

**JACKSON PARISH SHERIFF  
JONESBORO, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2017**

Jackson Parish Sheriff  
Jonesboro, Louisiana  
June 30, 2017

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Jackson Parish Sheriff  
Jonesboro, Louisiana  
June 30, 2017

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# JACKSON PARISH SHERIFF

P. O. Box 303  
Jonesboro, LA 71458-0303

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Jackson Parish Sheriff, we offer readers of the Jackson Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Jackson Parish Sheriff as of and for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the Sheriff's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources. Certain comparative information is presented to provide an overview of the Sheriff's operations.

### FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities (Net Position) on June 30, 2017 and 2016, by \$13,189,937 and \$12,858,999, respectfully. The Sheriff's net position increased by \$330,938 as a result of this year's operations. Total Net Position is comprised of the following:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Capital assets, net of accumulated depreciation	\$ 627,769	\$ 649,176
Unrestricted Net Position which represents the portion available to maintain continuing obligations to citizens and creditors	<u>12,562,168</u>	<u>12,209,823</u>
Total Net Position	<u>\$13,189,937</u>	<u>\$12,858,999</u>

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Sheriff as a whole and present a longer-term view of the Sheriff's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

### FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Sheriff uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact as short-term financing decreases. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two views.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies and deposits held pending court action. The Sheriff reports these as agency funds.

#### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures, schedules of employer's share of net pension liability and contributions, schedule of compensation, benefits and other payments to the sheriff, and annual reporting requirement of sheriff as ex officio tax collector to LLA.

#### FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in Net Position may be observed and used to discuss the changing financial position of the Sheriff as a whole.

#### CAPITAL ASSETS

The Sheriff's investment in capital assets as of June 30, 2017 is \$627,769 (net of accumulated depreciation). This investment in capital assets includes office furniture, radios, vehicles and buildings. The Sheriff's major capital assets are vehicles. Additional information on the Sheriff's capital assets can be found on page 28 of this report.

#### LONG-TERM OBLIGATIONS

At the end of the fiscal year, the Sheriff had total long-term obligations of \$8,520,250, consisting of post-employment benefits and net pension liability.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2017</u>	<u>2016</u>
ASSETS:		
Current Assets-		
Cash & Cash Equivalents	\$19,092,450	\$18,521,160
Receivables	1,762,754	799,617
Due from Other Funds	90	90
Non-current Assets-		
Capital Assets (net)	<u>627,769</u>	<u>649,176</u>
Total Assets	<u>\$21,483,063</u>	<u>\$19,970,043</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 2,344,424</u>	<u>\$ 906,300</u>
LIABILITIES:		
Current Liabilities-		
Accounts Payable	\$ 1,323,439	\$ 584,892
Accrued Expenses	129,695	96,631
Non-current Liabilities-		
OPEB Payable	3,681,581	2,936,620
Net Pension Liability	<u>4,838,669</u>	<u>3,450,509</u>
Total Liabilities	<u>\$ 9,973,384</u>	<u>\$ 7,068,652</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 664,166</u>	<u>\$ 948,692</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 627,769	\$ 649,176
Unrestricted	<u>12,562,168</u>	<u>12,209,823</u>
Total Net Position	<u>\$13,189,937</u>	<u>\$12,858,999</u>

The Sheriff continues to maintain operations with no financing. This is an indication of the Sheriff's ability to pay obligations as they become due.

## Summary of Statement of Activities

Comparative data for government-wide information is presented to assist analysis. The following table provides a summary of the Sheriff's changes in Net Position:

	<u>2017</u>	<u>2016</u>
REVENUES:		
Charges for Services/Fines	\$11,037,658	\$10,976,924
Operating and Capital Grants	269,827	232,168
Ad Valorem Taxes	4,731,695	4,810,102
Miscellaneous	<u>294,245</u>	<u>304,387</u>
Total Revenues	\$16,333,425	\$16,323,581
EXPENSES:		
Public Safety	<u>16,002,487</u>	<u>15,194,358</u>
Change in Net Position	\$ <u>330,938</u>	\$ <u>1,129,223</u>

The change in Net Position for 2017 is \$330,938, which is a decrease of \$798,285 from the prior year. Total net position increased by 3% in the current year.

GOVERNMENTAL FUNCTIONAL EXPENSES

The functions of the Sheriff are public safety and law enforcement activities and parish-wide tax collections.

GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2017, revenues and expenditures were within the 5% variance allowed.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year 2017-2018 budget is forecasted to provide \$15,959,877 in estimated surplus and revenues to fund costs of \$15,934,160. Capital Outlay is budgeted in the amount of \$350,000 to be used for the acquisition of vehicles and other law enforcement equipment.

