

BOSSIER PARISH SHERIFF
Benton, Louisiana

Financial Statements
Year ended June 30, 2017



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BOSSIER PARISH SHERIFF
Benton, Louisiana

Financial Statements
Year ended June 30, 2017

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BOSSIER PARISH SHERIFF
Benton, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2017

Within this section of the Bossier Parish Sheriff's ("Sheriff") Office annual financial report, the Sheriff's management is to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2017. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$28,301,261 (net position) for the fiscal year ended June 30, 2017.

The net position is composed of the following:

- Net investment in capital assets of \$26,467,561, representing property and equipment of \$46,417,384 reduced by accumulated depreciation of \$19,942,395 and an outstanding lease payable of \$7,428 related to the purchase of capital assets.
- Unrestricted net position of \$1,833,700 represents the portion needed to maintain the Sheriff's continuing obligation to the citizens of Bossier Parish.

The Sheriff's governmental funds reported total ending fund balance of \$18,584,355 this year. This compares to the prior year ending fund balance of \$16,028,451 resulting in an increase of \$2,555,904 during the current year.

At the end the current fiscal year, unassigned fund balance for the General Fund was \$18,384,501, which represents 47.4% of the total expenditures of the Sheriff's General Fund and 44.2% of total revenues in the General Fund, including other financing sources. Overall, the Sheriff's office continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis introduces the Sheriff's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report, additional information to supplement the basic financial statements.

Exhibit 1 below summarizes the major features of the Sheriff's financial statements, including the portion of the Sheriff's government they cover and the types of information they contain. The remainder of this overview section of this Management's Discussion and Analysis explains the structure of the contents of each of the statements.

Exhibit 1 Major Features of Sheriff's Government and Fund Financial Statements			
	Fund Statements		
	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	The entire Sheriff's governmental unit (excluding fiduciary funds).	The activities of the Sheriff that are not proprietary or fiduciary, such as public safety.	Instances in which the Sheriff is the trustee or agent for someone else's resources.
Required financial statements	<ul style="list-style-type: none"> Statement of net position. Statement of activities. 	<ul style="list-style-type: none"> Balance sheet. Statement of revenue, expenditures and changes in fund balances. 	<ul style="list-style-type: none"> Statement of fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resource focus.
Type of asset/liability	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included.	All assets and liabilities, both short-term and long-term; the Sheriff's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to private sector using the economic resources measurement focus and the accrual basis of accounting.

The first of these government-wide statements is the Statement of Net Position. The government-wide statement of position presents information that includes all of the Sheriff's assets and liabilities, with the difference reported as net position. Increase or decrease in net position may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when funds are received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 9 and 10.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff uses two kinds of funds, governmental funds and fiduciary funds:

In fund financial statements, governmental funds encompass the same functions reported as governmental activities in government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. The fund statements report short-term fiscal accountability focusing on the use of expendable resources and balances of expendable resources available at the end of the year. The fund statements are utilized in evaluating annual financial requirements of governmental programs and the commitment of expendable resources of the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the government fund Balance Sheet and the government fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary funds consist of agency funds which are reported in the fund financial statements and report taxes collected for the other taxing bodies and deposits held pending court actions. Since these resources are not available to support the Bossier Parish Sheriff's programs, fiduciary funds are not reflected in the government-wide financial statements.

The basic government fund and fiduciary fund financial statements are presented on pages 12 to 17 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentation, net pension liability, and other post-employment benefits. This information can be found on pages 43 through 46 in this report.

The combining statements for fiduciary funds and a schedule of compensation, benefits, and other payments to the agency head, are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Bossier Parish Sheriff exceeded liabilities by \$28,301,261. The largest portion of the Bossier Parish Sheriff's Net Position reflects its investment in capital assets (e.g., land, buildings and improvements and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

An additional portion of the Bossier Parish Sheriff's Net Position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Bossier Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation (since construction and/or acquisition) on assets of very long-lived assets having been included in the statement of net position.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's government-wide net position at June 30, 2017, is \$28,301,261. The following table provides a summary of the Sheriff's government-wide assets and deferred outflow of resources, liabilities and deferred inflow of resources, and net position:

	2017		2016	
Cash, cash equivalents, receivables and other assets	\$ 20,613,545	35.77%	\$ 18,207,932	37.09%
Capital assets, net of accumulated depreciation	26,474,989	45.94%	26,669,049	54.33%
Deferred outflow of resources	10,541,603	18.29%	4,210,526	8.58%
Total assets and deferred outflow of resources	<u>57,630,137</u>	<u>100.00%</u>	<u>49,087,507</u>	<u>100.00%</u>
Current liabilities	2,029,190	6.92%	2,179,479	9.66%
Long-term liabilities	24,738,622	84.35%	16,514,761	73.22%
Deferred inflow of resources	2,561,064	8.73%	3,862,067	17.12%
Total liabilities and deferred inflow of resources	<u>29,328,876</u>	<u>100.00%</u>	<u>22,556,307</u>	<u>100.00%</u>
Net position				
Net investment in capital assets	26,467,561	93.52%	26,654,356	100.46%
Restricted	-	0.00%	-	0.00%
Unrestricted	<u>1,833,700</u>	<u>6.48%</u>	<u>(123,156)</u>	<u>(.46%)</u>
Net position	<u>\$ 28,301,261</u>	<u>100.00%</u>	<u>\$ 26,531,200</u>	<u>100.00%</u>

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for the government activities is 10.16:1.

The Sheriff reported an overall positive balance in net position of the government-wide activities. Net position increased by \$1,770,061 for government-wide activities from government-wide net position of \$26,531,200 for the end of the prior fiscal year. The Sheriff has \$28,301,261 in net position as of June 30, 2017, of which 94% of the government-wide activities' net position is associated with capital assets. The Sheriff uses these capital assets to provide services to the citizens of Bossier Parish in the performance of its public safety activities.

The following table provides a summary of the Sheriff's changes in net position at June 30:

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues		
Fees, fines and charges for services	\$ 13,448,838	\$ 13,584,384
Operating grants and contributions	760,757	458,571
General revenues		
Taxes		
Property taxes	14,164,982	13,331,783
Sales and use taxes	9,721,816	9,842,194
State revenue sharing	498,432	477,244
Supplemental pay	1,811,332	1,797,377
Interest and investment earnings	13,330	12,785
Miscellaneous	2,571,814	2,429,736
Total revenues	<u>42,991,301</u>	<u>41,934,074</u>
Program expenses		
Public safety	41,221,240	40,776,589
Total expenses	<u>41,221,240</u>	<u>40,776,589</u>
Change in net position	1,770,061	1,157,485
Beginning net position	26,531,200	25,373,715
Ending net position	<u>\$ 28,301,261</u>	<u>\$ 26,531,200</u>

Financial Analysis of the Government's Funds

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

As of June 30, 2017, combined governmental fund balances of \$18,584,355 showed an increase of \$2,555,903 over June 30, 2016.

General Fund Budgetary Highlights

The original 2016-2017 budget for the General Fund budget was adopted in June 2016. No amendments were made during the year.

Actual revenues were higher than the adopted budget by approximately \$2.8 million. The variance percentage was 7%.

Total expenditures were slightly higher than the adopted budget with a .6% variance of approximately \$215 thousand.

Capital Asset and Debt Administration

The Sheriff's investment in capital assets, net of accumulated depreciation of \$19,942,395 and related debt of \$7,428 as of June 30, 2017, was \$26,467,571. See Note 4 for additional information about changes in capital assets during the fiscal year. The following table provides a summary of capital asset activity.

	2017	2016
Capital assets		
Land	\$ 1,599,816	\$ 1,599,816
Buildings	28,195,713	28,174,363
Law enforcement, weapons and equipment	4,032,480	3,528,074
Vehicles	8,137,750	6,958,637
Office furniture and equipment	3,662,357	3,932,044
Infrastructure	789,268	789,268
Construction in progress	-	17,617
Total capital assets	<u>46,417,384</u>	<u>44,999,819</u>
Less accumulated depreciation	(19,942,395)	(18,330,770)
Book value – capital assets	<u>\$ 26,474,989</u>	<u>\$ 26,669,049</u>
Percentage depreciated	<u>42.96%</u>	<u>40.74%</u>

At June 30, 2017, the depreciable capital assets for government activities were 42.96% depreciated versus 40.74% in the prior year. Depreciation expense of buildings, computer equipment, office equipment and vehicles was \$2,058,290 for fiscal year 2017 and is included in total expenses for the public safety activity.

During fiscal year 2017, significant capital asset additions consisted mostly of purchases of law enforcement vehicles.

Long-term debt: The Bossier Parish Sheriff entered into a capital lease agreement for equipment during the year ended June 30, 2015. The lease payable at June 30, 2017, was \$7,428.

Other Post-Employment Benefits

Effective with the Year ending June 30, 2009, the Bossier Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The Bossier Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The total ARC for the fiscal year ending June 30, 2017, is \$3,215,978 for medical and life combined.

