

**Washington Parish Sheriff's Office
Franklinton, Louisiana**

ANNUAL FINANCIAL REPORT

June 30, 2019



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Washington Parish Sheriff's Office
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June 30, 2019

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Report



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INDEPENDENT AUDITORS' REPORT

Honorable Randy Seal, Sheriff
Washington Parish Sheriff's Office
Franklinton, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Washington Parish Sheriff's Office (the "Sheriff"), as of and for the year ended June 30, 2019, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff'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 financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Washington Parish Sheriff's Office, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, and other required supplementary schedules as listed in the table of contents, 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying affidavit, schedule of compensation, benefits, and other payments to agency head, and combining and individual fiduciary fund financial statements and schedules are presented as mandated by the Louisiana state laws and are not a required part of the basic financial statements. The accompanying affidavit, schedule of compensation, benefits, and other payments to agency head, and combining and individual fiduciary fund financial statements and schedules 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 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 accompanying affidavit, schedule of compensation, benefits, and other payments to agency head, and combining and individual fiduciary fund financial statements and schedules are fairly stated, in all material respects, in relation to the 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 January 17, 2020, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

January 17, 2020



Financial Statements

Washington Parish Sheriff's Office
Statement of Net Position

June 30,

2019

		Governmental Activities
Assets		
Cash and cash equivalents	\$	1,060,637
Receivables		411,959
Prepaid expenses		63,227
Due from agency funds		15,124
Capital assets, net of depreciation		393,648
Total Assets		1,944,595
Deferred Outflows of Resources		
Pension deferrals		1,121,611
OPEB deferrals		522,075
Total Deferred Outflows of Resources		1,643,686
Liabilities		
Accounts payable and other liabilities		235,171
Salaries and benefits payable		70,444
Accrued liabilities		60,419
Non-current liabilities:		
Due within one year		204,640
Due in more than one year		5,952,587
Total Liabilities		6,523,261
Deferred Inflows of Resources		
Pension deferrals		861,800
OPEB deferrals		105,045
Total Deferred Inflows of Resources		966,845
Net Position (Deficit)		
Net investment in capital assets		393,648
Restricted for program services		19,640
Unrestricted (deficit)		(4,315,113)
Total Net Position (Deficit)	\$	(3,901,825)

The notes to the basic financial statements are an integral part of this statement.

Washington Parish Sheriff's Office Statement of Activities

For the year ended June 30,

2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Primary Government
Primary government:				
Governmental activities:				
Public safety	\$ 6,721,224	\$ 1,791,537	\$ 36,421	\$ (4,893,266)
Depreciation	48,447	-	-	(48,447)
Interest expense	8,315	-	-	(8,315)
Total governmental activities	\$ 6,777,986	\$ 1,791,537	\$ 36,421	\$ (4,950,028)

General revenues:

Taxes:

Sales and use taxes, levied for special purposes	\$ 2,720,146
Property taxes, levied for general purposes	2,092,581
State revenue sharing	131,112
Other income	309,902
Interest	71
Total general revenues	5,253,812

Change in net position 303,784

Net position (deficit), June 30, 2018 (4,467,783)

Prior period restatement for correction of an error 262,174

Net position (deficit), June 30, 2018 (as restated) (4,205,609)

Net position (deficit), June 30, 2019 \$ (3,901,825)

The notes to the basic financial statements are an integral part of this statement.

Washington Parish Sheriff's Office
Governmental Funds - Balance Sheet

June 30,

2019

	General Fund	Non-Major Governmental Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,050,993	\$ 9,644	\$ 1,060,637
Receivables	411,959	-	411,959
Due from other funds	17,032	20	17,052
Prepaid expenses	63,227	-	63,227
Total Assets	\$ 1,543,211	\$ 9,664	\$ 1,552,875
Liabilities			
Accounts payable	\$ 232,287	\$ -	\$ 232,287
Salaries and benefits payable	70,444	-	70,444
Accrued liabilities	60,419	-	60,419
Due to other funds	-	1,928	1,928
Due to others	2,884	-	2,884
Total Liabilities	366,034	1,928	367,962
Fund Balance			
Nonspendable	63,227	-	63,227
Restricted for program services	-	7,736	7,736
Unassigned	1,113,950	-	1,113,950
Total Fund Balance	1,177,177	7,736	1,184,913
Total Liabilities and Fund Balance	\$ 1,543,211	\$ 9,664	\$ 1,552,875

The notes to the basic financial statements are an integral part of this statement.

Washington Parish Sheriff's Office
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position

<i>June 30,</i>	<i>2019</i>
Total Fund Balance at June 30, 2019 Governmental Funds	\$ 1,184,913
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements:	
Cost of capital assets at June 30, 2019	\$ 1,865,705
Less accumulated depreciation as of June 30, 2019	<u>(1,472,057)</u> 393,648
Contributions to the pension plan in the current fiscal year and other pension related deferrals are deferred outflows of resources on the Statement of Net Position	1,121,611
Pension related deferrals are deferred inflows of resources on the Statement of Net Position	(861,800)
OPEB related deferrals are deferred outflows of resources on the Statement of Net Position	522,075
OPEB related deferrals are deferred inflows of resources on the Statement of Net Position	(105,045)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements:	
Compensated absences	(93,569)
Net pension liability	(1,694,067)
Total OPEB liability	<u>(4,369,591)</u> (6,157,227)
Net position - June 30, 2019	<u>\$ (3,901,825)</u>

The notes to the basic financial statements are an integral part of this statement.

