balance in net position of the government-wide activities. Net position increased by \$57,340 for government-wide activities from government-wide net position of \$26,365,218 which was the restated balance due to the implementation of GASB 75 to record the net OPEB liability. This prior period adjustment reduced the net position by \$1,777,713 for the end of the prior fiscal year. The Sheriff has \$26,422,558 in net position as of June 30, 2018.

Changes in net position of government activities. The Sheriff's total revenues increased by 6.8%. (See Table A-2.) Approximately 53% of the Sheriff's revenue comes from ad valorem tax collections from Red River Parish and approximately 36% comes from sales tax revenue. The remainder comes from prison fees and miscellaneous fees, commissions and other intergovernmental revenue.

The total cost of all programs and services increased approximately \$761,831 or 13.6%. The Sheriff's expenses cover all services performed by its office.

Table A-2
Statement of Activities

<i>For the years ended June 30,</i>	2018	2017	Percentage Change
General revenues	\$ 5,626,266	\$ 5,248,000	7.2
Fees, charges and commissions for services	399,172	471,500	(15.3)
Operating grants	397,459	294,276	35.1
Total revenues	6,422,897	6,013,776	6.8
General government expenses	6,365,557	5,603,725	13.6
Increase in net position	\$ 57,340	\$ 410,051	(86.0)

CAPITAL ASSETS

At the end of 2018, the Sheriff had invested \$1,294,940 in capital assets. (See Table A-3.)

Table A-3
Sheriff's Capital Assets
(Net of depreciation)

<i>June 30,</i>	2018	2017	Change
Land	\$ 22,278	\$ 22,278	\$ -
Buildings and improvements	180,137	11,735	168,402
Automobiles	792,051	541,309	250,743
Furniture and equipment	249,539	243,160	6,379
Construction in process	50,935	-	-
Total capital assets, net of depreciation	\$ 1,294,940	\$ 818,482	\$ 476,458

RED RIVER PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2018

OTHER POST-EMPLOYMENT BENEFITS

The Red River Parish Sheriff implemented Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* as of June 30, 2018, which now requires the Red River Parish Sheriff to recognize a net OPEB liability of \$3.3 million.

LONG-TERM DEBT

The Red River Parish Sheriff's long-term debt consists of its other post-employment benefits liabilities and its net pension liability. The Sheriff had \$3,309,828 in other post-employment benefits payable at year end compared to \$3,106,212 at the previous year end, an increase of \$203,616 or 6.56%. (See Table A-4.) The Sheriff's net pension liability was \$1,960,181 at year end, compared to \$2,557,843 at the previous year end, a decrease of \$597,662 or 23.37%. (See Table A-4.)

Table A-4
Sheriff's Long-Term Debt

<i>June 30,</i>	2018	2017 (restated)	Change
Other post employment benefits obligation	\$ 3,309,828	\$ 3,106,212	\$ 203,616
Net pension liability	1,960,181	2,557,843	(597,662)
Accrued compensated absences	153,005	141,817	11,188
Total	<u>\$ 5,423,014</u>	<u>\$ 5,805,872</u>	<u>\$ (382,858)</u>

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental funds reported a fund balance of \$29,834,536, a decrease from last year's fund balance \$30,196,264, of \$361,728. This fund balance provides for operating revenues in periods of decreased revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Sheriff did amend the General Fund budget. The General Fund budget amendments reflect an increase in revenues of \$1,001,001 and a decrease in expenditures of \$647,500 from the original budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem taxes for 53.04 % and sales taxes for 36.17 % of its revenues. The economy is not expected to generate any significant growth and property taxes are not expected to significantly increase. Budgeted expenditures for 2019 are expected to be consistent with 2018.

DEFERRED OUTFLOWS OF RESOURCES AND INFLOWS OF RESOURCES

Deferred outflows of resources, although similar to "assets," is set apart because these items do not meet the technical definition of being an asset of the Sheriff on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflow of resources will become an expense/expenditure. The deferred outflow of resources reported relate to the implementation of GASB Statement No. 68 and GASB Statement No. 71 for pension liability reporting and GASB 75 for OPEBs. GASB 71 requires that contributions made during the fiscal year to the retirement system be reported as deferred outflows of resources. Consequently, the majority of the deferred outflows of resources reported are comprised of current year contributions to the retirement system. However, there may be some deferred outflows of resources attributable to the various components that impact pension and OPEB changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

**RED RIVER PARISH SHERIFF
Shreveport, Louisiana**

**Management's Discussion and Analysis (Unaudited)
June 30, 2018**

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position for pension and OPEB items. Deferred inflows of resources are not technically liabilities of the Sheriff as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or an increase to net position. Deferred inflows of resources reported represent a net amount attributable to the various components that impact pension and OPEB changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Red River Parish Sheriff's Office, PO Box 375, Coushatta, LA 71019.