In the fiscal year ending June 30, 2017, Bossier Parish Sheriff's Office made contributions totaling \$273,350 to its post-employment benefits plan by a transfer of assets within the meaning of paragraph 141 of GASB 45 as of the end of the fiscal year. The plan had assets of \$15,545,884 as of June 30, 2017.

Deferred Outflows 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. 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 changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. 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 changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

Requests for Information

The financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report contact Mike Rabinowitz, Bossier Parish Sheriff's Office, P.O. Box 850, Benton, Louisiana 71006.

Government – Wide Financial Statements

BOSSIER PARISH SHERIFF
Benton, Louisiana

Statement of Net Position
June 30, 2017

Assets

Cash and cash equivalents	\$ 17,215,202
Receivables	3,200,874
Prepaid expenses	197,469
Total current assets	20,613,545
Capital assets, net of accumulated depreciation	26,474,989
Total assets	47,088,534

Deferred Outflows of Resources

Deferred pensions	10,541,603
Total deferred outflows of resources	10,541,603

Liabilities

Liabilities	
Accounts payable	771,868
Accrued expenses	1,257,322
Total current liabilities	2,029,190
Long-term liabilities	
Portion due within one year	
Lease payable	7,428
Accrued compensated absences	777,720
Portion due after one year	
Net other post-employment benefit liability	1,775,563
Net pension liability	22,177,911
Total long-term liabilities	24,738,622
Total liabilities	26,767,812

Deferred Inflows of Resources

Deferred pensions	2,561,064
Total deferred inflows of resources	2,561,064

Net position

Net investment in capital assets	26,467,561
Unrestricted	1,833,700
Total net position	\$ 28,301,261

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

BOSSIER PARISH SHERIFF
Benton, Louisiana

Statement of Activities
for the Year ended June 30, 2017

	Program Revenues		
Expenses	Fees, fines and charges for services	Operating grants and contributions	Net (expense) revenue and changes in net position
Functions/programs			
Governmental activities			
Public safety	\$ 41,220,762	\$ 13,448,838	\$ 760,757
Interest and fees on long-term debt	478	-	-
	<u>\$ 41,221,240</u>	<u>\$ 13,448,838</u>	<u>\$ 760,757</u>
Total governmental activities	<u>\$ 41,221,240</u>	<u>\$ 13,448,838</u>	<u>\$ 760,757</u>
			<u>(27,011,645)</u>
General revenues			
Taxes -			
Property taxes			14,164,982
Sales and use taxes			9,721,816
State revenue sharing			498,432
Supplemental pay			1,811,332
Interest and investment earnings			13,330
Miscellaneous			2,571,814
Total general revenues			<u>28,781,706</u>
Change in net position			1,770,061
Net position, beginning			<u>26,531,200</u>
Net position, ending			<u>\$ 28,301,261</u>

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

Fund Financial Statements

BOSSIER PARISH SHERIFF
Benton, Louisiana

Balance Sheet - Governmental Funds
June 30, 2017

	Major Fund	Other Governmental Fund	
	General Fund	Capital Projects - Construction Fund	Total
Assets			
Cash and cash equivalents	\$ 17,212,817	\$ 2,385	\$ 17,215,202
Receivables	3,200,874	-	3,200,874
Prepaid expenses	197,469	-	197,469
	<u>20,611,160</u>	<u>2,385</u>	<u>20,613,545</u>
Total assets	<u>\$ 20,611,160</u>	<u>\$ 2,385</u>	<u>\$ 20,613,545</u>
Liabilities and Fund Balances			
Current liabilities			
Accounts payable	\$ 319,299	\$ -	\$ 319,299
Accrued expenses	1,709,891	-	1,709,891
Total current liabilities	<u>2,029,190</u>	<u>-</u>	<u>2,029,190</u>
Fund balances			
Nonspendable - prepaid expenses	197,469	-	197,469
Assigned - capital projects	-	2,385	2,385
Unassigned	18,384,501	-	18,384,501
	<u>18,581,970</u>	<u>2,385</u>	<u>18,584,355</u>
Total fund balances	<u>18,581,970</u>	<u>2,385</u>	<u>18,584,355</u>
Total liabilities and fund balances	<u>\$ 20,611,160</u>	<u>\$ 2,385</u>	<u>\$ 20,613,545</u>

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

BOSSIER PARISH SHERIFF
Benton, Louisiana

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

Total fund balances - Governmental Funds		\$ 18,584,355
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	46,417,384	
Less accumulated depreciation	<u>(19,942,395)</u>	26,474,989
Deferred outflows of resources related to pensions		10,541,603
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
Capital lease payable	(7,428)	
Compensated absences payable	(777,720)	
Net pension liability	<u>(22,177,911)</u>	<u>(22,963,059)</u>
The net other post-employment benefits liability resulting from contributions in excess of the annual required contributions are not financial resources and therefore are not reported in the funds.		
		(1,775,563)
Deferred inflows of resources related to pensions		<u>(2,561,064)</u>
Net changes		<u>9,716,906</u>
Total net position - government-wide activities		<u>\$ 28,301,261</u>

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

BOSSIER PARISH SHERIFF
Benton, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
for the Year ended June 30, 2017

	Major Fund	Other Governmental Fund	
	General Fund	Capital Projects Fund - Construction Fund	Total
Revenues			
Ad valorem taxes	\$ 14,164,983	\$ -	\$ 14,164,983
Sales taxes	9,721,816	-	9,721,816
Intergovernmental revenues			
Federal grants	619,642	-	619,642
State sources			
Supplemental pay	1,811,332	-	1,811,332
Revenue sharing	498,432	-	498,432
Grants	97,186	-	97,186
Local grants	43,929	-	43,929
Fees, charges, and commissions for services			
Commissions on licenses and taxes	4,962	-	4,962
Civil and criminal fees	1,843,396	-	1,843,396
Court attendance	32,776	-	32,776
Transporting prisoners	106,316	-	106,316
Feeding and keeping prisoners	9,240,374	-	9,240,374
Tax notices	7,212	-	7,212
Probation fees	618,624	-	618,624
Gaming fees	1,200,791	-	1,200,791
Other fees	395,836	-	395,836
Use of money and property	839,821	2	839,823
Miscellaneous	375,104	-	375,104
Total revenues	<u>41,622,532</u>	<u>2</u>	<u>41,622,534</u>
Expenditures			
Current- public safety			
Personnel services and related benefits	30,376,059	-	30,376,059
Operating services	3,564,164	-	3,564,164
Materials and supplies	2,809,600	-	2,809,600
Travel and other charges	183,029	-	183,029
Debt service	7,595	-	7,595
Capital outlay	1,882,165	-	1,882,165
Total expenditures	<u>38,822,612</u>	<u>-</u>	<u>38,822,612</u>
Excess of revenues over expenditures	<u>2,799,920</u>	<u>2</u>	<u>2,799,922</u>
Other financing sources and uses			
Operating transfer out	(273,350)	-	(273,350)
Proceeds from sale of fixed assets	29,331	-	29,331
Total other financing sources and uses	<u>(244,019)</u>	<u>-</u>	<u>(244,019)</u>
Net change in fund balances	2,555,901	2	2,555,903
Fund balances at beginning of year	16,026,069	2,383	16,028,452
Fund balances at end of year	<u>\$ 18,581,970</u>	<u>\$ 2,385</u>	<u>\$ 18,584,355</u>

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

BOSSIER PARISH SHERIFF
Benton, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
for the Year ended June 30, 2017**

Net change in fund balances	\$	2,555,903
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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 effect of capital outlay, depreciation expense, and other capital asset transactions in the current period.

Capital outlay	1,882,165		
Net gain on the disposal of capital assets	(17,937)		
Depreciation expense	<u>(2,058,290)</u>	(194,062)

The net OPEB liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net OPEB asset/liability.		(1,715,260)
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The net pension liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net pension liability.		1,109,223
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Capital lease payable decrease in current year	7,265		
Compensated absences decrease in current year	<u>6,991</u>	<u>14,256</u>	

Net changes		(<u>785,843)</u>
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Change in net position of governmental activities	\$	<u><u>1,770,060</u></u>
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BOSSIER PARISH SHERIFF
Benton, Louisiana

Statement of Fiduciary Net Position -
Fiduciary Funds
June 30, 2017

	Retired Employees Benefit Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ -	\$ 2,451,598
Investments	15,545,884	-
Accounts receivable from General Fund	33,350	-
Total assets	\$ 15,579,234	\$ 2,451,598
Liabilities		
Unsettled balances due to taxing bodies and others	\$ -	\$ 2,451,598
Total liabilities	\$ -	\$ 2,451,598
Net Position		
Restricted for other postemployment benefits	15,579,234	-
Total liabilities and net position	\$ 15,579,234	\$ 2,451,598

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

BOSSIER PARISH SHERIFF
Benton, Louisiana

Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
for the Year ended June 30, 2017

	<u>Retired Employee Benefit Trust Fund</u>
Additions	
Contributions	
General Fund	\$ 273,350
Total contributions	<u>273,350</u>
Investment earnings (loss)	
Net increase in fair value of investments	1,162,682
Dividends	<u>495,373</u>
Total investment earnings (loss)	1,658,055
Less investment expense	<u>58,742</u>
Net investment earnings (loss)	<u>1,599,313</u>
Total additions	<u>1,872,663</u>
Reductions	<u>-</u>
Change in Net Position	1,872,663
Net Position, July 1, 2016	<u>13,706,571</u>
Net Position, June 30, 2017	<u><u>\$ 15,579,234</u></u>

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

BOSSIER PARISH SHERIFF
Benton, Louisiana

Notes to Financial Statements
June 30, 2017

Introduction

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Bossier Parish Sheriff (the "Sheriff") serves a four-year term as the chief executive officer of the law enforcement district and as 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, etc. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the Parish.