CONTACTING THE SHERIFF'S OFFICE

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations and demonstrate the Sheriff's commitment to public accountability. If you have additional questions about this report or would like to request additional information, contact Andy Brown, Sheriff, 500 East Court Street, Jonesboro, LA 71251.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

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### INDEPENDENT AUDITOR'S REPORT

Andy Brown, Sheriff  
of Jackson Parish  
500 East Court Street  
Jonesboro, LA 71251

#### Report on the Financial Statements

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

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion 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 and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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 management's discussion and analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The budgetary comparison schedule, schedule of employer's share of net pension liability, schedule of employer contributions, the schedule of compensation, benefits and other payments to agency head or chief executive officer, and the annual reporting requirement of sheriff as ex officio tax collector listed as required supplementary information in the table of contents and the statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule, schedule of employer's share of net pension liability, schedule of employer contributions, schedule of compensation, benefits and other payments to agency head or chief executive officer, annual reporting requirement of sheriff as ex officio tax collector and statement of changes in fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule, schedule of employer's share of net pension liability, schedule of employer contributions, schedule of compensation, benefits and other payments to agency head or chief executive officer, and statement of changes in fiduciary net position are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2017, 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 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.

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

November 20, 2017  
Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Statement of Net Position  
June 30, 2017

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$19,092,450
Due from Other Funds	90
Revenue Receivable	<u>1,762,754</u>
Total Current Assets	\$20,855,294
Non-current Assets-	
Capital Assets (Net)	<u>627,769</u>
Total Assets	\$ <u>21,483,063</u>
DEFERRED OUTFLOWS OF RESOURCES:	\$ <u>2,344,424</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 1,323,439
Accrued Expenses	<u>129,695</u>
Total Current Liabilities	\$ <u>1,453,134</u>
Long-term Liabilities-	
Other Post-employment Benefits	\$ 3,681,581
Net Pension Liability	<u>4,838,669</u>
Total Long-term Liability	\$ <u>8,520,250</u>
Total Liabilities	\$ <u>9,973,384</u>
DEFERRED INFLOWS OF RESOURCES:	\$ <u>664,166</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 627,769
Unrestricted	<u>12,562,168</u>
Total Net Position	\$ <u>13,189,937</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Statement of Activities  
June 30, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines Commissions, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public Safety	<u>\$16,002,487</u>	<u>\$11,037,658</u>	<u>\$269,827</u>	<u>\$ (4,695,002)</u>
		General Revenues:		
			Taxes-	
			Ad Valorem	\$ 4,731,695
			Nonemployer Pension Revenue	296,146
			Loss on Sale of Assets	(12,402)
			Miscellaneous	<u>10,501</u>
			Total General Revenues	<u>\$ 5,025,940</u>
			Change in Net Position	\$ 330,938
			Net Position at Beginning of Year	<u>12,858,999</u>
			Net Position at End of Year	<u>\$13,189,937</u>

The accompanying notes are an integral part of this statement

## FUND FINANCIAL STATEMENTS

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Balance Sheet-Governmental Funds  
June 30, 2017

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> Jury Service <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS:			
Cash & Cash Equivalents	\$19,081,525	\$10,925	\$19,092,450
Due from Other Funds	0	90	90
Revenue Receivable	<u>1,762,754</u>	<u>0</u>	<u>1,762,754</u>
Total Assets	<u>\$20,844,279</u>	<u>\$11,015</u>	<u>\$20,855,294</u>
LIABILITIES:			
Accounts Payable	\$ 1,323,439	\$ 0	\$ 1,323,439
Accrued Expenses	<u>129,695</u>	<u>0</u>	<u>129,695</u>
Total Liabilities	<u>\$ 1,453,134</u>	<u>\$ 0</u>	<u>\$ 1,453,134</u>
FUND BALANCE:			
Restricted for:			
Jury Notices	\$ 0	\$11,015	\$ 11,015
Unassigned	<u>19,391,145</u>	<u>0</u>	<u>19,391,145</u>
Total Fund Balance	<u>\$19,391,145</u>	<u>\$11,015</u>	<u>\$19,402,160</u>
Total Liabilities and Fund Balance	<u>\$20,844,279</u>	<u>\$11,015</u>	<u>\$20,855,294</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2017