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities
ASSETS	
Current assets	
Cash	\$ 17,828,070
Receivables	398,986
Investments	11,840,812
Prepaid expenses	15,181
Total current assets	30,083,049
Noncurrent assets	
Capital assets, net of accumulated depreciation	1,294,940
Total assets	31,377,989
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow amounts related to pension liability	1,202,224
Deferred outflow amounts related to OPEB liability	24,896
	1,227,120
LIABILITIES	
Current liabilities	
Accounts payable and accruals	248,513
Noncurrent liabilities	
Portion due within one year	
Accrued compensated absences	137,377
Portion due after one year	
Net other post-employment benefit obligation	3,309,828
Net pension liability	1,960,181
Accrued compensated absences	153,005
Total noncurrent liabilities	5,560,391
Total liabilities	5,808,904
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow amounts related to pension liability	373,647
NET POSITION	
Net investment in capital assets, net of related debt	1,294,940
Unrestricted	25,127,618
Total net position	\$ 26,422,558

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position	
<u>Functions/Programs</u>				
Governmental activities				
Public safety	\$ 6,365,557	\$ 399,172	\$ 397,459	\$ (5,568,926)
Total governmental activities	\$ 6,365,557	\$ 399,172	\$ 397,459	(5,568,926)
General revenues:				
Ad valorem tax			3,406,928	
Sales tax			2,296,679	
State revenue sharing			67,133	
Investment loss			(194,772)	
Miscellaneous			50,298	
Total general revenues			5,626,266	
Change in net position			57,340	
Net position, beginning of year			28,142,931	
Prior period adjustment, see note 11			(1,777,713)	
Net position, beginning of year as restated			26,365,218	
Net position, end of year			\$ 26,422,558	

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 17,828,070
Receivables	398,986
Investments	11,840,812
Prepaid expenses	15,181
TOTAL ASSETS	<u>\$ 30,083,049</u>
LIABILITIES	
Accounts payable	\$ 122,020
Accrued liabilities	126,493
TOTAL LIABILITIES	<u>248,513</u>
FUND BALANCE	
Nonspendable	15,181
Unassigned	29,819,355
TOTAL FUND BALANCE	<u>29,834,536</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 30,083,049</u>

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total fund balances - Governmental Funds	\$ 29,834,536
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Amounts reported in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the fund assets. This is the amount of capital assets, net of accumulated depreciation, in the current period

Cost of capital assets at June 30, 2018	\$ 3,060,950	
Less: accumulated depreciation as of June 30, 2018	<u>(1,766,010)</u>	1,294,940

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities. These liabilities consist of the following:

Net post-employment benefit obligation	(3,309,828)	
Compensated absences payable	(290,382)	
Net pension liability	<u>(1,960,181)</u>	(5,560,391)

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. These deferrals reported on the Statement of Net Position consist of :

Deferred outflow amounts related to pension liability	1,202,224	
Deferred outflow amounts related to OPEB liability	24,896	
Deferred inflow amounts related to pension liability	<u>(373,647)</u>	<u>853,473</u>

Total net position - Governmental Activities	<u>\$ 26,422,558</u>
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The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>
REVENUES	
Taxes	\$ 5,703,607
State revenue sharing	67,133
Intergovernmental revenues	413,752
Fees, charges and commissions for services	404,172
Investment loss	(194,772)
Other	29,005
Total Revenues	<u>6,422,897</u>
 EXPENDITURES	
Public Safety	
Personal services	5,155,584
Operating services	395,220
Supplies	422,645
Travel	7,348
Professional services	51,154
Capital outlay	752,674
Total Expenditures	<u>6,784,625</u>
 EXCESS OF EXPENDITURES OVER REVENUES	 (361,728)
 FUND BALANCE AT BEGINNING OF YEAR	 <u>30,196,264</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 29,834,536</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Net change in fund balances - Governmental Funds \$ (361,728)

Amounts reported in the statement of activities are different because:

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

Capital outlay included in expenditures	752,674	
Depreciation expense for the year	<u>(276,217)</u>	476,457

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenditures consist of:

Net effects of changes in accrued compensated absences	(31,312)	
Net post-employment benefits earned by participants in excess of contributions made by the employer	(178,720)	
Net effects of changes in net pension liability	<u>152,643</u>	<u>(57,389)</u>

Total changes in net position for year ended June 30, 2018 \$ 57,340

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 1,016,324
Total assets	<u>\$ 1,016,324</u>
LIABILITIES	
Unsettled balances due to others	\$ 300,292
Unsettled balances due to taxing bodies	<u>716,032</u>
Total liabilities	<u>\$ 1,016,324</u>
Total net position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net position and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Section N50.

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

FUND FINANCIAL STATEMENTS (FFS):

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds.

The Sheriff reports the following major governmental funds:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include sales tax, commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

The Sheriff reports the following non-major fund types:

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The only funds accounted for in this category by the Sheriff are agency funds.