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

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Basis of presentation - The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities and funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Position - Fiduciary Funds and Statement of Changes in Fiduciary Net Position – Fiduciary Funds at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions 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 program or function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

The Sheriff reports the following major governmental fund:

General Fund - The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff and accounts for the operations of the Sheriff. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district and state revenue sharing. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and maintaining and transporting of prisoners. General operating expenditures are paid from this fund. The Sheriff's Correctional Facility Fund is included as part of the General Fund for reporting purposes. This fund was previously classified as a special revenue fund; however, it no longer meets that criteria.

The Sheriff also reports the following fund types:

Capital Project Funds - Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

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 funds accounted for in this category are the Pension (and Other Post-employment Benefits) Trust Funds and the Agency Funds.

Pension Trust Funds – These funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. The Sheriff's Retired Employee Benefit Trust Fund accounts for the assets held in an irrevocable trust for payment of retirees' insurance premiums.

Agency Funds – These 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.

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

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

The government-wide financial statements are accounted for using an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset used.

The following practices are used in recording revenues and expenditures within the governmental funds:

Revenues

Ad valorem taxes, sales taxes and commissions earned from state revenue sharing are recorded in the year they become due and payable. Ad valorem taxes are assessed for the calendar year on January 1. Ad valorem taxes are levied and the tax roll is filed on or before November 15 of each year. Tax notices are usually mailed shortly after November 15. Ad valorem taxes are payable by December 31 and become delinquent thereafter. The lien date is January 1. An interest rate of 1% per month is charged from January until paid. The taxes are generally collected in December, January, and February of the fiscal year. Any property with delinquent taxes may be sold at the tax sale held in June.

Revenue sharing is generally collected in three equal installments in December, March and May of the fiscal year.

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

Interest income on time deposits is recorded as earned.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources

Proceeds from the sale of fixed assets, transfers between funds, and compensation from loss or damaged assets are accounted for as other financing sources and are recognized when the underlying events occur.

The following practices are used in recording additions and reductions within the Fiduciary Funds (agency funds):

Additions - The majority of additions are not susceptible to accrual because they are not measurable until received in cash.

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

Budgetary accounting - The Sheriff utilizes the following procedures in establishing the budgetary data for the General Fund:

- 1) During May, the Sheriff's office prepares the proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is held on the proposed budget.
- 3) The adopted budget is published in the official journal prior to the commencement of the fiscal year for which the budget is being adopted.
- 4) A public hearing is held for proposed amendments to the budget.
- 5) Amended budget is published in official journal.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget is prepared on the same basis as these financial statements are prepared, specifically the modified accrual basis, as described in the preceding pages. Expenditures may not legally exceed appropriations on a fund basis.

The proposed budget for the year ended June 30, 2017, was made available for public inspection and was published in the Bossier Press-Tribune, more than ten days before the public hearing, which was held on June 30, 2016, at the Bossier Parish Sheriff's office for comments from taxpayers.

Encumbrances and budget - Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed. However, formal integration of the budget into 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.

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

Investments - Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State law authorizes the Sheriff, as the Tax Collector for Bossier Parish, to deposit tax collections in interest-bearing accounts with a bank domiciled in the parish when the funds are collected.

State statutes authorize the Sheriff to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission.

In addition, R.S. 13:5554.1C limits the Bossier Parish Retired Employees Insurance Fund (BREIF) investments to not less than twenty-five percent of the portfolio may be invested in equities, and at least twenty-five percent of the portfolio will be invested in fixed income provided that the average credit quality of the fixed income portion is rated investment grade by a nationally recognized rating agency.

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.

Capital assets - Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains the following threshold levels for capitalizing assets: \$500 or more for office equipment, communication equipment, office furniture and fixtures, and computer equipment; \$3,000 or more for computer software, general equipment, heavy equipment, industrial grade furniture and equipment, and law enforcement equipment; building improvements over \$10,000; and all titled assets and weapons regardless of cost.

Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the useful lives.

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

Compensated absences - Employees of the Sheriff's office earn from 10 to 20 days of noncumulative vacation leave, depending upon their length of service. Employees resigning during the year may be paid for unused vacation leave at the employee's current rate of pay. However, the vacation leave is noncumulative; therefore, if the vacation days are not used by December 31, the employee cannot carry any vacation days over to the next year.

Employees are allowed up to ten days noncumulative sick leave per calendar year. Employees are not paid for accumulated sick leave upon retirement or resignation.

Compensatory Time is defined as the time off awarded to non-exempt Bossier Sheriff's Office employees for hours worked beyond the normal hours. Any time worked in excess of 40 hours per 7 day period for non-law enforcement personnel or 86 hours per 14 day period for law enforcement personnel shall be compensated in comp time at a rate of 1.5 hours earned for every hour worked in excess of 40 hours or 86

hours, respectively. Accrued but unused compensatory time shall be cashed out within a reasonable time following termination of employment or at the sole option of the Sheriff.

There is no portion of the accrued liability for compensated absences due after one year. The liability for compensatory time and unused vacation at June 30, 2017, is included in the government-wide financial statements as a long-term liability due within one year.

Claims and judgments - Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with current available financial resources. The remainder of any liability is recorded in the government-wide financial statements.

Net position classifications - In the government-wide statements, net position are classified and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and related debt.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Fund balance classification – Beginning with fiscal year 2011, the Sheriff implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance 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 \$197,469 in prepaid expenses which is a nonspendable resource as of June 30, 2017.
- 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 had no restricted resources as of June 30, 2017.
- 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 had no committed resources as of June 30, 2017.
- 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 had \$2,385 as assigned resources for capital projects as of June 30, 2017.
- 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 \$18,384,501 at June 30, 2017, 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.

On-Behalf payments for fringe benefits and salaries - The Bossier Parish 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 \$1,811,332 for the fiscal year ended June 30, 2017. Such payments are recorded as intergovernmental revenue and public safety personnel expenses in the GAAP basis government-wide and general fund financial statements.

Use of estimates - The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires 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, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows 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 2017 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 that result from the implementation of GASB Statement 68.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund ("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 are reported at fair value.

Budgets and budget basis of accounting - Annual expenditure budgets are adopted for the General Fund which includes the Correctional Facility Fund.

Adoption of new financial accounting standards - The Sheriff adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, during the current fiscal year ended June 30, 2017, which did not result in a material impact on the financial statements. The Sheriff's note disclosures reflect any required changes.

In March 2016, the GASB issued Statement No. 82 – *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The School Board implemented this statement for the year ended June 30, 2017, which did not result in a material impact on the financial statements.

Future accounting pronouncements - The Governmental Accounting Standards Board has issued several pronouncements that have effective dates that may impact future presentations. The Sheriff is currently evaluating the potential impacts of the following GASB statements on its accounting practices and financial statements.

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
- Statement No. 81, *Irrevocable Split-Interest Agreements*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
- Statement No. 84, *Fiduciary Activities*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits - All deposits of the Sheriff are held by area financial institutions. At June 30, 2017, the carrying amount of the Sheriff’s cash deposits was as follows:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position
Demand deposits	\$ 17,211,952	\$ 2,451,598
Petty cash	3,250	-
Total	<u>\$ 17,215,202</u>	<u>\$ 2,451,598</u>

The bank balances in the General Fund and Fiduciary Funds totaled \$20,164,790. The difference in the bank balances and the carrying amounts presented above is mostly due to outstanding checks at June 30, 2017. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. Of the bank balances, \$250,000 was covered by federal depository insurance (GASB Category 1). In addition, as of June 30, 2017, the remaining \$19,914,790 was collateralized with securities held by the pledging financial institution’s trust department or agent, but in the Sheriff’s name (GASB Category 2).

Investments - The Bossier Parish Retired Employees Insurance Fund (BREIF) is included in the Retired Employees Benefits Trust Fund as an investment asset. The Sheriff reports the Retired Employees Benefits Trust Fund as a fiduciary fund. These investments are managed by an investment management company.

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. Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor.