Total Fund Balance for the Governmental Funds at June 30, 2017	\$19,402,160
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Capital Assets	2,015,116
Less, Accumulated Depreciation	(1,387,347)
Deferred Outflows of Resources used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Fund Balance Sheet-	2,344,424
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Other Post-employment Benefits	(3,681,581)
Net Pension Liability	(4,838,669)
Deferred Inflows of Resources are not due and payable in the current period and, therefore are not reported in the Governmental Fund Balance Sheet-	<u>(664,166)</u>
Total Net Position of Governmental Activities at June 30, 2017	<u>\$13,189,937</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2017

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> Jury Service <u>Fund</u>	Total Governmental <u>Funds</u>
REVENUES:			
Taxes-			
Ad Valorem	\$ 4,731,695	\$ 0	\$ 4,731,695
Fees, Fines, Commissions & Charges for Services-			
Civil & Criminal Fees	37,675	0	37,675
Commissions-Sheriff's Revenue Sharing	63,465	0	63,465
Commissions-Fines & Bonds	31,700	0	31,700
Commissions-Judicial Sales & Seizures	40,966	0	40,966
Commissions-Correctional Center	160,000	0	160,000
Prisoner Maintenance	7,040,420	0	7,040,420
Other Fees, Fines, Commissions & Charges for Services	183,372	1,455	184,827
Operating Grants & Contributions-			
State Supplemental Pay	231,785	0	231,785
State Revenue Sharing	38,042	0	38,042
Reimbursement-Correctional Center	3,478,605	0	3,478,605
Miscellaneous-			
Interest	<u>10,475</u>	<u>26</u>	<u>10,501</u>
Total Revenues	<u>\$16,048,200</u>	<u>\$ 1,481</u>	<u>\$16,049,681</u>
EXPENDITURES:			
Public Safety-			
Current-			
Personnel Services & Related Benefits	\$ 7,334,682	\$ 0	\$ 7,334,682
Operating Services	7,445,793	647	7,446,440
Materials & Supplies	274,840	0	274,840
Travel & Other Charges	19,048	0	19,048
Capital Outlay	<u>240,244</u>	<u>0</u>	<u>240,244</u>
Total Expenditures	<u>\$15,314,607</u>	<u>\$ 647</u>	<u>\$15,315,254</u>

Continued next page

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
For the Year Ended June 30, 2017

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> Jury Service <u>Fund</u>	Total Governmental <u>Funds</u>
Excess of Revenues over Expenditures	\$ 733,593	\$ 834	\$ 734,427
OTHER FINANCING SOURCES:			
Sale of Capital Assets	<u>28,390</u>	<u>0</u>	<u>28,390</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 761,983	\$ 834	\$ 762,817
Fund Balance-Beginning of Year	<u>18,629,162</u>	<u>10,181</u>	<u>18,639,343</u>
Fund Balance-End of Year	<u>\$19,391,145</u>	<u>\$11,015</u>	<u>\$19,402,160</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2017

Net Change in Fund Balance - Governmental Funds	\$ 762,817
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 these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	240,244
Depreciation expense on capital assets is reported in the Government-wide financial statements, but they do not require the use of current financial resources and are not reported in the Fund Financial Statements. Current year depreciation expense is	(220,860)
Governmental Funds report the entire amount received from sales of assets as revenues, but the undepreciated cost of the asset reduces the gain from the sale in the Statement of Activities	(40,791)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance	296,146
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance-	
Change in Pension Expense	38,343
Increases in Long-Term Debt are reflected as an increase in expenses on the Statement of Activities, but are not reported in the Governmental Funds	
Other Post-employment Benefits	(744,961)
Change in Net Position of Governmental Activities	<u>\$ 330,938</u>

The accompanying notes are an integral part of this statement.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Fiduciary Fund Type-Agency Funds  
Statement of Fiduciary Net Position  
For the Year Ended June 30, 2017

	Sheriff's Civil <u>Fund</u>	Sheriff's Criminal <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$8,267</u>	<u>\$174,113</u>	<u>\$4,072</u>	<u>\$186,452</u>
LIABILITIES:				
Due to Other Funds	\$ 0	\$ 90	\$ 0	\$ 90
Due to Other Governments	<u>8,267</u>	<u>174,023</u>	<u>4,072</u>	<u>186,362</u>
Unsettled Deposits	<u>\$8,267</u>	<u>\$174,113</u>	<u>\$4,072</u>	<u>\$186,452</u>

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Notes to Financial Statements  
June 30, 2017

**Introduction:**

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

As the chief law enforcement officer of the parish, the Sheriff has the responsibility of 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, and other community-involvement programs. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

In accordance with certain laws the Sheriff accounts for the collection and disbursement of bonds, fines and costs and forfeitures imposed by the district court.