Agency funds are used to account for assets held in a trustee capacity. The Sheriff's agency funds are used as depositories for civil suits, cash bonds, taxes, fees, etc. Disbursements from these funds are made to various parish agencies, litigants in suits, etc., in the manner prescribed by law.

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

The agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus.

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff's basic financial statements include all funds that are controlled by the Sheriff as an independently elected parish official. As an independently elected official, the Sheriff is solely responsible for the operations of his office. Other than certain operating expenditures of the Sheriff that are paid or provided by the Red River Parish Police Jury as required by Louisiana Law, the Sheriff is financially independent. Accordingly, the Sheriff is a primary government for reporting purposes.

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, etcetera. The Sheriff has no component units.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The Governmental-Wide Financial Statements (GWFS) and fiduciary fund statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all property tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

D. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2018, was made available for public inspection and comments from taxpayers at the Sheriff's office during June 2017. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office, for comments from taxpayers. The budget is legally adopted and amended, as necessary, 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 balance.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. INTERFUND ACTIVITY

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government wide financial statements.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, 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.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute and the Sheriff's investment policy, which allows for investment in obligations of the U.S. Agencies, certificates of deposit and investment grade commercial paper of domestic United States corporations. Investments are carried at fair market value as of the balance sheet date.

H. CAPITAL ASSETS

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Sheriff is charged as an expense against operations in the Statement of Activities. Capital assets, net of accumulated depreciation, are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

I. COMPENSATED ABSENCES

Full-time employees that have been employed one year earn one week of vacation and two weeks of sick leave and employees that have been employed two to fifteen years earn two weeks of vacation and two weeks of sick leave per year. After fifteen years of service, employees earn three weeks of vacation a year. Vacation leave accumulates to a maximum carryover of 240 hours (six weeks) from one fiscal year to the next. Sick leave accumulates from one fiscal year to the next and can be accumulated up to a maximum of four weeks; however, accumulated sick leave is not paid upon termination.

J. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions. To handle such risk of loss, the Sheriff maintains commercial insurance policies, workers' compensation insurance, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. ESTIMATES

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

L. NET POSITION

For the government-wide statement of net position, the net position is classified and displayed in three components:

Net investment in capital assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The Sheriff did not have any restricted resources as of June 30, 2018.

Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Fund balance is classified into categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending restraints:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Sheriff had \$15,181 in prepaid insurance which is a nonspendable resource as of June 30, 2018.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Sheriff did not have any restricted resources as of June 30, 2018.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Sheriff. These amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Sheriff did not have any committed resources as of June 30, 2018.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

- Assigned: This classification includes amounts that are constrained by the Sheriff's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Sheriff or by an official or body to which the Sheriff delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Sheriff did not have any assigned resources as of June 30, 2018.
- Unassigned: This classification includes the residual fund balance for the General Fund and also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. General Fund had \$29,819,355 at June 30, 2018, classified as unassigned.

The Sheriff would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

N. SALES TAX

The Red River Parish Sheriff receives a one percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for salaries and benefits of deputies and acquiring, maintaining and operating of sheriff's vehicles and equipment.

O. PENSION PLAN

The Red River Parish Sheriff is a participating employer in the Louisiana Sheriffs' Pension and Relief Fund (Fund) as described in Note 9. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fund, and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the Plan.

P. DEFERRED OUTFLOWS OF RESOURCES AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Sheriff has one item that meets this criterion, contributions made to the pension plan in the 2018 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Sheriff has one item that meets the criterion for this category, a deferral of pension expense.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. ON-BEHALF PAYMENTS

The Sheriff receives on-behalf payments from the State of Louisiana to be used for supplemental pay to qualified law enforcement officers. On-behalf payments to the Sheriff totaled \$258,103 for the fiscal year ended June 30, 2018. Such payments are recorded as intergovernmental revenue (state supplemental pay) and public safety expenses (personnel services and related benefits) in the GAAP basis government-wide and general fund financial statements.

2. LEVIED TAXES

The Red River Parish Sheriff levies taxes on real and business personal property located within its boundaries. Ad valorem taxes are assessed on a calendar year basis, levied and become due on November 15 of each year. The following is a summary of authorized and levied ad valorem taxes as of June 30, 2018:

	Authorized Millage	Levied Millage	Expiration Date
Law enforcement	14.59	13.71	Statutory

3. CHANGES IN FIDUCIARY NET POSITION

A summary of changes in fiduciary net position due to taxing bodies and others follows:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Agency Funds				
Fines, bonds and costs fund	\$ 249,172	\$ 301,684	\$ 284,778	\$ 266,078
Civil fund	34,251	114,546	114,583	34,214
Tax collections fund	37,642	24,563,028	23,884,638	716,032
Total	\$ 321,065	\$ 24,979,258	\$ 24,283,999	\$ 1,016,324