Washington Parish Sheriff's Office
Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances

For the year ended June 30,

2019

	General Fund	Non-Major Governmental Fund	Total Governmental Funds
Revenues			
Sales and use taxes	\$ 2,720,146	\$ -	\$ 2,720,146
Ad valorem taxes	2,092,581	-	2,092,581
Intergovernmental revenues			
State supplemental pay	273,677	-	273,677
State revenue sharing	131,112	-	131,112
Grant revenue	36,421	-	36,421
Fees, charges, and commissions for services			
Feeding and keeping of prisoners	1,053,280	-	1,053,280
Commissions	613,481	-	613,481
Civil and criminal fees	120,475	4,301	124,776
Other revenues	36,225	-	36,225
Interest earnings	71	1	72
Total Revenues	7,077,469	4,302	7,081,771
Expenditures			
Public safety			
Personnel services	4,779,021	15,734	4,794,755
Auto expense, maintenance, and supplies	995,708	472	996,180
Feeding and keeping of prisoners	512,417	-	512,417
Contractual services	346,217	-	346,217
Grant expenses	4,516	-	4,516
Continuing education	6,261	-	6,261
Other	19,805	-	19,805
Debt service			
Interest	8,315	-	8,315
Capital outlays	183,999	-	183,999
Total Expenditures	6,856,259	16,206	6,872,465
Net Change in Fund Balance	221,210	(11,904)	209,306
Fund Balance - June 30, 2018	693,793	19,640	713,433
Prior period restatement of an error	262,174	-	262,174
Fund Balance - June 30, 2018 (as restated)	955,967	19,640	975,607
Fund Balance - June 30, 2019	\$ 1,177,177	\$ 7,736	\$ 1,184,913

The notes to the basic financial statements are an integral part of this statement.

Washington Parish Sheriff's Office
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities

<i>For the year ended June 30,</i>	<i>2019</i>
Total net change in fund balance - governmental fund	\$ 209,306
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation.	
Capital outlay additions	\$ 183,999
Depreciation expense	(48,447)
	135,552
Change in deferred outflows of resources - pension deferrals	43,872
Change in deferred inflows of resources - pension deferrals	(113,946)
Change in deferred outflows of resources -OPEB deferrals	522,075
Change in deferred inflows of resources - OPEB deferrals	7,003
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Increase in compensated absences	(3,702)
Decrease in net pension liability	250,308
Increase in total OPEB liability	(746,684)
	(500,078)
Change in net position - governmental activities	\$ 303,784

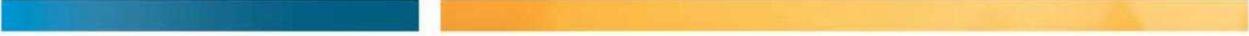
The notes to the basic financial statements are an integral part of this statement.

Washington Parish Sheriff's Office
Statement of Fiduciary Assets and Liabilities

June 30, *2019*

		<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$	882,782
Due from taxing bodies		2,465,744
<hr/>		
Total Assets	\$	3,348,526
<hr/>		
Liabilities		
Funds held in custody for other parties	\$	3,303,560
Due to WPSO general fund		15,124
Funds held in custody for inmates		29,842
<hr/>		
Total Liabilities	\$	3,348,526
<hr/>		

The notes to the basic financial statements are an integral part of this statement.



Washington Parish Sheriff's Office Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The accompanying financial statements of the Washington Parish Sheriff's Office (the "Sheriff") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit and accounting guide, State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the Parish Council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, and other independently elected parish officials are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. Indirect expenses are allocated proportionately among the various functions. Internal activity is eliminated.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The only funds of the Sheriff (besides fiduciary funds) are classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, deferred outflow of resources, liabilities, deferred inflow of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflow of resources, liabilities, deferred inflow of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The following fund is considered to be a major governmental fund:

General Fund - The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for and reports all operations of the Sheriff's office not accounted for and reported in another fund. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include one half (1/2) cent sales tax, state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following fund is considered to be a non-major governmental fund:

The Drug Task Force Fund is used to account for and report the operations of the Washington Parish Drug Task Force, which was created to combat drug problems in Washington Parish.

The following funds are fiduciary funds:

Agency Funds

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

Sheriff's Fund - To account for funds held in connection with civil suits and Sheriff's sales. It also accounts for the collections of bonds, probation fines, and costs and disbursement of these collections, in accordance with applicable law.

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

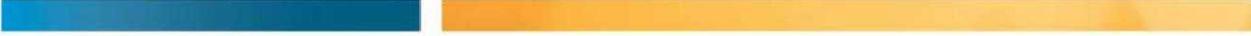
Sales Tax Collector Fund - The Sheriff was selected by the Washington Parish Sales and Use Tax Centralization Commission to collect all sales and use taxes (except auto dealers) in Washington Parish beginning July 1, 1996. This fund accounts for the collection of those taxes and the remittance thereof to the various taxing bodies.

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

Other Funds - The other agency funds include the Flower Fund which accounts for receipts from employees and purchases of flowers and the Garnishment Fund which accounts for collection and disbursement of garnishments.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.



Washington Parish Sheriff's Office Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities 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 economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non exchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

Cash, Interest-bearing Deposits, and Investments

For purposes of the statement of net position, cash and interest bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Sheriff.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for capital assets depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to capital assets. The Sheriff's threshold for capitalization is \$2,500.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Vehicles	5 Years
Buildings	40 Years
Building Improvements	10 Years
Furniture, Fixtures and Equipment	5 Years
Other Capital Assets	5 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Annual leave accumulates at varying rates with exceptions, is paid upon termination, and accrues as follows (assuming an 80 hour pay period):

Years of Service	Annual Leave Earned (Hours per Pay Period)
Less than 3	3.69
3 – 5	4.61
5 - 10	5.54
10 – 15	6.46
More than 15	7.39

Sick leave accumulates at varying rates, with exceptions, and is carried forward from fiscal year to fiscal year, with no defined limit of hours that can be carried forward, is not paid upon termination, and accrues at the same rate as noted above for annual leave.

At June 30, 2019, the Sheriff has accumulated and vested \$93,569 in vacation leave privileges required to be accrued in accordance with GASB Statement 16.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net 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 will not be recognized as an expense or expenditure until then. The Sheriff has two items that meet this criterion, pension and OPEB deferrals. In addition to liabilities, the statement of net 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 two items that meet the criterion for this category, pension and OPEB deferrals.