As of June 30, 2017, the Sheriff's assets held in the Retired Employees Benefit Trust Fund consisted of the following:

Description	Credit Rating	Percentage of total portfolio	Fair market value	Fair value level
Cash and cash equivalents	N/A	1.2%	\$ 190,758	1
Bond Mutual Funds	A	38.0%	5,902,751	1
Equity Mutual Funds	N/A	60.2%	9,366,567	1
Alternative Mutual Funds	N/A	0.6%	85,808	1
Total		100%	\$ 15,545,884	

NOTE 3 – RECEIVABLES

Receivables at June 30, 2017, are as follows:

Sales tax	\$ 876,610
Ad valorem tax	30,516
Intergovernmental revenues:	
Federal grants	53,082
Gaming proceeds	103,571
Fees, charges, and commissions for services	368,177
Feeding and keeping prisoners	1,450,793
Reimbursements	270,498
Other	47,627
Total	\$ 3,200,874

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital assets used in governmental activities is as follows:

	Balance July 1, 2016	Additions	Disposals	Balance June 30, 2017
Land	\$ 1,599,816	\$ -	\$ -	\$ 1,599,816
Buildings and improvements	28,174,363	21,350	-	28,195,713
Vehicles	6,958,637	1,546,377	367,264	8,137,750
Office furniture and equipment	3,932,044	166,461	66,025	4,032,480
Law enforcement weapons and equipment	3,528,074	165,593	31,310	3,662,357
Infrastructure	789,268	-	-	789,268
Construction in progress	17,617	3,732	21,349	-
Total cost	<u>44,999,819</u>	<u>\$ 1,903,513</u>	<u>\$ 464,598</u>	<u>46,417,384</u>
Less accumulated depreciation	<u>18,330,770</u>	<u>\$ 2,058,290</u>	<u>\$ 446,665</u>	<u>19,942,395</u>
Capital assets, net	\$ <u>26,669,049</u>			\$ <u>26,474,989</u>

Depreciation expense of buildings, computer equipment, office equipment and vehicles was \$2,058,290 for fiscal year 2017 and is included in total expenses for the public safety activity.

NOTE 5 – DEFINED BENEFIT 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.

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.

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.

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, 2017 and 2016, the actuarially determined employer contribution rates were 13.25% and 13.75%, respectively, with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the years ended June 30, 2017 and 2016, were \$3,109,794 and \$3,276,098, 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, 2017.

Plan members are required by state statute to contribute 10.25% of their annual covered salary. The Bossier Parish Sheriff elected to contribute the entire contribution on behalf of its plan members who were hired prior to January 2013. For those hired subsequent to that date, the Sheriff contributed .25% on behalf of the employee and the 10% was paid by the plan member.

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

At June 30, 2017, the Sheriff reported a liability of \$22,177,911 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was 3.494293% which decreased .017767% from the proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$3,357,943, which included the Sheriff's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$1,175.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 2,326,217
Changes in assumptions	1,811,867	-
Net difference between projected and actual earnings on retirement plan investments	5,554,463	-
Changes in proportion and differences between Sheriff contributions and proportionate share of contributions	65,479	234,847
Sheriff contributions subsequent to measurement date	<u>3,109,794</u>	<u>-</u>
Total	<u>\$ 10,541,603</u>	<u>\$ 2,561,064</u>

Deferred outflows of resources of \$3,109,794 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 565,377
2018	569,269
2019	2,187,173
2020	1,485,838
2021	30,844
2022	32,246

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 (measurement date), are as follows:

Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment rate of return	7.6% net of investment expense
Discount rate	7.5%
Projected salary increases	5.5% (2.875% Inflation, 2.625% Merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	2016 – 7 years, 2015 - 6 years, 2014 - 6 years
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.

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.

The rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equity Securities	60%	3.9%
Bonds	25	0.5
Alternative Investments	15	0.6
Totals	100%	5.0%
Inflation		2.7%
Expected Arithmetic Nominal Return		7.7%

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

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

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
Sheriff's proportionate share of the net pension liability	\$ 37,627,086	\$ 22,177,911	\$ 9,426,449

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, 2017, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$1,357,375 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.la.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 – At June 30, 2017, the Sheriff had payables due to the pension plan totaling \$452,569.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS

Employer Disclosures under GASB Statement No. 45

Plan Description - The Bossier Parish Sheriff contributes to a single-employer defined benefit healthcare plan, the Bossier Parish Retired Employees Insurance Fund. This plan is administered by Raymond James Financial Services, Inc. The plan provides lifetime healthcare and life insurance for eligible retirees through the Sheriff's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law R.S. 13:5554(G). The Bossier Parish Retired Employees Insurance Fund does not issue a publicly available financial report.

The Bossier Parish Retired Employees Insurance Fund is a fully insured, single-employer arrangement and has been deemed to be a single-employer plan (within the meaning of paragraph 50 of GASB 74) for financial reporting purposes and for this valuation. Medical/dental and life insurance benefits are provided to employees upon actual retirement. The Bossier Parish Sheriff's Office pays 100% of the medical and life coverage for the retirees only (not dependents), who have fifteen years of service and began employment prior to January 1, 2010. The Bossier Parish Sheriff's Office will pay 50% of such coverage for the retiree only (not dependents) who has twenty years of service and began employment after December 31, 2009. Employees are covered by the Louisiana Sheriffs' Pension and Relief Fund, whose retirement eligibility (D.R.O.P entry) provisions as follows: 30 years of service at any age; or, age 55 and 12 years of service.

Life insurance coverage is continued to retirees by election and the rate is a blended rate for active and retirees. Since GASB 74 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, in which case, a zero trend was used. Insurance coverage amounts are reduced to 75% of the original amount at age 65.

Contribution Rates - As noted previously, all premium costs are paid in total by the Sheriff's office for active employees.

Fund Policy - Prior to June 30, 2008, the Bossier Parish Sheriff's Office recognized the cost of providing post-employment medical and life insurance benefits (the employer's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

During the fiscal year ended June 30, 2005, the Sheriff's office created the Bossier Parish Retired Employees Insurance Fund (BREIF), a trust fund to finance future payments of retired employees' premium costs. The sheriff is required by R.S. 13:5554.1.B to deposit one percent of the monies received in the Bossier Parish Sheriff's budget, twenty-five percent of the revenues received from the tax levied by R.S. 27:391.B, and any other monies that the sheriff may contribute to the trust fund each year until the total amount of monies, including principal and earnings, equals the sum of ten million dollars. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Bossier Parish, provided that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of ten million dollars. In the event that the total amount of monies derived from deposits and investment earnings fall below the sum of ten million dollars, no earnings shall be withdrawn.

To provide recommendations concerning the investment of these funds, the sheriff has established an investment advisory board consisting of seven members. As set forth in R.S. 13:5554.1.G, these members are as follows: the comptroller of Bossier Parish Sheriff's Office, five duly elected retired Bossier Parish Sheriff's Office sheriffs or deputies, and one duly elected active Bossier Parish Sheriff's Office deputy.

In the fiscal year ending June 30, 2017, the Bossier Parish Sheriff's Office portion of health care funding and life insurance cost for retired employees totaled \$1,226,460. This amount was applied toward the Net OPEB Benefit Obligation as shown in the table below on this page.

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

The total ARC for the fiscal year ended June 30, 2017, is \$3,215,978 for medical and life combined, as set forth below:

	<u>Medical and Life</u>
Normal Cost	\$ 1,220,481
30-year UAAL amortization amount	1,995,497
Annual required contribution (ARC)	<u>\$ 3,215,978</u>

Net Post-Employment Benefit Obligation - The table below shows the Sheriff's portion of the Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30, 2017:

Beginning net OPEB Obligation 7/1/2016	\$	<u>Medical and Life</u> 60,303
Annual required contribution		3,215,978
Interest on net OPEB Obligation		3,015
Less: ARC Adjustment	(<u>3,923</u>)
OPEB Cost		3,215,070
Less: Contribution	(273,350)
Less: Current year retiree premium	(<u>1,226,460</u>)
Change in net OPEB Obligation		<u>1,715,260</u>
Ending net OPEB Obligation 6/30/2017	\$	<u>1,775,563</u>

The following table shows the three-year trend of the Bossier Parish Sheriff's Office's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability (asset):

Post-Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical & Life Insurance	June 30, 2017	\$ 3,215,070	29.65%	\$ 1,775,563
Medical & Life Insurance	June 30, 2016	\$ 2,269,412	60.48%	\$ 60,303
Medical & Life Insurance	June 30, 2015	\$ 2,178,571	49.30%	\$(836,643)

Funded Status and Funding Progress - In the fiscal year ending June 30, 2009, Bossier Parish Sheriff's Office made a lump sum contribution of \$7,402,610 to its post-employment benefits plan by a transfer of assets within the meaning of paragraph 141 of GASB Codification Section P50 as of the end of the fiscal year. In the fiscal year ending June 30, 2017, the Bossier Parish Sheriff's office made a lump sum contribution of \$273,350. At June 30, 2017, the assets have grown to \$15,545,884. As of June 30, 2017, the Actuarial Accrued Liability (AAL), was \$46,601,365 (medical and life), which is defined as that portion, as determined by a particular actuarial cost method (the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

The development of the funded ratio and UAAL as a percentage of valuation payroll as of June 30, 2017, are set forth in the following table.