1. **Summary of Significant Accounting Policies:**

A. 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 include 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 police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Notes to Financial Statements  
June 30, 2017

B. Basis of Presentation-

Government-Wide Financial Statements-

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

Fund Financial Statements-

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

Governmental Funds-

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422 is the Sheriff's only major fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary source of revenue is from revenues from the State of Louisiana for prisoner maintenance. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and various other reimbursements, fees, grants, and commissions. General operating expenditures are paid from this fund.

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#### Special Revenue Fund - Jury Service Fund

The special revenue fund is used to account for the proceeds of specific revenue sources. Those revenues are legally restricted to expenditures for specified purposes. Per criteria for Fund Financial Statements above, this fund is presented as a nonmajor fund in the governmental fund financial statements.

#### Fiduciary Funds-

##### Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements present a Statement of Fiduciary Net Position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds, which are custodial in nature (assets equal liabilities); do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

#### C. Measurement Focus/Basis of Accounting-

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

##### Accrual Basis - Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

##### Modified Accrual Basis - Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues "available"

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if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

D. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits

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.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an 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 useful lives by type of asset is as follows:

Furniture, computers	5 years
Vehicles	5 years
Radios	10 years
Buildings	25-40 years

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 (System) and additions to/deductions from the System' fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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#### Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

#### Equity Classifications

In the government-wide statements, equity is classified as Net Position 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 that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

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- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$19,391,145. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

E. Budget-

Prior to the beginning of each fiscal year, the Sheriff adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

F. Estimates-

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

G. Compensated Absences-

Employees are not allowed to carry leave forward from year to year, therefore, no entry is made for compensated absences.

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2. Levied Taxes:

The Sheriff levied the following millages for ad valorem taxes for 2016.

Constitutional	12.52	indefinite
Law Enforcement Sheriff	<u>8.43</u>	expires 2017
Total	20.95	

The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed. The property tax calendar is as follows:

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes due	December 31
Penalties & interest added	January 31 of ensuing year
Tax Sale	May 15 of ensuing year

Total assessed value was \$246,583,870 in 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property tax. In 2016, this homestead exemption was \$20,296,190 of the total assessed value. The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Compass Energy Operating, LLC	\$55,617,710	22.6%
ETC Tiger Pipeline	\$42,667,020	17.3%
Regency Intrastate Pipeline	\$22,242,930	9.0%
WestRock	\$19,597,910	7.9%
Enable Gas Transmission	\$11,773,780	4.8%

3. Cash and Cash Equivalents:

The cash and cash equivalents of the Sheriff are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Sheriff will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. 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. Louisiana Revised Statute 39:1229 imposes a statutory

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requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

At June 30, 2017, the Sheriff had cash and cash equivalents with a bank balances totaling \$19,668,217. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the Sheriff. All of the Sheriff's deposits were properly secured at June 30, 2017. Of the \$19,668,217 in bank balances, \$735,162 was secured by federal deposit insurance and \$18,933,055 was secured by pledged securities.

4. On-Behalf Payments:

Certain employees of the Jackson Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$231,785.

5. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2017, are as follows:

Governmental Activities	Balance 07-01-16	Additions	Deletions	Balance 06-30-17
Capital Assets:				
Office Furniture, Fixtures and Equipment	\$ 441,381	\$ 49,110	\$ 7,693	\$ 482,798
Radios	261,044	22,164	4,950	278,258
Vehicles	1,191,202	168,970	151,344	1,208,828
Buildings	<u>45,232</u>	<u>0</u>	<u>0</u>	<u>45,232</u>
Total Assets	<u>\$1,938,859</u>	<u>\$240,244</u>	<u>\$163,987</u>	<u>\$2,015,116</u>
Less, Accumulated Depreciation:				
Office Furniture, Fixtures and Equipment	\$ 317,475	\$ 40,422	\$ 897	\$ 357,000
Radios	171,690	16,792	1,416	187,066
Vehicles	782,291	162,175	120,883	823,583
Buildings	<u>18,227</u>	<u>1,471</u>	<u>0</u>	<u>19,698</u>
Total Depreciation	<u>\$1,289,683</u>	<u>\$220,860</u>	<u>\$123,196</u>	<u>\$1,387,347</u>
Net Capital Assets	<u>\$ 649,176</u>	<u>\$ 19,384</u>	<u>\$ 40,791</u>	<u>\$ 627,769</u>

Depreciation expense of \$220,860 for the year ended June 30, 2017, was charged to the Public Safety function.