Net Position

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the two categories of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Sheriff considers restricted net position to have been spent first.

Fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Sheriff's office. The Sheriff is the highest level of decision making authority for the Sheriff's office. Commitments may be established, modified, or rescinded only through ordinances approved by the Sheriff.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only the Sheriff may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

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

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As of June 30, 2019, fund balances are composed of the following:

	General Fund	Non-Major Governmental Fund	Total Governmental Funds
Non-spendable:			
Prepaid expenses	\$ 63,227	\$ -	\$ 63,227
Restricted	-	7,736	7,736
Unassigned	1,113,950	-	1,113,950
Total fund balances	\$ 1,177,177	\$ 7,736	\$ 1,184,913

E. Budget and Budgetary Accounting

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

1. The external CPA prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

F. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid expenses. Prepaid expenses that existed at June 30, 2019 consisted of prepaid insurance.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements address:

- Fiduciary activities; and
- Leases.

The Sheriff is currently evaluating the effects that these statements will have on its financial statements.

H. 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.

NOTE 2: CASH AND INTEREST-BEARING DEPOSITS

At June 30, 2019, the Sheriff had the following cash and interest bearing deposits (book balances) as follows:

Fund Type		
Governmental Funds	\$	1,060,637
Fiduciary Funds		882,782
Total	\$	1,943,419

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

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 2: CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)

owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2019, are secured as follows:

Bank balance	\$ 2,153,535
FDIC Insured	722,068
Collateral held by pledging bank in Sheriff's name	1,431,468
Total	\$ 2,153,535

As of June 30, 2019, the Sheriff's total bank balances were fully insured and collateralized with the securities held in the name of the Sheriff by the pledging financial institution's agent.

NOTE 3: AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem taxes. Property taxes for the Sheriff are levied each November on the assessed value listed, as of the prior January for generally all real property, business merchandise, and business movable property located in the Parish. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Washington Parish and are collected by the Sheriff.

The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2019, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 10.96 mills.

Total law enforcement ad valorem taxes during 2019 were \$2,092,581. There were \$18,504 in ad valorem taxes receivable in the General Fund at June 30, 2019 and were included in receivables on the Statement of Net Position.

NOTE 4: SALES AND USE TAXES

On October 3, 1992, the voters of Washington Parish approved (for an indefinite period) a half (1/2) cent sales tax to be effective January 1, 1993. Beginning July 1, 1996, the Sheriff began collecting the tax as the central sales tax collection agency for Washington Parish. The net proceeds of the tax were rededicated by voter approval on November 13, 2005, to the following exclusive uses:

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 4: SALES AND USE TAXES (CONTINUED)

- Sixty (60) percent to the salaries of criminal law enforcement deputies.
- Twenty (20) percent to the support of criminal law enforcement deputies, including the hiring and training of additional criminal law enforcement personnel, consisting of criminal patrol deputies, juvenile officers, and burglary and narcotics detectives.
- Twenty (20) percent to the purchase, maintenance, and support of law enforcement vehicles and equipment.

As of June 30, 2019, sales and use taxes for the Sheriff totaled \$2,720,146.

NOTE 5: RECEIVABLES

Receivable at June 30, 2019, were as follows:

	General Fund	Non-Major Governmental Fund	Total Governmental Funds
Sales tax	\$ 264,557	\$ -	\$ 264,557
Ad valorem tax	18,504		18,504
Local Government Reimbursements	59,644		59,644
Grants	4,312	-	4,312
Supplemental pay	20,641		20,641
Other	44,301	-	44,031
Total	\$ 411,959	\$ -	\$ 411,959

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities				
Assets Not Being Depreciated				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Assets Being Depreciated				
Vehicles	329,638	11,750	-	341,388
Buildings and Improvements	198,966	-	-	198,966
Furniture, Fixtures & Equipment	192,504	-	-	192,504
Other Capital Assets	910,598	172,249	-	1,082,847
Total Assets	1,681,706	183,999	-	1,865,705
Less Accumulated Depreciation				
Vehicles	(251,425)	(15,556)	-	(266,981)
Buildings and Improvements	(107,876)	(4,282)	-	(112,158)
Furniture, Fixtures & Equipment	(191,744)	(11,191)	-	(202,935)
Other Capital Assets	(872,565)	(17,418)	-	(889,983)
Total Accumulated Depreciation	(1,423,610)	(48,447)	-	(1,472,057)
Governmental Activities, Capital Assets, Net	\$ 258,096	\$ 135,552	\$ -	\$ 393,648

Depreciation expense of \$48,447 was charged to the public safety function.

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

Governmental Activities, net	July 1, 2018	Additions	Reductions	June 30, 2019	Due Within One Year
Compensated Absences	\$ 89,867	\$ 96,009	\$ (92,307)	\$ 93,569	\$ 74,280
Net Pension Liability	1,944,375	-	(250,308)	1,694,067	-
Total OPEB Liability	3,622,907	746,684	-	4,369,591	130,360
	\$ 5,657,149	\$ 842,693	\$ (342,615)	\$ 6,157,227	\$ 204,640

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 8: SHORT-TERM DEBT

Short-term debt provides financing for the Sheriff's governmental activities. On November 27, 2018, the Sheriff entered into a revenue anticipation note with a local bank with an issue amount of \$350,000. The debt was issued for interim financing of general fund operations. On April 12, 2019, the Sheriff repaid the note plus \$8,283 in interest at a rate of 4.0%.

The following is a summary of changes in short-term debt for the year ended June 30, 2019:

Short term debt, June 30, 2018	\$	-
Debt assumed		350,000
Debt retired		(350,000)
<hr/>		
Short term debt, June 30, 2019	\$	-

NOTE 9: PENSION PLAN

Plan Description

The Sheriff's Pension and Relief Fund ("the Plan") 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 Plan. 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 Plan in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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-

NOTE 9: PENSION PLAN (CONTINUED)

two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

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

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

NOTE 9: PENSION PLAN (CONTINUED)

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 Plan 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 Plan 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 their 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.