4. RECEIVABLES

The accounts receivables at June 30, 2018 are as follows:

Class of receivable	
Sales tax	\$ 176,889
Fees, charges and commissions for tax services and intergovernmental	186,214
Accrued interest on investments	35,883
Total	\$ 398,986

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2018, are as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Governmental activities				
Capital assets not being depreciated				
Land	\$ 22,278	\$ -	\$ -	\$ 22,278
Construction in process	-	50,935	-	50,935
	<u>22,278</u>	<u>50,935</u>	<u>-</u>	<u>73,213</u>
Capital assets being depreciated				
Buildings and improvements	40,183	170,057	-	210,240
Automobiles	1,648,597	465,296	-	2,113,893
Equipment	597,217	66,387	-	663,604
	<u>2,285,997</u>	<u>701,740</u>	<u>-</u>	<u>2,987,737</u>
Less accumulated depreciation				
Buildings and improvements	28,447	1,656	-	30,103
Automobiles	1,107,289	214,553	-	1,321,842
Equipment	354,057	60,008	-	414,065
	<u>1,489,793</u>	<u>276,217</u>	<u>-</u>	<u>1,766,010</u>
Total capital assets being depreciated, net	<u>796,204</u>	<u>425,523</u>	<u>-</u>	<u>1,221,727</u>
Capital assets, net	<u>\$ 818,482</u>	<u>\$ 476,458</u>	<u>\$ -</u>	<u>\$ 1,294,940</u>

For the year ended June 30, 2018, depreciation expense was \$276,217.

6. CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2018, the Sheriff has unrestricted cash and cash equivalents (book balances) as follows:

Governmental funds	
Petty cash	\$ 600
Interest bearing and non-interest bearing demand deposits	17,827,470
Total governmental funds	<u>\$ 17,828,070</u>
Fiduciary funds	
Interest bearing demand deposits	\$ 1,016,324
Total fiduciary funds	<u>\$ 1,016,324</u>
Total	<u>\$ 18,844,394</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. As of June 30, 2018 all bank balances covered by FDIC insurance and a pledge of securities totaled \$19,008,307.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

7. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2018, all cash was collateralized in accordance with Louisiana RS 39:1211 through 39:1273.

8. INVESTMENTS

The Sheriff maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Sheriff may invest in obligations of the U.S. Treasury and U.S. Agencies, certificates of deposit and commercial paper of domestic United States corporations. Investments are carried at fair market value as of the balance sheet date.

As of June 30, 2018, the Sheriff's investment balances were as follows:

	Fair Value Level	
Federal Agency Obligations	\$ 11,546,788	2
Certificates of Deposit	148,350	2
Equity Trust	145,674	2
Total	\$ 11,840,812	

Fair Value Measurement

The investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 - Investments reflect prices quoted in active markets.
- Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

As of June 30, 2018 the Sheriff had the following investment types and maturities for investments subject to interest rate risk:

	Fair Value	Remaining Maturity				
		Less than one year	1-5	6 - 10	11 - 15	16 - 20
Federal Agency Obligations	\$ 11,546,788	\$ 593,425	\$ 2,720,051	\$ 2,395,550	\$ 4,801,266	\$ 1,036,497
Certificates of Deposit	148,350	-	148,350	-	-	-
Equity Trust	145,674	145,674	-	-	-	-
	\$ 11,840,812	\$ 739,099	\$ 2,868,401	\$ 2,395,550	\$ 4,801,266	\$ 1,036,497

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

8. INVESTMENTS (continued)

Credit Risk

As of June 30, 2018, the Sheriff investments in Federal Agency Obligations were rated AAA by Moody's Investors Service or AA+ by Standard & Poor's

Concentration of Credit Risk

Excluding investments issued or guaranteed by the U.S. Government, the Sheriff had investments in three organizations for which the total amount invested represented five percent or more of the Sheriff's investments, listed as follows:

<u>Agency</u>	<u>June 30, 2018</u>	<u>of Total</u>
Federal Home Loan Bank	\$ 5,858,191	51%
Federal Home Loan Mortgage Corp.	3,598,747	31%
Federal National Mortgage Association	1,946,846	17%
Federal Farm Credit Bank	143,004	1%
Total	<u>\$ 11,546,788</u>	<u>100%</u>

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Sheriff has a custodial credit risk exposure for the investment balance because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities.

The Sheriff does not have a policy addressing interest rate risk or credit risk.

9. PENSION PLAN

Plan Description

The Sheriffs' Pension and Relief Fund (the "Fund") was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The Fund is a cost-sharing multiple-employer defined pension plan.