Actuarial accrued liability (AAL)	\$	<u>Total</u> 46,601,365
Actuarial value of plan assets		<u>15,545,884</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u>31,055,481</u>
Covered payroll	\$	20,326,586
UAAL as a percentage of covered payroll		152.78%
Funded ratio (\$15,545,884/\$46,601,365)		33.36%

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

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

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

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

Actuarial Value of Plan Assets - During the fiscal year ended June 30, 2005, the Sheriff created the Bossier Parish Retired Employees Insurance Fund (BREIF), a trust fund to finance future payments of retired employees' premium costs. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Bossier Parish, provided that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of ten million dollars. The market value of BREIF as of the valuation date (the beginning of the fiscal year), July 1, 2016, was equal to \$13,706,571 and that market value was used as the actuarial value of assets in this valuation to determine the UAAL and ARC.

Turnover Rate - An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 8%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	12.0%
26 - 40	10.0%
41 - 54	7.0%
55+	5.0%

Post-Employment Benefit Plan Eligibility Requirements - Although employees who first became eligible for membership in the retirement system on or before January 1, 2012, may retire without actuarial reduction in benefits at age 55 and 12 years of service or at 30 years of service, historically they have tended to wait until 30 years of service to enter the Deferred Retirement Option Program ("D.R.O.P.").

To accommodate this historical tendency, we have assumed for employees in this first group who were first eligible in the system on or before January 1, 2012, that actual retirement (and commencement of OPEB benefits) occurs at the end of the D.R.O.P. period, or three years after the earlier of 30 years of service and age 60 and 15 years of service.

Employees who first became eligible for membership in the retirement system after January 1, 2012, may retire without actuarial reduction in benefits at age 62 and 12 years of service, at age 60 and 20 years of service or at age 55 and 30 years of service.

Until the patterns of retirement (D.R.O.P. entry) are established for the second group who were first eligible in the system after January 2, 2012, we have assumed that actual retirement (and commencement of OPEB benefits) occurs at the end of the D.R.O.P. period, or three years after the earlier of: first, age 55 and 30 years of service and, second: age 60 and 15 years of service.

Investment Return Assumption (Discount Rate) – Since this plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75, the investment return assumption is determined in accordance with paragraph 36 of GASB No. 75. For purposes of this initial GASB 74/75 valuation, since we have assumed that the OPEB plan's fiduciary net position is projected (in conformity with paragraphs 37-39 of GASB 75) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 30-35), the expected long-term rate of return on plan investments equal to 5% has been used. *It is important to note that, upon full implementation of GASB 75 in the next fiscal year, it may be necessary to increase the additional employer contributions over and above the employer paid retiree premiums to satisfy the GASB 75 projection requirement.*

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

Zero trend has been assumed for valuing life insurance.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a recent mortality table which the Internal Revenue Service has used in determining the value of accrued benefits in defined benefit pension plans. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after the retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the blended rate, as required by GASB Codification Section P50, for valuation purposes. Since GASB 75 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retired before Medicare eligibility to be 130% of the blended rates.

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

Projected Salary Increases – For purposes of determining the actuarial OPEB costs and liabilities in this valuation, an annual salary increase of 4% has been used.

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

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

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
OPEB Cost	\$ 2,178,571	\$ 2,269,412	\$ 3,215,070
Contribution	236,000	233,000	273,350
Retiree premium	<u>837,951</u>	<u>1,139,467</u>	<u>1,226,460</u>
Total contribution and premium	<u>1,073,951</u>	<u>1,372,467</u>	<u>1,499,810</u>
Change in net OPEB obligation	\$ <u>1,104,620</u>	\$ <u>896,945</u>	\$ <u>1,715,260</u>
% of contribution to cost	10.83%	10.27%	8.50%
% of contribution plus premium to cost	49.30%	60.48%	46.65%

Plan Disclosures under GASB Statement No. 74

Plan Description

Plan Administration - The Bossier Parish Sheriff contributes to a single-employer defined benefit healthcare plan, the Bossier Parish Retired Employees Insurance Fund, administered by Raymond James Financial Services, Inc. The Bossier Parish Retired Employees Insurance Fund does not issue a publicly available financial report. The Bossier Parish Retired Employees Insurance Fund is a fully insured, single-employer arrangement and has been deemed to be a single-employer plan (within the meaning of paragraph 50 of GASB 74) for financial reporting purposes and for this valuation. Medical/dental and life insurance benefits are provided to employees upon actual retirement.

Plan Membership – At June 30, 2017, the Plan's membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	107
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>391</u>
	<u>498</u>

Benefits Provided – The plan provides lifetime healthcare and life insurance for eligible retirees through the Sheriff's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law R.S. 13:5554(G).

Life insurance coverage is continued to retirees by election and the rate is a blended rate for active and retirees. Since GASB 74 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, in which case, a zero trend was used. Insurance coverage amounts are reduced at to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Contributions - The Bossier Parish Sheriff's Office pays 100% of the medical and life coverage for the retirees only (not dependents), who have fifteen years of service and began employment prior to January 1, 2010. The Bossier Parish Sheriff's Office will pay 50% of such coverage for the retiree only (not dependents) who has twenty years of service and began employment after December 31, 2009. Employees are covered by the Louisiana Sheriffs' Pension and Relief Fund, whose retirement eligibility (D.R.O.P entry) provisions as follows: 30 years of service at any age; or, age 55 and 12 years of service.

In the fiscal year ending June 30, 2017, the Bossier Parish Sheriff's Office portion of health care funding and life insurance cost for retired employees totaled \$1,226,460. This amount was applied toward the Net OPEB Benefit Obligation as shown in the table below on this page.

Investments

Investment policy – The Plan's policy regarding the allocation of invested assets is established and may be amended by the investment advisory board. It is the policy of the investment advisory board to invest trust funds in accordance with the provisions of Louisiana Revised Statutes 33:5162. The following was the asset allocation policy as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Alternative mutual funds	0.55
Equity mutual funds	60.25%
Bond mutual funds	37.97%
Cash	1.23%

Concentrations – All plan assets are held in an investment account at Raymond James and are protected by insurance.

Rate of Return – For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 6.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

During the fiscal year ended June 30, 2005, the Sheriff's office created the Bossier Parish Retired Employees Insurance Fund (BREIF), a trust fund to finance future payments of retired employees' premium costs. The sheriff is required by R.S. 13:5554.1.B to deposit one percent of the monies received in the Bossier Parish Sheriff's budget, twenty-five percent of the revenues received from the tax levied by R.S. 27:391.B, and any other monies that the sheriff may contribute to the trust fund each year until the total amount of monies, including principal and earnings, equals the sum of ten million dollars. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Bossier Parish, provided that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of ten million dollars. In the event that the total amount of monies derived from deposits and investment earnings fall below the sum of ten million dollars, no earnings shall be withdrawn.

To provide recommendations concerning the investment of these funds, the sheriff has established an investment advisory board consisting of seven members. As set forth in R.S. 13:5554.1.G, these members are as follows: the comptroller of Bossier Parish Sheriff's Office, five duly elected retired Bossier Parish Sheriff's Office sheriffs or deputies, and one duly elected active Bossier Parish Sheriff's Office deputy.

Net OPEB Liability of the Sheriff

The components of the net OPEB liability of the Sheriff at June 30, 2017, were as follows:

Total OPEB liability	\$ 46,558,403
Plan fiduciary net position	<u>15,545,884</u>
Sheriff's net OPEB liability	<u>\$ 31,012,519</u>
Plan fiduciary net position as a percentage of the total OPEB liability	33.39%

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%
Investment rate of return	5.0%
Healthcare cost trend rates	Graded from 8% down to 5% ultimate over ten years

Mortality rates were based on the 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2010 to June 30, 2017, in addition to the Plan assumptions.

The long-term expected rate of return on OPEB 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 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.0%
Corporate Bonds	5.0%
Agency Bonds	1.5%
Cash	0.0%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.0%. The projection of cash flows used to determine the discount rate assumed that Sheriff's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate – The following represents the net OPEB liability of the Sheriff, as well as what the Sheriff's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0%) or 1-percentage-point higher (6.0%) than the current discount rate:

	1.0% Decrease (4.0%)	Current Discount Rate (5.0%)	1.0% Increase (6.0%)
Net OPEB liability	\$ 39,840,671	\$ 31,012,519	\$ 24,460,265

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following represents the net OPEB liability of the Sheriff, as well as what the Sheriff's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 4.0%) or 1-percentage-point higher (9.0% decreasing to 6.0%) than the current healthcare trend rates:

	1.0% Decrease (7.0% decreasing to 4.0%)	Current Discount Rate (8.0% decreasing to 5.0%)	1.0% Increase (9.0% decreasing to 6.0%)
Net OPEB liability	\$ 24,203,039	\$ 31,012,519	\$ 40,144,149

NOTE 7 – LONG-TERM LIABILITIES

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

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Capital lease	\$ 14,693	\$ -	\$ 7,265	\$ 7,428	\$ 7,428
Compensated absences	784,711	1,186,667	1,193,658	777,720	777,720
Governmental activity long-term liabilities	<u>\$ 799,404</u>	<u>\$ 1,186,667</u>	<u>\$ 1,200,923</u>	<u>\$ 785,148</u>	<u>\$ 785,148</u>

Capital Lease Obligation

The Sheriff entered into a capital equipment agreement. This lease agreement qualifies as a capital lease for accounting purposes; and, therefore, has been reported at the present value of the future minimum lease payments as of the inception date. The final lease payment is due in February 2018 and includes interest of 2.24%. The equipment purchased under the capital lease totals \$36,345 and is included in the capital assets of the Sheriff. The amortization of this equipment has been included in the Sheriff's depreciation expense.