NOTE 9: PENSION PLAN (CONTINUED)

Contribution Refunds

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

Cost-of-Living Adjustments

Cost of living provisions for the Plan 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 year ended June 30, 2019, the actual employer contribution rate was 12.25%. For the year ended June 30, 2018, the actuarially determined employer contribution rate was 9.33%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with State statute, the Plan 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, 2019. Contributions to the pension plan from the Sheriff were \$366,826 for the year ended June 30, 2019.

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

At June 30, 2019, the Sheriff reported a liability of \$1,694,067 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Sheriff's proportion was 0.441779%, which was a decrease of 0.007240% from its proportion measured as of June 30, 2017.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 9: PENSION PLAN (CONTINUED)

For the year ended June 30, 2019, the Sheriff recognized pension expense of \$366,269 plus the Sheriff's amortization of the difference between employer contributions and the proportionate share of contributions of \$681.

At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 475,551
Net difference between projected and actual earnings on pension plan investments	-	100,565
Change in assumptions	500,790	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	253,995	285,684
Employer contributions subsequent to the measurement date	366,826	-
Total	\$ 1,121,611	\$ 861,800

Deferred outflows of resources of \$366,826 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 ending June 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:	
2020	64,067
2021	(74,123)
2022	(147,029)
2023	11,066
2024	39,044

NOTE 9: PENSION PLAN (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal cost
Investment rate of return	7.25%, net of investment expense
Discount rate	7.25%
Projected salary increases	5.5% (2.60% Inflation, 2.90% Merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Set Distinct Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants.
Expected remaining service lives	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 expenses 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.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 9: PENSION PLAN (CONTINUED)

The rate of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equity Securities	62%	4.3%
Bonds	23	0.7
Alternative Investments	15	0.7
Totals	100%	5.7%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 7.25%, 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 (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
Sheriff's proportionate share of the net pension liability	\$ 3,833,900	\$ 1,694,067	\$ (107,428)

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.

NOTE 9: PENSION PLAN (CONTINUED)

During the year ended June 30, 2019, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$180,358 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.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

Payables to the Pension Plan for contractually required contributions were \$52,388 as of June 30, 2019.

NOTE 10: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan description – The Washington Parish Sheriff's Office (the "Sheriff") provides certain continuing health care and life insurance benefits for its retired employees. The Washington Parish Sheriff's OPEB Plan (the "OPEB Plan") is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided – Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 15 years of service.

Life insurance coverage is continued to retirees based on a blended rate for active employees and retirees. The employer pays 100% of the cost of the first \$10,000 of life insurance after retirement. The retiree may elect to continue additional voluntary insurance amounts in force at time of retirement, subject to an age-related reduction formula (reducing to 75% at age 65 and 50% at age 70. The retiree pays for the additional voluntary insurance but both that cost and the employer cost are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 74/75 requires the use of "unblended" rates, we have used the valuation 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; zero trend was used for life insurance. We have assumed that 60% of currently active employees will elect to continue the voluntary additional life insurance after retirement.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 10: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Employees Covered by Benefit Terms

At July 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	18
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	79
	97

The Sheriff's total OPEB liability of \$4,369,591 was measured as of July 1, 2019 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%	
Salary increases	3.0%, including inflation	
Discount rate	3.5%, annually	
Healthcare cost trend rates	Flat 5.5% annually	

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

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

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 10: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 3,622,907
Changes for the year:	
Service cost	187,381
Interest	130,081
Differences between expected and actual experience	417,375
Changes in assumptions	135,411
Benefit payments and net transfers	(123,564)
Net changes	746,684
Balance at June 30, 2019	\$ 4,369,591

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1.0% Decrease (2.5%)	Current Discount Rate (3.5%)	1.0% Increase (4.5%)
Total OPEB liability	\$ 5,152,701	\$ 4,369,591	\$ 3,748,419

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 3,739,813	\$ 4,369,591	\$ 5,170,496

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 10: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

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

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$341,169. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 394,187	\$ (105,045)
Changes in assumptions and other inputs	127,888	-
Total	\$ 522,075	\$ (105,045)

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

Years ending June 30:	
2020	23,707
2021	23,707
2022	23,707
2023	23,707
2024	23,707
Thereafter	298,495

NOTE 11: RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To handle such risks of loss, the Sheriff maintains commercial insurance coverage, automobile liability, medical payments, uninsured motorists, and surety bond coverage. The Sheriff participates in the Louisiana Sheriffs' Law Enforcement Program to provide excess liability insurance and law enforcement professional liability insurance. No claims were paid in the last three years that exceeded the policies' coverage amounts. There have been no significant reductions in the insurance coverage during the year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE 12: LITIGATION AND CLAIMS

From time to time, the Sheriff is involved in litigation arising from normal day to day operations. In the opinion of the Sheriff's legal counsels, the resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

NOTE 13: TAXES PAID UNDER PROTEST

Taxes paid under protest, plus interest earned to date on the investment of these funds, totaled \$318,248, at June 30, 2019.

NOTE 14: JOINT VENTURE

The Sheriff, together with the City of Bogalusa Police Department, comprises the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the task force are funded by seizures awarded by the judicial system.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 15: EX-OFFICIO TAX COLLECTOR

At June 30, 2019, the Ad Valorem Tax Collector Fund had cash and interest-bearing deposits on hand totaling \$591,519. The Tax Collector Fund had collected ad-valorem taxes and had ad-valorem taxes uncollected for the year ended June 30, 2019, by taxing body, as follows:

Taxing Body	Ad Valorem Tax Levy	Ad Valorem Tax Uncollected
Bogalusa School Board	\$ 5,490,528	\$ 9,963
Parish Government	4,770,982	8,116
Parish School Board	2,966,491	4,886
Law Enforcement	2,033,872	3,417
Hospital Service District	1,461,337	2,572
Assessor	996,542	1,674
Fire District No. 7	554,355	659
Council on Aging	519,605	873
Florida Parish Juvenile Ctr.	510,386	857
Bonner Creek Fire District No. 1	205,629	-
Varnado Fire District No. 6	236,818	1,235
Pine Fire District No. 4	161,860	611
Spring Hill Fire District No. 8	133,676	673
Richardson Fire District No. 2	132,077	17
Hayes Creek Fire District No. 3	88,168	498
Fire District No. 9	87,513	121
Angie Fire District No. 5	114,281	139
Forestry	20,745	2
Louisiana Tax Commission	17,771	-
Total	\$ 20,502,636	\$ 36,313

The majority of uncollected taxes consist of bankruptcy, adjudications, moveable, and immovable property.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 15: EX-OFFICIO TAX COLLECTOR (CONTINUED)

At June 30, 2019, the Sales Tax Collector Fund had cash and interest-bearing deposits on hand totaling \$27,022. The total sales tax collections on behalf of other taxing authorities for the year ended June 30, 2019, was as follows:

Total Collection Taxing Authority	Collections	Cost	Distributed
City of Bogalusa	\$ 9,051,021	\$ 115,923	\$ 8,935,098
Parish Government	5,633,974	72,158	5,561,815
Parish School Board	4,569,776	58,528	4,511,248
Law Enforcement District	2,687,413	-	2,687,413
Bogalusa School Board	2,858,270	36,608	2,821,662
Town of Franklinton	2,692,956	34,491	2,658,465
Village of Angie	100,388	1,286	99,103
Village of Varnado	44,397	569	43,828
Total	\$ 27,638,195	\$ 319,563	\$ 27,318,632

NOTE 16: TAX ABATEMENTS

The Sheriff is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a State entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the local governments may be subject to include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP").

Under the ITEP, as authorized by Article 7, Section 21 (F) of the Louisiana Constitution and Executive Order Number JBE 2016-73, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fails to fulfill its commitments under the agreement.

As of June 30, 2019, seven local industrial companies are currently under the Industrial Tax Exemption Program. The typical term of these agreements are for ten years and provided property tax abatement during the fiscal year of 2019 in the amount of \$331,727.

Washington Parish Sheriff's Office
Notes to Financial Statements

NOTE 17: PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2019, the Sheriff identified corrections of errors related to a prior year overstatement of sales tax revenue and prior year overstatement of amounts due from/to the inmate fund.

The corrections of errors had the following impact on the beginning fund balance at June 30, 2018:

	General Fund
Fund Balance - June 30, 2018	\$ 693,793
Prior Period Adjustments:	
Cumulative effect of corrections of errors:	
Sales Tax Revenue – correction of an error	198,453
Due From/To inmate fund – correction of an error	63,721
Total prior period adjustment	262,174
Fund Balance - June 30, 2018, as restated	\$ 955,967

NOTE 18: SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 17, 2020, the date the financial statements were available to be issued, and no material subsequent events were noted for disclosure.



**Required Supplementary
Information**

Washington Parish Sheriff's Office
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget to Actual
General Fund

For the year ended June 30,

2019

	Original Budget	Revised Budget	Actual	Variance from Revised Budget
REVENUES:				
Ad valorem tax	\$ 2,109,349	\$ 2,166,782	\$ 2,092,581	\$ (74,201)
State revenue sharing	87,440	87,407	131,112	43,705
Sales tax income	2,128,933	2,368,873	2,308,940	(59,933)
Vehicle sales tax income	399,415	281,492	411,206	129,714
Commissions	510,071	550,241	613,481	63,240
Fines and licenses	12,543	12,887	-	(12,887)
Supplemental pay	283,703	303,101	273,677	(29,424)
WPG reimbursements	403,988	508,077	437,083	(70,994)
DOC reimbursements	265,451	250,440	251,961	1,521
Prisoner revenues	152,268	32,463	364,236	331,773
Fee income	75,126	252,086	120,475	(131,611)
Grant income	77,141	86,458	36,421	(50,037)
Miscellaneous Income	388,565	93,086	36,296	(56,790)
Loan Proceeds	-	350,000	-	(350,000)
	6,893,993	7,343,393	7,077,469	(265,924)
Expenses				
Salaries	3,521,914	3,521,914	3,532,632	(10,718)
Related benefits	1,399,724	1,399,724	1,246,389	153,335
Professional fees	238,631	238,631	346,217	(107,586)
Auto expenses and supplies	83,924	83,924	765,059	(681,135)
Data services	79,305	79,305	73,699	5,606
Feeding and maintaining prisoners	220,291	220,291	512,417	(292,126)
Insurance - non employee	199,122	199,122	1,184	197,938
Lease and rental expenses	28,100	28,100	20,065	8,035
Telephone and utilities	138,675	138,675	120,948	17,727
Grant expenses	47,629	47,629	4,516	43,113
Training	16,225	16,225	21,014	(4,789)
Interest	-	-	8,315	(8,315)
Other	595,761	595,761	19,805	575,956
Capital expenditures	67,948	250,000	183,999	66,001
Total Expenditures	6,637,249	6,819,301	6,856,259	(36,958)
Excess (deficiency) of revenues over expenditures	256,744	524,092	221,210	(302,882)
NET CHANGE IN FUND BALANCES	256,744	524,092	221,210	(302,882)
FUND BALANCES—Beginning of year (as restated)	955,967	955,967	955,967	-
FUND BALANCES—End of year	\$ 1,212,711	\$ 1,480,059	\$ 1,177,177	\$ (302,882)

See independent auditors' report.