Benefits Provided

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

Retirement

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

9. PENSION PLAN (continued)

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

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

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

Disability Benefits

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

Survivor's Benefits

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

Deferred Benefits

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

9. PENSION PLAN (continued)

Back Deferred Retirement Option Plan (Back-DROP)

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

Contribution Refunds

Upon withdrawal from service, members are not entitled to a retirement allowance who have remained out of service for a period of thirty days are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued benefits in the system.

Cost-of-Living Adjustments

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ended June 30, 2018 and 2017, the actuarially determined employer contribution rates were 12.75% and 13.25%, respectively, with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the years ended June 30, 2018 and 2017 were \$425,214 and \$415,442, respectively. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2018.

For 2018, plan members are required by state statute to contribute 10.25% of their annual covered salary. For the year ended June 30, 2018, in addition to the required employer contribution, the Sheriff elected to contribute the employee's required portion on behalf of its plan members. The total extra contributions paid by the Sheriff on behalf of the plan member were \$341,839 for the year ended June 30, 2018.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

9. PENSION PLAN (continued)

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

At June 30, 2018, the Sheriff's liability was \$1,960,181 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Sheriff's proportion was 0.452669%, which is an increase of 0.049662% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the Sheriff recognized total pension expense of \$452,162.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 369,357
Changes of assumptions	344,905	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion	-	4,290
Differences between contributions and proportionate share of contributions	432,105	-
Employer contributions subsequent to the measurement date	425,214	-
Total	<u>\$ 1,202,224</u>	<u>\$ 373,647</u>

The Sheriff reported a total of \$425,214 as deferred outflow of resources related to pension contributions made subsequent to the measurement period which will be recognized as a reduction in net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense in future fiscal years, as follows:

Year	LSRPF
2019	\$ (12,188)
2020	(225,726)
2021	(132,343)
2022	85,849
2023	(76,143)
2024	(42,812)
	<u>\$ (403,363)</u>

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

9. PENSION PLAN (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 (measurement date) is as follows:

Valuation Date	June 30, 2017 and 2016
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.40%
Projected Salary Increases	5.5% (2.775% Inflation, 2.725% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	2017 - 7 years, 2016 - 7 years, 2015 - 6 years, 2014 - 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

9. PENSION PLAN (continued)

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, 2017 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates. 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 active and inactive 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.

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 the 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:

	Changes in Discount Rate		
	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
Net Pension Liability	\$ 4,038,489	\$ 1,960,181	\$ 211,567

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

9. PENSION PLAN (continued)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Sheriff recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$179,688 for its participation in the Sheriff's Pension and Relief Fund.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Sheriffs' Pension and Relief Fund Audit Report at www.lla.la.gov. The Sheriffs' Pension and Relief Fund issues a publicly available audit report that includes financial statements and required supplementary information.

Payables to the Pension Plan

The Sheriff recorded accrued liabilities to the Retirement System for the year ended June 30, 2018 mainly due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the caption accrued liabilities. The balance due to the retirement system at June 30, 2018 was \$89,656.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

Benefits Provided – Medical, dental and life insurance benefits are provided to employees upon actual retirement based on at least the following provisions: 30 years of service at any age or at age 55 and 15 years of service. Employees hired on and after January 1, 2012 have the same retirement eligibility requirements except that they must be at least age 55 with 30 years of service, age 60 with 20 years of service or age 62 with 12 years of service.

Life insurance coverage is continued to retirees by election and is based on a blended rate for active employees and retirees. The employer pays for retiree life insurance after retirement, but the "cost" is based on the blended rate.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	62
	74
	74

Total OPEB Liability

The Sheriff's total OPEB liability of \$3,309,828 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50%
Salary increases	3.0%, including inflation
Discount rate	3.62%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

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

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

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

Changes in the Total OPEB Liability

	2018
Beginning Net OPEB Obligation	\$ 3,106,212
Service cost	143,903
Interest cost at 3.62%	117,654
Difference between expected and actual experience	25,933
Current year retiree premium	(83,874)
Change in Net OPEB Obligation	203,616
Ending Net OPEB Obligation	\$ 3,309,828

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

	1.0% Decrease (2.62%)	Current Discount Rate (3.62%)	1.0% Increase (4.62%)
Total OPEB liability	\$3,918,037	\$3,309,828	\$2,830,413

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$2,911,265	\$3,309,828	\$3,821,446

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$262,594. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$24,896	\$0
Total	\$24,896	\$0

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

Years ending June 30:	
2019	\$ 1,037
2020	\$ 1,037
2021	\$ 1,037
2022	\$ 1,037
2023	\$ 1,037
Thereafter	\$ 19,711

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

11. CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT

During the preparation of the financial statements for the year ended June 30, 2018, the Sheriff adopted GASB 75 related to post-employment benefits other than pensions.