Obligations of the Sheriff's governmental activities under the capital lease at June 30, 2017, are as follows:

Years ending June 30:	Governmental Activities		
	Principal	Interest	Total
2018	\$ 7,428	\$ 167	\$ 7,595
Total lease payments	<u>\$ 7,428</u>	<u>\$ 167</u>	<u>\$ 7,595</u>

NOTE 8 – DEPOSITS DUE TO OTHERS

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

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017
Tax collector fund	\$ 4,724,151	\$ 114,763,038	\$ 118,599,366	\$ 887,823
Civil fund	915,571	8,051,610	8,144,312	822,869
Criminal fund	792,722	3,496,519	3,651,151	638,090
Inmate fund	90,416	2,157,953	2,153,433	94,936
Evidence fund	-	7,880	-	7,880
Additional services	<u>\$ 6,522,860</u>	<u>\$ 128,477,000</u>	<u>\$ 132,548,262</u>	<u>\$ 2,451,598</u>

NOTE 9 – AD VALOREM TAXES

The following is a summary of authorized and levied ad valorem taxes which represent separate millages authorized by the voters as of June 30, 2017:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement district	7.94	7.94	None
Special operation and detention center	6.12	6.12	None

In April 2000, voters of the parish approved a one-half of one percent sales and use tax submitted by the Bossier Parish Police Jury. Seventy percent (70%) of the avails of the tax are for the police jury and are used for the acquisition, operation, maintenance, and furnishing of a maximum security jail and courthouse facilities. Those taxes are remitted directly to the parish police jury. The remaining thirty percent (30%) of the avails of the tax, in accordance with an intergovernmental agreement dated April 5, 2000, are remitted directly to the sheriff's office to be used for the purposes of operating and improving a maximum security jail and meeting other costs of law enforcement in the parish. On January 17, 2005, voters of the parish approved a one-fourth of one percent sales and use tax to be used for paying deputy salaries and law enforcement operations. Both taxes are collected by the Bossier Parish Sales Tax Commission. For its collection, services the commission receives one percent (1%) of gross taxes collected.

As of June 30, 2017, the cash balance on hand in the tax collector account is \$887,823 which is included in the cash balance reflected in Note 2. During the fiscal year ended June 30, 2017, Sheriff's office, as Tax Collector for Bossier Parish, collected \$110,872,480 of 2016 assessed taxes totaling \$111,705,559, net of homestead exemptions of \$21,884,565. In addition, the Sheriff collected \$64,631 of prior year taxes in the fiscal year ended June 30, 2017.

The Sheriff has collected and uncollected taxes as of June 30, 2017, attributable to the following taxing authorities:

<u>Tax Authority</u>	<u>Collected Taxes</u>	<u>Uncollected Taxes</u>
Louisiana Department of Agriculture and Forestry	\$ 25,568	-
Louisiana Tax Commission	29,416	-
Bossier Parish Assessor	1,976,329	7,702
Bossier Parish Police Jury	16,525,185	70,257
Bossier Parish School Board	62,149,065	264,226
Bossier Parish Sheriff	13,651,240	58,038
Bossier Port Commission	2,427,519	10,321
Ambulance	875,664	11,484
District Levee	2,759,438	11,219
Cyprus Black Bayou	1,108,332	4,476
Red River Waterway Commission	2,271,979	9,659
Fire District No. 1	1,428,000	8,757
Fire District No. 2	1,532,276	2,022
Fire District No. 4	3,150,071	6,385
Fire District No. 5	614,577	4,395
Fire District No. 7	347,823	2,522
	<u>\$ 110,872,480</u>	<u>\$ 471,464</u>

These taxes are uncollected for these general reasons:

Taxes not paid - Bankruptcies	\$ 19,472
Taxes not paid – Movables, mobile homes, RE bankruptcy discharged	448,373
Adjudications (tax sale properties)	3,619
	<u>\$ 471,464</u>

NOTE 10 – STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Louisiana Act 945 were distributed as follows:

Bossier Parish	
Assessor	\$ 267,483
Police Jury	563,499
School Board	614,721
Sheriff	498,267
District Levee	198,129
Cyprus Black Bayou	30,360
Red River Waterway Commission	181,395
Pension funds	45,453
Total	<u>\$ 2,399,307</u>

NOTE 11 – 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, 2017, the Sheriff, as Tax Collector, held protest taxes of \$574,939.

NOTE 12 – RELATED PARTY TRANSACTIONS

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

The Bossier Parish Sheriff's office makes payments to the Bossier Parish Police Jury for reimbursements for monthly prisoner prescriptions, ambulance services, and sewer pond repairs and chemicals. The Sheriff also paid BPPJ for a share of Geographic Information System (GIS) and quarterly appropriations for administrative costs. Sheriff payments to BPPJ totaled \$172,811 for the year ended June 30, 2017. BPPJ makes payments to the Sheriff's office for maintenance of parish prisoners and related costs. The total payments made by BPPJ to the Sheriff's office for the year ended June 30, 2017 were \$982,027.

NOTE 13 – CONTINGENCIES, LITIGATIONS, AND CLAIMS

Litigation

At June 30, 2017, the Sheriff is named as defendant in several lawsuits. In the opinion of the Sheriff's legal counsel, no claims or suits exist for which there is insufficient insurance coverage and resolution of these matters will not have a material adverse effect on the financial condition of the Bossier Parish Sheriff.

Grants

The Sheriff participates in several federal and state assisted grant programs. These programs are subject to program compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Sheriff believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Risk management

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omission. These risks are handled by the Sheriff through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Sheriff's insurance coverage for each of the past three years.

Required Supplementary Information

BOSSIER PARISH SHERIFF
Benton, Louisiana

General Fund - Budgetary Comparison Schedule
Year ended June 30, 2017

	Budget (a)		Actual (a)	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Ad valorem taxes	\$ 13,033,000	\$ 13,033,000	\$ 14,164,983	\$ 1,131,983
Sales tax	9,810,000	9,810,000	9,721,816	(88,184)
Federal grants	183,000	183,000	619,642	436,642
State supplemental pay	1,793,000	1,793,000	1,811,332	18,332
State revenue sharing	480,000	480,000	498,432	18,432
Other state grants	86,000	86,000	97,186	11,186
Local grant	24,000	24,000	43,929	19,929
Commissions on licenses and taxes	19,000	19,000	4,962	(14,038)
Civil and criminal fees	1,486,000	1,486,000	1,843,396	357,396
Court attendance	32,000	32,000	32,776	776
Transporting of prisoners	105,000	105,000	106,316	1,316
Feeding and keeping of prisoners	8,656,000	8,656,000	9,240,374	584,374
Tax notices	9,000	9,000	7,212	(1,788)
Probation fees	471,000	471,000	618,624	147,624
Gaming fees	1,258,000	1,258,000	1,200,791	(57,209)
Use of money and property and other fees	1,168,000	1,168,000	1,235,657	67,657
Other revenue	190,000	190,000	375,104	185,104
Total revenue	38,803,000	38,803,000	41,622,532	2,819,532
Expenditures				
Personnel services	31,110,000	31,110,000	30,376,059	733,941
Operating services	3,298,000	3,298,000	3,564,164	(266,164)
Materials and supplies	2,531,000	2,531,000	2,809,600	(278,600)
Travel and other charges	175,000	175,000	183,029	(8,029)
Debt service	29,000	29,000	7,595	21,405
Capital outlay	1,465,000	1,465,000	1,882,165	(417,165)
Total expenditures	38,608,000	38,608,000	38,822,612	(214,612)
Excess of revenues over expenditures	195,000	195,000	2,799,920	2,604,920
Other financing sources and uses				
Operating transfers in	-	-	-	-
Operating transfers out	(223,000)	(223,000)	(273,350)	(50,350)
Proceeds from sale of fixed assets	50,000	50,000	29,331	(20,669)
Total other financing sources and uses	(173,000)	(173,000)	(244,019)	(71,019)
Net changes in fund balances	22,000	22,000	2,555,901	2,533,901
Fund balance at beginning of year	15,414,557	15,414,557	16,026,069	611,512
Fund balance at end of year	\$ 15,436,557	\$ 15,436,557	\$ 18,581,970	\$ 3,145,413

(a) Note that a separate budget was adopted for the correctional facilities fund; however, since the correctional facilities fund is part of the General Fund, it is included in the budget and actual columns above.

BOSSIER PARISH SHERIFF
Benton, Louisiana

Schedule of the Sheriff's Proportionate Share of the Net Pension Liability
June 30, 2017

<u>Fiscal Year*</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered-employee payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Sheriff's Pension and Relief Fund					
2016	3.49429%	\$ 22,177,911	\$ 23,826,167	93.1%	82.1%
2015	3.51206%	\$ 15,655,055	\$ 23,295,032	67.2%	86.6%
2014	3.54822%	\$ 14,050,966	\$ 22,697,031	61.9%	87.3%

*Amounts presented were determined as of the measurement date.