Washington Parish Sheriff's Office
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Two Fiscal Years

Total OPEB Liability	2019	2018
Service cost	\$ 187,381	\$ 86,834
Interest	130,081	126,143
Changes of benefit terms	-	-
Differences between expected and actual experience	417,375	(119,051)
Changes of assumptions	135,411	-
Benefit payments	(123,564)	(150,228)
Net change in total OPEB liability	746,684	(56,302)
Total OPEB liability - beginning	3,622,907	3,679,209
Total OPEB liability - ending	\$ 4,369,591	\$ 3,622,907
Covered-employee payroll	\$ 2,682,956	\$ 2,603,200
Total OPEB liability as a percentage of covered-employee payroll	162.86%	139.17%

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

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions and Other Inputs. The discount rate as of June 30, 2018 was 4.0% and it changed to 3.5% as of June 30, 2019. The implicit subsidy for blended rates as of June 30, 2018 was 130% and it changed to 145% as of June 30, 2019.

Washington Parish Sheriff's Office
Schedule of Proportionate Share of Net Pension Liability
For Sheriff's Pension and Relief Fund

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.44178%	\$ 1,694,067	\$ 3,039,243	55.74%	90.4%
2018	0.44902%	\$ 1,944,375	\$ 3,110,070	62.52%	88.5%
2017	0.39913%	\$ 2,533,217	\$ 2,429,310	104.28%	82.1%
2016	0.39018%	\$ 1,739,234	\$ 1,519,299	114.48%	86.6%
2015	0.50720%	\$ 2,008,352	\$ 2,058,903	97.54%	87.3%

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

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

Notes to Required Supplementary Information
For the Year Ended June 30, 2019

Notes to Required Supplementary Information

e

Changes of Benefit Terms

There were no changes of benefit terms for the valuation years ended June 30, 2019.

Changes of Assumptions

For the actuarial valuation for the year ended June 30, 2015, the discount rate was reduced from 7.7% to 7.6%, the salary increase assumption was reduced from 6% to 5.5%, and the inflation assumption was reduced from 3% to 2.875%.

For the actuarial valuation for the year ended June 30, 2016, the remaining service life of employees was increased from 6 years to 7 years, and the discount rate was reduced from 7.6% to 7.5%.

For the actuarial valuation for the year ended June 30, 2017, the discount rate was reduced from 7.5% to 7.4%, the inflation was reduced from 2.875% to 2.775%, and the projected merit increase rate was increased from 2.625% to 2.725%.

For the actuarial valuation for the year ended June 30, 2018, the discount rate was reduced from 7.4% to 7.25%, the inflation was reduced from 2.775% to 2.60%, and the projected merit increase rate was increased from 2.725% to 2.90%.

See independent auditors' report.

Washington Parish Sheriff's Office
Schedule of Employer Contributions to Sheriff's Pension and Relief Fund
Last Six Fiscal Years

Fiscal Year*	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 366,826	\$ 366,826	\$ -	\$ 3,121,619	11.8%
2018	\$ 387,682	\$ 387,682	\$ -	\$ 3,039,243	12.8%
2017	\$ 412,092	\$ 412,092	\$ -	\$ 3,110,070	13.3%
2016	\$ 326,463	\$ 326,463	\$ -	\$ 2,429,310	13.4%
2015	\$ 368,430	\$ 368,430	\$ -	\$ 1,519,299	24.2%
2014	\$ 499,284	\$ 499,284	\$ -	\$ 2,058,903	24.3%

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



**Other Supplementary
Information**

Washington Parish Sheriff's Office
Affidavit

STATE OF LOUISIANA, PARISH OF WASHINGTON

AFFIDAVIT

Randy Seal, Sheriff of Washington Parish

BEFORE ME, the undersigned authority, personally came and appeared, Randy Seal, the Sheriff of Washington Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$165,290.81 is the amount of Cash on hand in the Ad Valorem Tax Collector Fund on June 30, 2019.

He further deposed and said:

All itemized statements of the amount of taxes collected for the tax year 2018, by the taxing authority, are true and correct.

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


Randy Seal
Sheriff of Washington Parish

SWORN to and Subscribed to before, Notary, this 7th day of January, 2019, in my office in Washington Parish, Louisiana.


Brent Jones
Notary #147068
Commission Expires: 07/01/2020

See independent auditors' report.

Washington Parish Sheriff's Office
Schedule of Compensation, Benefits, and Other Payments
to Agency Head

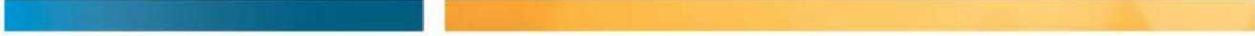
For the year ended June 30,

2019

Agency Head Name: Sheriff Randy Seal

Purpose	Amount
Salary	\$ 160,337
Benefits-insurance	9,402
Benefits-retirement	18,886
Benefits-medicare	2,324
Benefits-worker's compensation	-
Benefits-unemployment	-
Cell phone	-
Uniforms	-
Per diem	-
Reimbursements-advertising	-
Travel	-
Fuel usage	2,796
Conference travel (Including Hotel Stays)	1,823
Continuing professional education fees	410
Housing	-
Unvouchered expenses	-
Meals	166

See independent auditors' report.



Washington Parish Sheriff's Office Fiduciary Funds- Descriptions of Funds

Agency Funds

All of these funds are reflected in the totals of the agency funds presented in the Statement of Fiduciary Assets and Liabilities.

Sheriff's Fund

The Sheriff's Agency Fund accounts for funds held in connection with civil suits and Sheriff's sales. It also accounts for the collections of bonds, probation fines, and costs and disbursement of these collections, in accordance with applicable law.

Tax Collector Fund

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

Sales Tax Collector Fund

The Sheriff was selected by the Washington Parish Sales and Use Tax Centralization Commission to collect all sales and use taxes (except auto dealers) in Washington Parish beginning July 1, 1996. This fund accounts for the collection of those taxes and the remittance thereof to the various taxing bodies.

Inmate Fund

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

Other Funds

The other agency funds include the Flower Fund which accounts for receipts from employees and purchases of flowers and the Garnishment Fund which accounts for collection and disbursement of garnishments.

See independent auditors' report.