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6. Receivables:

The following is a summary of receivables at June 30, 2017:

Class of Receivable – General Fund

Correctional Center Reimbursement	\$ 399,926
Deputy Supplemental pay	19,214
Fees, Charges and Commissions-	
Civil and Criminal Fees	3,242
Fines and Bonds	2,468
Judicial Sales & Seizures	1,651
Feeding and Keeping Prisoners	1,320,419
Other Fees, Fines, and Commissions	<u>15,834</u>
Total	<u>\$1,762,754</u>

7. Pension Plan:

*Plan Description*

The Sheriff contributes to the Sheriffs' Pension and Relief Fund (System) which is a cost-sharing multiple employer defined benefit pension plan established in accordance with the provisions of LA Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. Membership in the System is required for all eligible sheriffs and deputies. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.la.state.la.us](http://www.la.state.la.us).

*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.

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For members whose first employment making them eligible for membership in the system began on or after January 1, 2012:

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

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

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

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

Disability Benefits:

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

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Survivor Benefits:

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, 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 System 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 System who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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Cost of Living Adjustments:

Cost of living provisions for the System 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 fiscal year. For the year ending June 30, 2016, the actual employer contribution rate was 13.75% with an additional -0-% allocated from the Funding Deposit Account.

In accordance with state statute, the System also receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017. Non-employer contributions for the year ended June 30, 2017 were \$296,146.

The Sheriff's contractually required composite contribution rate for the year ended June 30, 2017 was 13.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Sheriff were \$734,507 for the year ended June 30, 2017.

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

At June 30, 2017, the Sheriff reported a liability of \$4,838,669 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Sheriff's proportion was .762368%, which was a decrease of .01172% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$738,888 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$43,028.

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In addition to the pension expense referred to in the preceding paragraph, the Sheriff also pays the plan members' required contribution for any employee with at least two years of service. For the year ended June 30, 2017, this amount is \$395,209.

At June 30, 2017, 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	\$ 0	\$507,522
Changes in assumption	395,305	0
Net difference between projected and actual earnings on pension plan investments	1,211,846	0
Changes in employer's proportion of beginning net pension liability	0	156,644
Differences between employer contributions and proportionate share of employer contributions	2,766	0
Subsequent Measurement Contributions	734,507	0
<b>Total</b>	<b>\$2,344,424</b>	<b>\$664,166</b>

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

Year ended June 30:	
2018	\$ 240,037
2019	240,037
2020	240,037
2021	240,037
2022	240,037
2023	240,037
2024	240,036
<b>Total</b>	<b>\$1,680,258</b>

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*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.6%, net of investment expense
Discount Rate	7.5%
Projected Salary Increases	5.5% (2.875% Inflation, 2.625% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries
Expected Remaining Service Lives	2016 – 7 years 2015 – 6 years 2014 – 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2016 were as follows:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Rate of Return</u>	
		<u>Real Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Equity Securities	60%	6.5%	3.9%
Bonds	25	1.9	0.5
Alternative Investments	15	4.3	0.6
Cash and Cash Equivalents	<u>-</u>	-	<u>-</u>
Totals	100%		5.0%
Inflation			<u>2.7</u>
Expected Arithmetic Nominal Return			<u>7.7%</u>

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

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*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

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

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
Employer's proportionate share of net pension liability	\$8,209,296	\$4,838,669	\$2,056,617

*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 Annual Financial Report at [www.la.la.gov](http://www.la.la.gov).

8. Post-employment Benefits Other Than Pensions:

*Plan Description.* The Jackson Parish Sheriff's medical and life insurance benefits are provided to employees upon actual retirement.

The Jackson Parish Sheriff pays 100% of the medical coverage for the retiree only, not dependents. The Sheriff also pays for life insurance coverage after retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 with at least 15 years of service.

Life insurance coverage is continued to retirees by election and is based on a blended rate for active employees and retirees. The Sheriff pays for life insurance of \$10,000 after retirement for retirees but it is based on the blended active/retired rate and there is thus an implied subsidy. Since GASB Codification Section P50 requires the use of "unblended" rates, the Sheriff used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

*Contribution Rates.* Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

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*Funding Policy.* Until Fiscal Year Ending June 30, 2009, the Jackson Parish Sheriff recognized the cost of providing post-employment medical and life benefits (the Jackson Parish Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Jackson Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$117,583 and \$108,873, respectively.