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

**BOSSIER PARISH SHERIFF
Benton, Louisiana**

**Schedule of the Sheriff's Contributions
June 30, 2017**

<u>Fiscal Year*</u>	<u>(a) Statutorily Required Contribution</u>	<u>(b) Contributions in relation to the statutorily required contribution</u>	<u>(a-b) Contribution Deficiency (Excess)</u>	<u>Agency's covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
Sheriff's Pension and Relief Fund					
2017	\$ 3,109,794	\$ 3,109,794	\$ -	\$ 23,470,146	13.25%
2016	\$ 3,276,098	\$ 3,276,098	\$ -	\$ 23,826,167	13.75%
2015	\$ 3,319,542	\$ 3,319,542	\$ -	\$ 23,295,032	14.25%

*Amounts presented were determined as of the end of the fiscal year.

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

**Notes to Required Supplementary Information
June 30, 2017**

Changes of Benefit Terms

There were no changes in benefit terms in the actuarial valuation for the year ended June 30, 2016.

Changes of Assumptions

The discount rate was lowered from 7.6% to 7.5% in the actuarial valuation for the year ended June 30, 2016.
The investment rate of return was lowered from 7.7% to 7.6%, net of expenses.

BOSSIER PARISH SHERIFF
Benton, Louisiana

Schedule of Funding Progress for Other Post-Employment Benefit Plan
June 30, 2017

Fiscal Year End	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	(b-a/c) UAAL as a Percentage of Covered Payroll
6/30/2011	7/1/2010	\$ 7,402,610	\$ 13,701,389	\$ 6,298,779	54.03%	\$ 18,332,747	34.36%
6/30/2012	7/1/2010	\$ 10,431,448	\$ 19,536,438	\$ 9,104,990	53.39%	\$ 19,212,472	47.39%
6/30/2013	7/1/2012	\$ 11,733,151	\$ 22,707,760	\$ 10,974,609	51.67%	\$ 19,760,318	55.54%
6/30/2014	7/1/2012	\$ 13,228,185	\$ 23,843,148	\$ 10,614,963	55.48%	\$ 20,499,457	51.78%
6/30/2015	7/1/2014	\$ 13,559,684	\$ 29,328,293	\$ 15,768,609	46.23%	\$ 21,344,366	73.88%
6/30/2016	7/1/2014	\$ 13,706,571	\$ 30,794,708	\$ 17,088,137	44.51%	\$ 21,964,536	77.80%
6/30/2017	7/1/2016	\$ 15,545,884	\$ 46,601,365	\$ 31,055,481	33.36%	\$ 20,326,586	152.78%

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION
Fiduciary Fund Type – Agency Funds

Agency Funds are used to account for assets held as an agent for other governments.

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

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

Criminal Fund - The Criminal Fund accounts for the collection and settlement of fines, bonds, and forfeitures levied by the district court and settlement of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

Inmate Fund - The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

Evidence Fund – The Evidence Fund accounts for the collection of funds that were seized during criminal investigations. The funds are held until the investigation is settled.

BOSSIER PARISH SHERIFF
Benton, Louisiana

Fiduciary Funds - Agency Funds
Combining Schedule of Fiduciary Net Position
June 30, 2017

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Inmate Fund</u>	<u>Evidence Fund</u>	<u>Total</u>
Assets						
Cash	\$ 887,823	\$ 822,869	\$ 638,090	\$ 94,936	7,880	\$ 2,451,598
Total assets	<u>\$ 887,823</u>	<u>\$ 822,869</u>	<u>\$ 638,090</u>	<u>\$ 94,936</u>	<u>\$ 7,880</u>	<u>\$ 2,451,598</u>
Liabilities						
Due to taxing bodies and others	\$ 887,823	\$ 822,869	\$ 638,090	\$ 94,936	\$ 7,880	\$ 2,451,598
Total liabilities	<u>\$ 887,823</u>	<u>\$ 822,869</u>	<u>\$ 638,090</u>	<u>\$ 94,936</u>	<u>\$ 7,880</u>	<u>\$ 2,451,598</u>

BOSSIER PARISH SHERIFF

Benton, Louisiana

Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities
for the Year ended June 30, 2017

	Tax Collector Fund	Civil Fund	Criminal Fund	Inmate Fund	Evidence Fund	Total
Balances, June 30, 2016	\$ 4,724,151	\$ 915,571	\$ 792,722	\$ 90,416	\$ -	\$ 6,522,860
Additions						
Ad valorem taxes:						
Current year	111,065,030	-	-	-	-	111,065,030
Current year protested	8,643	-	-	-	-	8,643
Prior year	64,631	-	-	-	-	64,631
State revenue sharing	2,399,306	-	-	-	-	2,399,306
Parish licenses	7,493	-	-	-	-	7,493
Interest on:						
Checking accounts	2,431	-	-	-	-	2,431
Delinquent taxes	113,017	-	-	-	-	113,017
Prior year taxes	13,260	-	-	-	-	13,260
Protest taxes	2,095	-	-	-	-	2,095
Sheriff's sales	-	7,695,982	-	-	-	7,695,982
Bonds, fines and costs	550,077	-	3,496,519	-	-	4,046,596
Inmate deposits	-	-	-	2,157,953	-	2,157,953
Redemptions	532,478	-	-	-	-	532,478
Other additions	4,577	355,628	-	-	7,880	368,085
Total additions	<u>114,763,038</u>	<u>8,051,610</u>	<u>3,496,519</u>	<u>2,157,953</u>	<u>7,880</u>	<u>128,477,000</u>
Reductions						
Louisiana Dept. of Agriculture & Forestry	21,761	-	-	-	-	21,761
Louisiana Tax Commission	29,417	-	-	-	-	29,417
Bossier Parish:						
Assessor	3,740,022	-	-	-	-	3,740,022
Sheriff's General Fund	14,546,552	1,079,602	501,502	-	-	16,127,656
Police Jury	15,786,246	-	1,029,655	-	-	16,815,901
School Board	62,775,582	-	-	-	-	62,775,582
Clerk of Court	-	159,200	243,579	-	-	402,779
Red River Waterway Commission	2,467,859	-	-	-	-	2,467,859
Fire protection districts	6,836,022	-	-	-	-	6,836,022
District Levee	3,022,270	-	-	-	-	3,022,270
Cypress Black Bayou Recreation and Water Conservation District	1,155,949	-	-	-	-	1,155,949
Ambulance District	860,980	-	-	-	-	860,980
Caddo/Bossier Port Commission	2,442,990	-	-	-	-	2,442,990
Twenty-sixth Judicial District:						
District Attorney	-	-	321,638	-	-	321,638
Judge's fund	-	-	50,766	-	-	50,766
Indigent defender board	-	-	391,629	-	-	391,629
Pension funds	3,139,729	-	-	-	-	3,139,729
Archon Information Systems fees	464,170	-	-	-	-	464,170
Refunds and redemptions	1,306,937	-	-	-	-	1,306,937
North Louisiana Crime Lab	-	-	269,034	-	-	269,034
Attorneys and litigants	-	6,438,771	-	-	-	6,438,771
Louisiana Commission on Law Enforcement	-	-	9,948	-	-	9,948
Louisiana Traumatic Head and Spinal Cord Injury	-	-	20,825	-	-	20,825
Other reductions	2,880	466,739	812,575	2,153,433	-	3,435,627
Total reductions	<u>118,599,366</u>	<u>8,144,312</u>	<u>3,651,151</u>	<u>2,153,433</u>	<u>-</u>	<u>132,548,262</u>
Balances, June 30, 2017	\$ 887,823	\$ 822,869	\$ 638,090	\$ 94,936	\$ 7,880	\$ 2,451,598

See Independent Auditors' Report.

**BOSSIER PARISH SHERIFF
Benton, Louisiana**

**Schedule of Compensation, Benefits,
and Other Payments to Agency Head
for the Year ended June 30, 2017**

Agency Head Name: Julian Whittington, Sheriff of Bossier Parish

Purpose	Amount
Salary	\$ 156,119
Benefits-insurance	15,061
Benefits-retirement	43,280
Deferred compensation	10,928
Cell phone/data	1,189
Travel (hotel, registration, and per diem)	4,523

**BOSSIER PARISH SHERIFF
Benton, Louisiana**

State of Louisiana, Parish of Bossier

AFFIDAVIT

Julian Whittington, Sheriff of Bossier Parish

BEFORE ME, the undersigned authority, personally came and appeared, Julian Whittington, the Sheriff of Bossier Parish, State of Louisiana, who after being duly sworn, deposed and said:

The Following information is true and correct:

The amount of cash on hand in the tax collector account on June 30, 2017, is \$887,823.