Washington Parish Sheriff's Office
Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities

For the year ended June 30,

2019

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
SHERIFF'S FUND				
ASSETS - Cash	\$ 245,714	\$ 924,932	\$ 1,037,562	\$ 133,084
LIABILITIES - Funds held in custody for other parties	\$ 245,714	\$ 924,932	\$ 1,037,562	\$ 133,084
TAX COLLECTOR FUNDS				
ASSETS - Cash	\$ 857,075	\$ 50,494,377	\$ 50,662,342	\$ 689,110
ASSETS - Due from Tax Payers	2,515,319	2,415,990	2,465,565	2,465,744
TOTAL	\$ 3,372,394	\$ 52,910,367	\$ 53,127,907	\$ 3,154,854
LIABILITIES - Funds held in custody for other parties	\$ 3,372,394	\$ 52,909,923	\$ 53,127,907	\$ 3,154,410
LIABILITIES -Due to WPSO General Fund	-	444	-	444
TOTAL	\$ 3,372,394	\$ 52,910,367	\$ 53,127,907	\$ 3,154,854
PRISON INMATE FUNDS				
ASSETS - Cash	\$ 66,963	\$ 419,334	\$ 442,460	\$ 43,837
LIABILITIES - Funds held in custody for inmates	\$ 36,945	\$ 308,448	\$ 315,551	\$ 29,842
LIABILITIES -Due to WPSO General Fund	30,018	110,886	126,909	13,995
TOTAL	\$ 66,963	\$ 419,334	\$ 442,460	\$ 43,837
OTHER FUNDS				
ASSETS - Cash	\$ 46,091	\$ 162,715	\$ 192,055	\$ 16,751
LIABILITIES - Funds held in custody for other parties	\$ 45,937	\$ 162,184	\$ 192,055	\$ 16,066
LIABILITIES -Due to WPSO General Fund	154	531	-	685
TOTAL	\$ 46,091	\$ 162,715	\$ 192,055	\$ 16,751
TOTALS-ALL AGENCY FUNDS				
ASSETS - Cash and investments	\$ 1,215,843	\$ 52,001,358	\$ 52,334,419	\$ 882,782
ASSETS - Due from Tax Payers	2,515,319	2,415,990	2,465,565	2,465,744
TOTAL	\$ 3,731,162	\$ 54,417,348	\$ 54,799,984	\$ 3,348,526
LIABILITIES:				
Funds held in custody for other parties	\$ 3,664,045	\$ 53,997,039	\$ 54,357,524	\$ 3,303,560
Due to WPSO general Fund	30,172	111,861	126,909	15,124
Funds held in custody for inmates	36,945	308,448	315,551	29,842
TOTAL	\$ 3,731,162	\$ 54,417,348	\$ 54,799,984	\$ 3,348,526

See independent auditors' report.



Carr, Riggs & Ingram, LLC
111 Veterans Boulevard
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Metairie, Louisiana 70005

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

Honorable Randy Seal, Sheriff
Washington Parish Sheriff's Office
Franklinton, 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 basic financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Washington Parish Sheriff's Office (the "Sheriff"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated January 17, 2020.

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 Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings that we consider to be material weaknesses as items 2019-001 and 2019-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2019-002 and 2019-04.

Sheriff's Response to Findings

The Sheriff's response to the findings identified in our audit is described in the accompanying corrective action plan. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this 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 Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Car, Riggs & Ingram, L.L.C.

January 17, 2020

Washington Parish Sheriff's Office
Schedule of Audit Findings
For the Year Ended June 30, 2019

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2019-001 Material Weakness – Inmate Fund Accounting and Record Keeping (Originated in 2019)

- Criteria:* Louisiana Administrative Code Title 22 Part III requires parish jails to establish a record system to record all income and expenditures in accordance with commonly accepted professional accounting practices as well as to account for inmate money and personal property.
- Condition:* The Sheriff's Office was not properly accounting for Inmate Fund and General Fund activity as revenues earned through jail sources and deposited into the Inmate Fund, such as the commissary and telephone revenues, were not recorded in the General Fund, with the money being spent directly from the Inmate Fund, circumventing the Sheriff's normal purchasing policies and procedures. These transactions went unrecorded in the Sheriff's financial statements, requiring material adjustments to revenues and expenses in the General Fund, including a prior period adjustment to the liability and due to/from accounts for related prior year activity. Adequate records for these expenses were not maintained and some purchases lacked proper supporting documentation.
- Cause:* The Sheriff does not have adequate controls in place to monitor cash disbursements from the inmate fund and to ensure that expenditures are correctly recorded in the appropriate fund. The Sheriff also lacks controls to ensure that all revenues received through the jail are being properly remitted and recorded into the General Fund.
- Effect:* The Sheriff was not in compliance with Louisiana Administrative Code regarding parish jails and the financial statements of the Sheriff required material adjustments for revenues and expenses in the General Fund. The lack of adequate recordkeeping and failure to comply with purchasing policies in the Inmate Fund presented a risk of spending funds belonging to inmates that the Sheriff is required to possess only on a custodial basis, with no legal right to spend.

Washington Parish Sheriff's Office
Schedule of Audit Findings
For the Year Ended June 30, 2019

2019-002 Non-compliance with Public Bid Law (Originated in 2019)

<i>Criteria:</i>	Public entities must follow Public Bid Law requirements per Louisiana Revised Statute (L.R.S.) 38.2211.
<i>Condition:</i>	During our testing of compliance, we noted that the Sheriff did not obtain three quotes for a purchase of supplies in excess of \$10,000, as required by Louisiana Public Bid Law.
<i>Cause:</i>	The Sheriff does not have adequate controls in place to monitor its expenditures in accordance with the public bid law.
<i>Effect:</i>	The Sheriff was not in compliance with the Louisiana Public Bid Law (L.R.S.) 38.2211.