Effective with the Fiscal Year beginning July 1, 2009, the Jackson Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Normal Cost	\$501,556	\$482,265	\$392,838
30-year UAL amortization amount	<u>413,348</u>	<u>397,450</u>	<u>224,094</u>
Annual required contribution (ARC)	<u>\$914,904</u>	<u>\$879,715</u>	<u>\$616,932</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Beginning Net OPEB Obligation	\$2,936,620	\$2,205,095	\$1,698,923
Annual required contribution	914,904	879,715	616,932
Interest on Net OPEB Obligation	117,465	88,204	67,958
ARC Adjustment	<u>(169,825)</u>	<u>(127,521)</u>	<u>(98,249)</u>
OPEB Cost	\$ 862,544	\$ 840,398	\$ 586,641
Current year retiree premium	<u>(117,583)</u>	<u>(108,873)</u>	<u>(80,469)</u>
Change in Net OPEB Obligation	<u>\$ 744,961</u>	<u>\$ 731,525</u>	<u>\$ 506,172</u>
Ending Net OPEB Obligation	<u>\$3,681,581</u>	<u>\$2,936,620</u>	<u>\$2,205,095</u>

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Notes to Financial Statements  
June 30, 2017

The following table shows the Jackson Parish Sheriff's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for the last three fiscal years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2017	\$862,544	13.63%	\$3,681,581
June 30, 2016	\$840,398	12.95%	\$2,936,620
June 30, 2015	\$586,641	13.72%	\$2,205,095

*Funded Status and Funding Progress.* In the fiscal year ending June 30, 2017, 2016 and 2015, the Jackson Parish Sheriff made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$7,433,438, which is defined as that portion, as determined by a particular actuarial cost method (the Jackson Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Accrued Liability (AAL)	\$7,433,438	\$7,147,536	\$4,030,147
Actuarial Value of Plan Assets (AVP)	<u>0</u>	<u>0</u>	<u>0</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$7,433,438</u>	<u>\$7,147,536</u>	<u>\$4,030,147</u>
Funded Ratio (AVP/AAL)	0%	0%	0%
Covered Payroll (active plan members)	\$5,242,680	\$4,949,371	\$4,802,175
UAAL as a percentage of covered payroll	141.79%	144.41%	83.92%

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

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Notes to Financial Statements  
June 30, 2017

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

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

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

*Turnover Rate.* An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

*Post-employment Benefit Plan Eligibility Requirements.* The Jackson Parish Sheriff has assumed that actual retirement (and commencement of OPEB benefits) occurs at thirty years of service or, if earlier, three years after the earliest retirement (D.R.O.P. entry) eligibility described in the section entitled "Plan Description". Medical benefits are provided to employees upon actual retirement.

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

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

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

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Notes to Financial Statements  
June 30, 2017

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

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

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

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

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

	<u>OPEB Costs and Contributions</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
OPEB Cost	<u>\$586,641</u>	<u>\$840,398</u>	<u>\$862,544</u>
Contribution	\$ 0	\$ 0	\$ 0
Retiree Premium	<u>80,469</u>	<u>108,873</u>	<u>117,583</u>
Total Contribution & Premium	<u>\$ 80,469</u>	<u>\$108,873</u>	<u>\$117,583</u>
Change in net OPEB Obligation	<u>\$506,172</u>	<u>\$731,525</u>	<u>\$744,961</u>
% of Contribution to Cost	0%	0%	0%
% of Contribution Plus Premium to Cost	13.72%	12.95%	13.63%

9. Changes in Agency Balances:

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

<u>Governmental Activities</u>	<u>Balance 07-01-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-17</u>
Sheriff’s Civil Fund	\$ 6,570	\$ 239,888	\$ 238,191	\$ 8,267
Sheriff’s Criminal Fund	143,345	341,782	311,014	174,113
Tax Collector’s Fund	<u>2,574</u>	<u>25,123,945</u>	<u>25,122,447</u>	<u>4,072</u>
Total	<u>\$152,489</u>	<u>\$25,705,615</u>	<u>\$25,671,652</u>	<u>\$186,452</u>

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Notes to Financial Statements  
June 30, 2017

10. Leases:

On September 12, 1985, the Jackson Parish Sheriff entered into a 99-year property lease of three acres of land to be used as a firearms and training complex. Total consideration on this lease is \$10 for the entire lease period.

The Jackson Parish Sheriff entered into two property lease agreements as of June 30, 2012. The first lease at Lots 4, 5, and 6 of Block 38, Town of Jonesboro, LA for the patrol and K-9 offices. The term of this lease is for a period of five years beginning March 1, 2016 and ending on February 28, 2021 for a monthly lease amount of \$1,250. There is an option to renew for an additional five years at an increased monthly rate of \$1,500. The second lease was for use as an animal control shelter. The terms of this lease are for a period of four years beginning June 1, 2011 and ending on June 1, 2015 for a monthly lease amount of \$900, which was renewed for an additional four years.