The adoption of GASB 75 had the following impact on the beginning net position at June 30, 2018:

Net Position - June 30, 2017	\$	28,142,931
Prior Period Adjustments:		
Cumulative effect of changes in accounting principle:		
GASB 75 - Accounting and Financial Reporting for Post-employment benefits other than Pensions		(1,777,713)
Net Position - as restated	\$	26,365,218

12. PROTEST TAXES

Louisiana Revised Statute 47:2110 provides that taxpayers, at the time of payment of all taxes due, may give notice to the Tax Collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the Tax Collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the Tax Collector refunds the amount due, with interest at the actual rate earned on the money paid under protest from the date the funds were received by the Tax Collector. At June 30, 2018, the Sheriff, as Tax Collector, held protest taxes of \$656,980.

13. LITIGATION AND CLAIMS

At June 30, 2018, the Sheriff was not involved in any lawsuits

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

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Red River Police Jury and are not included in the accompanying financial statements.

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

15. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand and available for settlements as of June 30, 2018 was \$716,031. As of June 30, 2018, \$390,923 of the taxes assessed in Red River Parish from the 2017 tax roll was not collected. The uncollected taxes are the result of change orders, adjustments and no responses to collection efforts. Those not responding properties will have tax liens placed on them. The amount of taxes collected for the current year by taxing authority is as follows:

Entity	Mills/Rate	Assessed taxes	Uncollected Taxes	Current Taxes Collected
Parish Tax	3.63	\$ 822,198	\$ 13,222	\$ 808,976
Parish Tax Inside	1.81	17,838	287	17,551
Forestry Tax	80.00	8,987	145	8,842
Red River Levee District	4.55	662,868	10,660	652,208
Red River Levee Per Acre	50.00	3,833	62	3,771
Red River Per Mile	0.00	3,353	54	3,299
Bossier Levee	4.22	19,347	311	19,036
Library Tax	7.09	1,675,767	26,950	1,648,817
Health Unit Tax	2.02	477,437	7,679	469,758
Public Facilities Tax	3.04	718,524	11,556	706,968
School Construction	2.25	531,800	8,553	523,247
School Constitutional	4.97	1,174,687	18,891	1,155,796
School C/R/E	5.62	1,328,319	21,362	1,306,957
School Maintenance and Operation	16.32	3,857,331	62,035	3,795,296
School Salaries and Benefits	16.18	3,824,244	61,503	3,762,741
Sheriff Tax	14.59	3,448,432	55,458	3,392,974
Red River Waterway	2.34	550,842	8,859	541,983
Fire District	7.58	1,791,576	28,812	1,762,764
Council on Aging	0.95	224,538	3,611	220,927
LA Tax Commission - Public Utilities	0.40	31,397	504	30,893
LA Tax Commission - Financial Instruments	0.15	256	4	252
Red River Tax Assessor	9.63	2,276,113	36,605	2,239,508
John K Kelly Grand Bayou	1.00	236,356	3,801	232,555
Total		<u>\$ 23,686,043</u>	<u>\$ 380,924</u>	<u>\$ 23,305,119</u>

16. SUBSEQUENT EVENTS

The Red River Parish Sheriff has evaluated subsequent events through the date that the financial statements were available to be issued, December 31, 2018, and determined that no events have occurred that would require additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**GENERAL FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 4,800,000	\$ 5,830,500	\$ 5,703,607	\$ (126,893)
State revenue sharing	63,000	65,926	67,133	1,207
Intergovernmental revenue	315,800	397,511	413,752	16,241
Fees, charges, and commissions for services	427,000	335,400	404,172	68,772
Interest and investment income	260,000	271,850	(194,772)	(466,622)
Other	80,000	45,614	29,005	(16,609)
Total Revenues	<u>5,945,800</u>	<u>6,946,801</u>	<u>6,422,897</u>	<u>(523,904)</u>
EXPENDITURES				
General Government				
Personal services	6,000,000	5,135,000	5,155,584	(20,584)
Operating services	375,000	375,000	395,220	(20,220)
Supplies	350,000	342,500	422,645	(80,145)
Travel	50,000	10,000	7,348	2,652
Professional services	400,000	650,000	51,154	598,846
Capital outlay	60,000	75,000	752,674	(677,674)
Total Expenditures	<u>7,235,000</u>	<u>6,587,500</u>	<u>6,784,625</u>	<u>(197,125)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,289,200)	359,301	(361,728)	(721,029)
FUND BALANCE, beginning of year	<u>30,691,659</u>	<u>30,691,659</u>	<u>30,196,264</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$29,402,459</u>	<u>\$31,050,960</u>	<u>\$29,834,536</u>	<u>\$ (721,029)</u>

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

Budget to GAAP Reconciliation: Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures are as follows:

	General Fund
Actual amount of revenue reported at the Statement of Revenue, Expenditures and Change	\$ 6,422,897
The amount of unrealized loss from investments that is not a budgetary resource for financial reporting purposes	547,940
Total revenue as reported on the General Fund Budgetary Comparison Schedule	\$ 6,970,837
Actual amount of expenses reported at the Statement of Revenue, Expenditures and Change	\$ 6,784,625
Other financing uses	-
Total expenses as reported on the General Fund Budgetary Comparison Schedule	\$ 6,784,625