2019-003 Material Weakness - Preparation of Financial Statements (Originated in 2016)

<i>Criteria:</i>	The Sheriff should have a system of internal accounting controls which ensure its basic financial statements are presented in accordance with generally accepted accounting principles.
<i>Condition:</i>	The Sheriff does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements. During our audit, we noted that the Sheriff's external accounting firm performed incomplete reconciliations of accounts receivable and payables, and these reconciliations were not reviewed by Sheriff personnel. We also noted that revenues and expenditures were not classified in the correct account or period. Both of these issues necessitated material adjustments to the Sheriff's financial statements, including a prior period adjustment related to the sales tax receivable and revenue.
<i>Cause:</i>	The Sheriff does not have adequate policies and procedures to prepare accurate and complete financial statements in accordance with U.S. generally accepted accounting principles.
<i>Effect:</i>	The Sheriff recorded significant adjustments identified in the audit process to ensure the financial statements were presented in accordance with U.S. generally accepted accounting principles.



**Washington Parish Sheriff's Office
Schedule of Audit Findings
For the Year Ended June 30, 2019**

2019-004 Compliance – Timely Submission to the Louisiana Legislative Auditor (Originated in 2019)

<i>Criteria:</i>	Louisiana Revised Statute 24:513, requires local auditees to submit audit reports to the Louisiana Legislative Auditor (LLA) no later than six months after the local auditee's fiscal year end.
<i>Condition:</i>	Governmental agencies must follow Louisiana Revised Statutes.
<i>Cause:</i>	The numerous material adjustments noted at 2019-001 prevented the audit from being completed by December 31, 2019. The Sheriff's Office filed for an extension with the LLA and received its approval.
<i>Effect:</i>	The Sheriff's office should submit audit reports to the Louisiana Legislative Auditor no later than six months after year end.

**Washington Parish Sheriff's Office
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019**

2018-001 Collateralization of Deposits

Condition Louisiana Revised Statute (L.R.S) 39.1225 requires banks to collateralize all public deposits in excess of federal depository insurance by a pledge of securities or a letter of credit.

Status Resolved.

2018-002 Non-compliance with Public Bid Law

Criteria: Public entities must follow Public Bid Law requirements per Louisiana Revised Statute (L.R.S.) 38.2211.

Status Resolved.

2018-003 Preparation of Financial Statements

Criteria: The Sheriff should have a system of internal accounting controls which ensure its basic financial statements are presented in accordance with generally accepted accounting principles.

Status Unresolved (See Finding 2019-003)



Randy "Country" Seal

Washington Parish Sheriff
Ex-Officio Tax Collector

Corrective Action Plan
January 17, 2020

Washington Parish Sheriff's Office respectfully submits the following corrective action plan for the year ended June 30, 2019

Name and address of independent public accounting firm:
Carr, Riggs & Ingram, LLC
111 Veterans Boulevard
Suite 350
Metairie, LA 70005

Audit Period:
Fiscal Year July 1, 2018 – June 30, 2019

Entity Contact Person for all findings: Brent Jones

The findings from the January 17, 2020 Schedule of Audit Findings are discussed below. The findings are numbered consistently with the number assigned in the Schedule of Audit Findings.

2019-001 – Inmate Fund Accounting and Support

Requirement: Louisiana Administrative Code Title 22 Part III requires parish jails to establish a record system to record all income and expenditures in accordance with commonly accepted professional accounting practices as well as to account for inmate money and personal property.

Action Taken: The Sheriff's management has taken necessary steps to implement appropriate internal controls to properly classify income and expenses as well as to account for inmate money and personal property.

2019-002 Non-compliance with Public Bid Law

Requirement: Public entities must follow Public Bid Law requirements per Louisiana Revised Statute (L.R.S.) 38.2211.

Action Taken: The Sheriff's management has taken necessary steps to implement a purchasing order system whereby purchase orders are submitted for review and consideration prior to an expense being incurred.

2019-003 Preparation of Financial Statements

Requirement: The Sheriff should have a system of internal accounting controls which ensure its basic financial statements are presented in accordance with generally accepted accounting principles.

Action Taken: The Sheriff's management has implemented QuickBooks accounting software and revised its system of internal accounting controls to resolve this finding.

2019-004 Timely Submission

Requirement: Louisiana Revised Statute 24:513, requires local auditees to submit audit reports to the Louisiana Legislative Auditor (LLA) no later than six months after the local auditee's fiscal year end.

Action Taken: The Sheriff filed for an extension with the Legislative Auditor, and the audit report was submitted in January.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Randy Seal
Washington Parish Sheriff's Office
1002 Main St.
Franklinton, Louisiana 70438
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by management of the Washington Parish Sheriff's Office (the "Sheriff") 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, 2018 through June 30, 2019. The Sheriff'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 results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

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

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

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

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

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

d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

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

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

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

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

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

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

i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

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

Results: Debt service is not applicable to the Sheriff's office.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Bank Reconciliations

2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: Exceptions noted. Date of preparation was undeterminable on all five bank reconciliations selected.

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

Results: Exceptions noted. No evidence of review on all five bank reconciliations selected.

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

Results: Exceptions noted. No evidence of research of outstanding items greater than 12 months from statement closing date on all five bank reconciliations selected.

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

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

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

4. For each location selected under #3 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

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

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

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

Results: Exceptions noted. The employee responsible for processing payments is not prohibited from adding/modifying vendor files, and another employee is not responsible for periodically reviewing changes to vendor files.

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

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

5. For each location selected under #3 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

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

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #4, as applicable.

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

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

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

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

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

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

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

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

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

8. Using the monthly statements or combined statements selected under #7 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

Contracts

9. Obtain from management a listing of all active vendors. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

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

Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

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

- b) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

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

- c) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

Ethics

10. Using 5 randomly selected employees/officials from payroll registers, obtain ethics documentation from management, and:

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

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

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

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

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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.

January 17, 2020



Randy "Country" Seal

Washington Parish Sheriff
Ex-Officio Tax Collector

January 17, 2020

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Baton Rouge, LA 70804-9397

And

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Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
Washington Parish Sheriff's Office

Dear Sirs:

Washington Parish Sheriff's Office will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,



Sheriff Randy Seal



Brent Jones