11. State Revenue Sharing Funds:

The revenue sharing funds were distributed as follows:

Jackson Parish:	
Police Jury	\$ 94,678
School Board	75,485
Assessor	27,350
Ambulance Service District	3,907
Sheriff	101,507
Pension Funds	<u>9,865</u>
Total	<u>\$312,792</u>

12. Expenditures of the Sheriff's Office Paid by the Parish Police Jury:

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Jackson Parish Police Jury.

13. Related Parties:

There were no identified related party transactions.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Notes to Financial Statements  
June 30, 2017

14. Ex-officio Tax Collector:

The amount of cash on hand at year-end was \$4,072. The amount of taxes collected by taxing authority was:

Jackson Parish Police Jury	\$ 4,996,604
Jackson Parish School Board	5,752,414
Jackson Parish Sheriff	4,738,198
Jackson Parish Hospital	2,463,450
Jackson Parish Assessor	1,440,679
Jackson Parish Ambulance Service District	1,169,647
Jackson Parish Recreation District	1,139,154
Jackson Parish Council on Aging	583,735
LA Forestry Commission	25,315
LA Tax Commission	30,183
Jackson Parish Fire Districts	1,780,341
Pension Funds	<u>685,850</u>
 Total	 <u>\$24,805,570</u>

All assessed taxes after change orders approved by the LA Tax Commission were collected as of June 30, 2017.

15. Deferred Compensation Plan:

All the employees of the Jackson Parish Sheriff are eligible to participate in the State of Louisiana Public Employees Deferred Compensation Plan which is defined by Internal Revenue Code Section 457. Employees may contribute a portion of their salary to the plan on a pre-tax basis. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Jackson Parish Sheriff does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the current year, the Sheriff elected to match 60% of contributions for employees with twelve years of service. The contribution match increases by 5% each additional year of service, with a maximum of 100% match. During the current year, the Sheriff's contribution was \$21,136.

16. Subsequent Events:

Management has evaluated events through November 20, 2017, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Jackson Parish Sheriff  
Jonesboro, Louisiana  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes-				
Ad Valorem	\$ 4,800,000	\$ 4,800,000	\$ 4,731,695	\$ (68,305)
Fees, Fines, Commissions & Charges for Services-				
Civil & Criminal Fees	27,500	25,672	37,675	12,003
Sheriff's Revenue Sharing	60,973	60,973	63,465	2,492
Fines & Bonds	22,000	22,000	31,700	9,700
Judicial Sales & Seizures	22,000	38,701	40,966	2,265
Correctional Center	160,000	160,000	160,000	0
Prisoner Maintenance	7,023,047	6,209,335	7,040,420	831,085
Other Fees, Fines, Commissions & Charges for Services	141,326	123,602	183,372	59,770
Operating Grants & Contributions-				
State Supplemental Pay	236,000	226,707	231,785	5,078
State Revenue Sharing	38,060	38,060	38,042	(18)
Reimbursement-Correctional Center	3,588,655	3,544,547	3,478,605	(65,942)
Interest	<u>18,075</u>	<u>10,001</u>	<u>10,475</u>	<u>474</u>
Total Revenues	<u>\$16,137,636</u>	<u>\$15,259,598</u>	<u>\$16,048,200</u>	<u>\$ 788,602</u>
EXPENDITURES:				
Public Safety-				
Current-				
Personnel Services & Related Benefits	\$ 7,591,373	\$ 7,452,539	\$ 7,334,682	\$ 117,857
Operating Services	7,851,347	7,205,725	7,445,793	(240,068)
Materials & Supplies	423,500	316,758	274,840	41,918
Travel & Other Charges	25,000	19,410	19,048	362
Capital Outlay	<u>251,000</u>	<u>170,290</u>	<u>240,244</u>	<u>(69,954)</u>
Total Expenditures	<u>\$16,142,220</u>	<u>\$15,164,722</u>	<u>\$15,314,607</u>	<u>\$(149,885)</u>

Continued next page

See independent auditor's report and notes to the financial statements.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
General Fund  
Budgetary Comparison Schedule (continued)  
For the Year Ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues over Expenditures	\$ (4,584)	\$ 94,876	\$ 733,593	\$ 638,717
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets	<u>5,000</u>	<u>28,390</u>	<u>28,390</u>	<u>0</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 416	\$ 123,266	\$ 761,983	\$ 638,717
Fund Balance - Beginning of Year	<u>18,629,162</u>	<u>18,629,162</u>	<u>18,629,162</u>	<u>0</u>
Fund Balance - End of Year	<u>\$18,629,578</u>	<u>\$18,752,428</u>	<u>\$19,391,145</u>	<u>\$ 638,717</u>

See independent auditor's report and notes to the financial statements.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2017