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

Total OPEB Liability	
Service cost	\$ 143,903
Interest	117,654
Changes of benefit terms	-
Differences between expected and actual experience	25,933
Changes of assumptions	-
Benefit payments	(83,874)
Net change in total OPEB liability	<u>203,616</u>
Total OPEB liability - beginning	<u>3,106,212</u>
Total OPEB liability - ending (a)	<u><u>\$ 3,309,828</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ -
Net investment income	-
Net change in plan fiduciary net position	<u>-</u>
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending (b)	<u><u>\$ -</u></u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ 3,309,828</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%
Covered-employee payroll	\$ 3,353,738
Net OPEB liability as a percentage of covered-employee payroll	98.69%

Notes to Schedule:

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

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

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

**RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA**

**SCHEDULE OF SHERIFF'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018 (*)**

	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	0.4527%	0.4031%	0.3666%	0.3412%
Employer's Proportionate Share of the Net Pension Liability	\$1,960,181	\$2,557,843	\$1,633,921	\$1,351,035
Employer's Covered-Employee Payroll	\$3,209,163	\$2,758,674	\$2,430,310	\$2,430,310
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	61.08%	92.72%	67.23%	55.59%
Plan Fiduciary Net Position as a Percentage of the Total	88.50%	82.10%	86.61%	87.34%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with the measurement date of June 30, 2014.

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

**RED RIVER PARISH SHERIFFS' OFFICE
COUSHATTA, LOUISIANA**

**SCHEDULE OF CONTRIBUTIONS TO THE SHERIFFS' PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017	2016	2015
Contractually Required Contribution ¹	\$ 425,214	\$ 415,442	\$ 379,318	\$ 346,319
Contributions in Relation to Contractually Required Contribution ²	425,214	415,442	379,318	346,319
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll ³	\$ 3,209,162	\$ 3,135,411	\$ 2,758,674	\$ 2,430,310
Contributions as a % of Covered Employee Payroll	13.25%	13.25%	13.75%	14.25%

This schedule is to be build prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to the Sheriffs' Pension and Relief Fund*

³ *Employer's covered employee payroll amount for the fiscal years ended June 30, 2018, 2017 and 2016*

**Notes to Required Supplementary Information
June 30, 2018**

Changes of Benefit Terms

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

Changes of Assumptions

For the actuarial valuation for the year ended June 30, 2018, the discount rate was reduced from 7.5% to 7.4%, the salary increase assumption was unchanged at 5.5%, and the inflation assumption changed from 2.875% to 2.775%.

OTHER SUPPLEMENTARY INFORMATION

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
AFFIDAVIT

STATE OF LOUISIANA, PARISH OF Red River

AFFIDAVIT

Glen T. Edwards (Sheriff's Name), Sheriff of Red River (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, Glen T. Edwards, the sheriff of Red River Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 716,031 is the amount of cash on hand in the tax collector account on

June 30, 2018 (Date);

He further deposed and said:

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

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

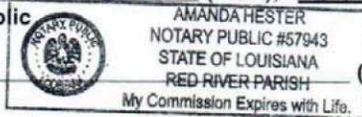

Signature
Sheriff of Red River
(Parish)

SWORN to and subscribed before me, Notary, this 20th day of December, 2018 in my office in the Coushatta, Louisiana.
(City/Town)

Amanda Hester (Signature)

Amanda Hester (Print), # 57943

Notary Public



(Commission)

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018

Red River Parish Sheriff, Glen T. Edwards

Purpose	Amount
Salary	\$ 160,338
Benefits - insurance	10,635
Benefits - retirement	36,908
Benefits - medicare	2,325
Travel	1,842
Registration fees	730
Other	245
	<hr/>
	\$ 213,023
	<hr/> <hr/>

**OTHER REPORTS REQUIRED
BY GOVERNMENT AUDITING STANDARDS**



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Shreveport, LA 71105

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

Honorable Glen T. Edwards
Red River Parish Sheriff
Coushatta, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Red River Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Red River Parish Sheriff's basic financial statements, and have issued our report thereon dated December 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Red River 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 Red River Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Red River 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Red River Parish Sheriff's Office financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Red River Parish Sheriff's Response to Findings

The Sheriff's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The 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 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 31, 2018

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section I – Summary of Auditors’ Report

Type of auditors’ report issued on the basic financial statements:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered material weaknesses?	No
Noncompliance material to the basic financial statements noted?	No
Federal awards	N/A
Was a management letter issued?	No

Section II – Financial Statement Findings

Current Year Findings

None.