He further deposed and said:

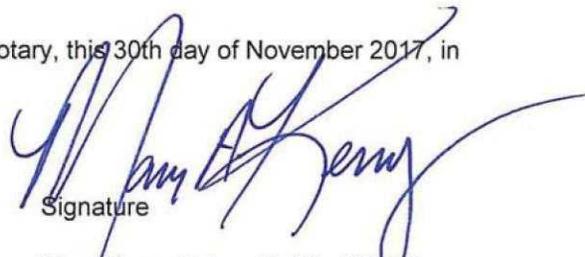
All itemized statements of the amount of taxes collected for the tax year 2016, by taxing authority, are true and correct.

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



Julian Whittington, Sheriff
Sheriff & Ex-Officio Tax Collector of Bossier Parish

SWORN to and subscribed before me, Notary, this 30th day of November 2017, in my office in Shreveport, Louisiana.



Signature
Mary Kerry, Notary Public #62368
Bossier Parish, Louisiana

Mary A. Kerry, ID # 62368 Commission is for Life
Notary Public, Bossier Parish, Louisiana
My Commission Is For Life



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INDEPENDENT AUDITORS' REPORT

The Honorable Julian C. Whittington
Bossier Parish Sheriff
Benton, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Bossier Parish Sheriff, component unit of the Bossier Parish Police Jury, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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 fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the sheriff's proportionate share of the net pension liability, the schedule of the sheriff's contributions, and the schedule of funding progress of other post-employment benefit plan, on pages 1 through 7 and 43 through 46 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 opinions on the financial statements that collectively comprise the Bossier Parish Sheriff's basic financial statements. The combining fiduciary funds statement of fiduciary net position and statement of changes in assets and liabilities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head, presented in accordance with Louisiana Revised Statutes (LRS) 24:513(A)(3), is on page 50. These schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining fiduciary funds balance sheet, statement of changes in assets and liabilities, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fiduciary funds statement of fiduciary net position, statement of changes in assets and liabilities, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the Bossier 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 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 Bossier Parish Sheriff's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

November 30, 2017



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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**

The Honorable Julian C. Whittington
Bossier Parish Sheriff
Benton, 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 and each major fund and the aggregate remaining fund information of the Bossier Parish Sheriff, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Bossier Parish Sheriff's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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
November 30, 2017

**BOSSIER PARISH SHERIFF
Benton, Louisiana**

**Schedule of Findings and Questioned Costs
June 30, 2017**

Section I - Summary of Auditors' Results

A. Financial Statement Audit

Type of auditors' report issued on the basic financial statements: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified that are not considered to be material weaknesses? **No**

Noncompliance material to the basic financial statements noted? **No**

Was a management letter issued? **No**

B. Federal Awards

At June 30, 2017, the Bossier Parish Sheriff did not meet the requirements to have a single audit in accordance with the Uniform Guidance; therefore, this section is not applicable.

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

Current Year Findings and Responses

None

Prior Year Findings and Responses

None

**Bossier Parish Sheriff
Benton, Louisiana**

AGREED-UPON PROCEDURES REPORT

June 30, 2017



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Bossier Parish Sheriff Julian Whittington and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Bossier Parish Sheriff ("BPSO") 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, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, including receiving, recording, and preparing deposits.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment: *No exceptions were noted in the Disbursements policy or the Receipts policy.*

For the other policies, we noted the following:

The Budgeting policy does not address the monitoring of the budget.

The Purchasing policy does not address controls to ensure compliance with public bid law nor does it address documentation required to be maintained for all bids and price quotes.

The Payroll policy does not address reviewing and approving time and attendance records, including leave and overtime.

Bossier Parish Sheriff has no written internal policies for Contracting or Debt Service.

The Credit Card policy does not specifically address monitoring card usage.

The Travel and Expense Reimbursement policy does not include dollar thresholds by category of expense.

The Ethics/Code of Conduct policy does not include (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

Board (or Finance Committee, if applicable)

2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) We reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) We reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, we reported whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, we

reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

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

Comment: *The Bossier Parish Sheriff does not meet monthly. During the fiscal year ended June 30, 2017, there were two public meetings held. The first meeting was held in July 2016 to adopt a resolution to set the tax millage for the Bossier Parish law enforcement tax roll. The second meeting was held in June 2017 to adopt the 2017-2018 fiscal year.*

Bank Reconciliations

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

Comment: *No exceptions noted in the procedures performed.*

- 4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: *All bank reconciliations were prepared and had evidence of review.*

The following bank reconciliations were reviewed by an employee in the accounting department and not a member of management:

Correctional Facility account – Eleven of the twelve months of the bank reconciliations were not reviewed by a member of management. They were prepared by the Comptroller and reviewed by a senior employee in the accounting department.

Criminal Fund account – None of the bank reconciliations were reviewed by a member of management. They were prepared by the Comptroller and reviewed by a senior employee in the accounting department.

Narcotics Fund account – Ten of the twelve months of the bank reconciliations were not reviewed by a member of management. They were prepared by the Comptroller and reviewed by a senior employee in the accounting department.

Payroll account – None of the bank reconciliations were reviewed by a member of management. They were prepared by the payroll clerk and reviewed by a senior employee in the accounting department. The Payroll account is reviewed by a senior employee in the accounting department who is also responsible for posting payroll entries to the general ledger, which are reviewed by the Comptroller.

Collections

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

Comment: *No exceptions noted in the procedures performed.*

6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

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

- Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we reported the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and reported any exceptions.

Comment: *We could not determine actual collection dates for the Tax Collector and Sheriff Sales checks received. Checks are supposed to be scanned the same day they are collected; however, during heavy collection periods, this cannot be verified to happen all of the time. Also, during our procedures, we noted the collection date in the system report does not always coincide with the date that the collection was scanned. The department's procedure is to post a large collection to the system separately instead of including it with the other smaller collections for that day. However, the software used by the Tax Collector does not have the capability to have more than one posting in a day. Therefore, the person posting the large collection has to find a day that does not have a*

collection already posted to it (usually on the previous weekend or on the next available day) in order to work around the software limitations. We were able to observe scanned images of the checks and verified that the scan date was within one day of the deposit date. All daily cash collections are supported by documentation. No exceptions were noted.

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

Comment: No exceptions noted in the procedures performed.

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

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.

Comment: No exceptions noted in the procedures performed.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Comment: There were four disbursements that had no purchase requisition because they were considered routine transactions. The Bossier Parish Sheriff's purchasing policy does not require purchase requisitions for routine or recurring transactions. One disbursement had no purchase requisition included because it was the 2nd payment for consulting services that had a signed agreement.

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

Comment: No exceptions noted in the procedures performed.

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

Comment: No exceptions noted in the procedures performed.

12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.

Comment: No exceptions noted in the procedures performed.

13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks were likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

Comment: No exceptions noted in the procedures performed.

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

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

Comment: No exceptions noted in the procedures performed.

15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

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

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Comment: No exceptions noted in the procedures performed.

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

Comment: The Fuelman July 2017 statement included a late fee; however, Bossier Sheriff's Office was credited for the full amount because the research showed that the original check was lost.

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

a) For each transaction, we reported whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Comment: *There were no receipts for five out of the ten cards tested. No original itemized fuel receipts were located for Fuelman, Chevron, and Shell fuel transactions.*

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

Travel and Expense Reimbursement

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

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

a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals,

mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.

- b) We reported whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.
- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: *No exceptions noted in the procedures performed.*

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.

Comment: *No exceptions noted in the procedures performed.*

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

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

Comment: *No exceptions noted in the procedures performed.*

- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No contracts were amended during the fiscal year.*

- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *This not applicable to the Bossier Parish Sheriff's Office.*

Payroll and Personnel

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

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *No exceptions noted in the procedures performed.*

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

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

Comment: *No exceptions noted in the procedures performed.*

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

Comment: *Of the 25 tested, we noted that one employee's timesheet was not signed and approved by the Time Keeper.*

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

Comment: No exceptions noted in the procedures performed.

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

Comment: No exceptions noted in the procedures performed.

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

Comment: No exceptions noted in the procedures performed.

Ethics (excluding nonprofits)

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

Comment: No exceptions noted in the procedures performed.

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

Comment: No exceptions noted in the procedures performed.

Debt Service (excluding nonprofits)

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

Comment: Not applicable.

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

Comment: Not applicable.

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

Comment: *Not applicable.*

Other

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

Comment: *Management represented that there had been no misappropriations of public funds or assets during the fiscal period.*

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

Comment: *No exceptions noted in the procedures performed.*

33. If the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Comment: *No exceptions were noted regarding management's representations.*

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
November 30, 2017

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December 4, 2017

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Carr, Riggs & Ingram
1000 East Preston Ave.
Suite 200
Shreveport, LA 71105

RE: Management Response to Agreed-upon Procedures

The Bossier Sheriff's Office Management Team has reviewed the Independent Accountant's Report on Applying Agreed-upon Procedures. The Management Team is in agreement with the report as provided by Carr, Riggs and Ingram. In addition, the Bossier Sheriff's Office has implemented changes/additions to policy or procedure where necessary to meet the expectations identified in the report.

Respectfully,

A handwritten signature in blue ink, appearing to read "Julian Whittington".

Julian Whittington
Sheriff

A handwritten signature in blue ink, appearing to read "Doyle Dempsey".

Doyle Dempsey
Maj., Support Services Division