Prior Year Findings

2017-001 Under Collateralized Deposits

Criteria or Specific Requirement:

As required by Louisiana RS 39:1211 through 39:1273, all deposits are required to be insured or collateralized. As of June 30, 2017, deposits held by the Bank of Coushatta were not fully insured or collateralized, causing Red River Parish Sheriff to have bank balances totaling \$8,619 to be under collateralized and therefore in violation of Louisiana RS 13:1211 through 39:1273.

Status

Resolved

**Red River Parish Sheriff's Office
Coushatta, Louisiana**

AGREED-UPON PROCEDURES REPORT

June 30, 2018



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RIGGS &
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Red River Parish Sheriff Glen T. Edwards and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Red River Parish Sheriff's Office ("RRPSO") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. RRPSO'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. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: RRPSO has no written policies and procedures.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Results: RRPSO has no written policies and procedures.
 - c) ***Disbursements***, including processing, reviewing, and approving.
Results: RRPSO has no written policies and procedures.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Results: RRPSO has no written policies and procedures.

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

Results: RRPSO has no written policies and procedures.

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

Results: RRPSO has no written policies and procedures.

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

Results: RRPSO has no written policies and procedures.

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

Results: RRPSO has no written policies and procedures.

- 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.

Results: RRPSO has no written policies and procedures.

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

Results: RRPSO has no written policies and procedures.

Bank Reconciliations

- 2. Obtained a listing of client bank accounts from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected four additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: There is one instance of a bank reconciliation not being prepared for the selected month.

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

Results: No exceptions were found as a result of applying the procedure.

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

Results: There is one instance of reconciling items more than 12 months outstanding with no evidence of being researched.

Collections

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

Results: Obtained a listing and management's representation as to completeness. Selected three locations.

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

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

Results: In the Civil Office location, two of the three cash collectors share a drawer.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Results: In the Civil Office location, two of the three cash collectors are responsible for preparing/making bank deposits. In the Chief Civil Office, the cash collector is responsible for preparing/making bank deposits. In the Sheriff's Office, the cash collector is responsible for preparing/making bank deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Results: In the Chief Civil Office location, the cash collector is responsible for posting collection entries to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verified the reconciliation.

Results: No exceptions were found as a result of applying the procedure.

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

Results: Three of the four cash collectors are not bonded or insured through a theft policy.

6. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #2 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:

- a) Observed that receipts are sequentially pre-numbered.

Results: No exceptions were found as a result of applying the procedure.

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions were found as a result of applying the procedure.

- c) Traced the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were found as a result of applying the procedure.

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

Results: There is one instance of a deposit being made two business days after collection.

- e) Traced the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedure.

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

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

Results: Obtained a listing and management's representation as to completeness. Selected one location.

- 8. For each location selected under #7 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

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

Results: The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

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

Results: No exceptions were found as a result of applying the procedure.

- 9. For each location selected under #7 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:

Results: Obtained a listing and management's representation as to completeness. Selected five disbursements.

- a) Observed that the disbursement matched the related original invoice/billing statement.

Results: No exceptions were found as a result of applying the procedure.

- b) Observed that the disbursement documentation included evidence of segregation of duties tested under #8, as applicable.

Results: There are two instances of invoices not including evidence of being reviewed or approved.

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

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

Results: Obtained a listing and management's representation as to completeness. Selected five credit cards.

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

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

Results: There is one instance of a monthly card statement not including evidence of review or approval in writing.

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

Results: No exceptions were found as a result of applying the procedure.

12. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: No exceptions were found as a result of applying the procedure.

Payroll and Personnel

13. Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Results: Obtained a listing and management's representation as to completeness. Selected five employees.

14. Randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #13 above, obtained attendance records and leave documentation for the pay period, and:

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

Results: No exceptions were found as a result of applying the procedure.

b) Observed that supervisors approved the attendance and leave of the selected employees/officials.

Results: No exceptions were found as a result of applying the procedure.

c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: No exceptions were found as a result of applying the procedure.

15. Obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: No exceptions were found as a result of applying the procedure.

16. Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the procedure.

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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

December 31, 2018

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GLEN T. EDWARDS
SHERIFF

GREG MOORE
CHIEF DEPUTY

December 31, 2018

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and

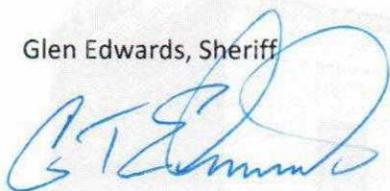
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1000 E. Preston, Suite 200
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Re: Management Response to Agreed-Upon Procedures

We, the Red River Parish Sheriff's Office, has reviewed and agreed to the Agreed-Upon Procedures (AUP) audit findings provided by Carr, Riggs and Ingram, LLC. We will take appropriate actions to rectify and resolve the issues and findings that were brought to our attention.

Respectfully,

Glen Edwards, Sheriff



Amanda Hester, Chief Civil Deputy