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Sheriff's Pension and Relief Fund</i>					
2015	.775523%	\$3,689,858	\$5,129,060	71.94%	87.34%
2016	.774088%	\$3,450,509	\$4,900,340	70.41%	99.23%
2017	.762368%	\$4,838,669	\$5,543,450	87.29%	82.10%

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

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

Jackson Parish Sheriff  
Schedule of Employer Contributions  
For the Year Ended June 30, 2017

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Sheriff's Pension and Relief Fund</i>					
2015	\$730,891	\$730,891	\$0	\$5,129,060	14.25%
2016	\$670,934	\$670,934	\$0	\$4,900,340	13.69%
2017	\$734,507	\$734,507	\$0	\$5,543,450	13.25%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended June 30, 2016.

See independent auditor's report and notes to the financial statements.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2017

Agency Head Name: Andrew Brown, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$145,036
Sheriff's Expense Account	14,504
Benefits-Insurance	20,834
Benefits-Retirement	41,407
Deferred Compensation	3,500
Benefits-Other	2,625
Car allowance	0
Vehicle provided by government	0
Cell phone	0
Dues	114
Vehicle rental	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	2,719
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$230,739</u>

See independent auditor's report and notes to financial statements.

STATE OF LOUISIANA  
PARISH OF JACKSON

AFFIDAVIT

The Honorable Andrew N. Brown, Sheriff of Jackson Parish

BEFORE ME, the undersigned authority, personally came and appeared, Andrew N. Brown, the sheriff of Jackson Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$2,574 is the amount of cash on hand in the tax collector account on June 30, 2016;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2015, by taxing authority, are true and correct.

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

Sheriff of Jackson Parish

SWORN to and subscribed before me, Notary, this 1st day of December 2016, in my office in Jonesboro, Louisiana.  
(City/Town)

(Signature)

(Print), #  
Notary Public KAYNE PULLIG  
NOTARY PUBLIC # 057973  
STATE OF LOUISIANA (Commission)  
JACKSON PARISH  
MY COMMISSION IS FOR LIFE

SUPPLEMENTAL INFORMATION SCHEDULES

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Supplemental Information Schedules  
as of and for the Year Ended June 30, 2017

FIDUCIARY FUNDS - AGENCY FUNDS

SHERIFF'S FUNDS

The *Sheriff's Civil Fund* accounts for funds held in civil suits, sheriff's sales, and garnishments and the disbursement of these collections to the proper recipients in accordance with applicable laws.

The *Sheriff's Criminal Fund* accounts for collection of bonds, fines and costs and the disbursement of these collections to the proper recipients in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff serve as the collector of parish taxes and fees. The Tax Collector Fund is used to account for the collection of these taxes and fees and the resulting distribution to the appropriate taxing bodies.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Fiduciary Funds-Agency Funds  
Combining Schedule of Changes in Net Position  
For the Year Ended June 30, 2017

	Sheriff's Civil <u>Fund</u>	Sheriff's Criminal <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
Unsettled Balances-Beginning of Year	\$ <u>6,570</u>	\$ <u>143,345</u>	\$ <u>2,574</u>	\$ <u>152,489</u>
ADDITIONS:				
Deposits-				
Ad Valorem Taxes	\$ 0	\$ 0	\$24,805,570	\$24,805,570
State Revenue Sharing (see Note 11)	0	0	312,792	312,792
Interest- Demand Deposits	0	0	902	902
Sheriff's Sales	129,678	0	0	129,678
Garnishments	72,876	0	0	72,876
Bonds	0	99,020	0	99,020
Fines & Costs	0	242,361	0	242,361
Other Deposits	<u>37,334</u>	<u>401</u>	<u>4,681</u>	<u>42,416</u>
Total Additions	<u>\$239,888</u>	<u>\$341,782</u>	<u>\$25,123,945</u>	<u>\$25,705,615</u>
DEDUCTIONS:				
Deposits Settled to-				
Louisiana Department of Agriculture & Forestry	\$ 0	\$ 0	\$ 21,516	\$ 21,516
Jackson Parish-				
Police Jury	0	10,138	5,086,379	5,096,517
School Board	0	0	5,822,253	5,822,253
Sheriff	62,634	51,283	4,841,313	4,955,230
Recreation Department	0	0	1,138,035	1,138,035
Clerk of Court	17,675	21,712	2,460	41,847
Assessor	0	0	1,466,600	1,466,600
Ambulance Service District	0	0	1,172,406	1,172,406
Hospital Service District	0	0	2,461,032	2,461,032
Council on Aging	0	0	583,162	583,162
Quitman Fire Protection District No. 1	0	0	356,437	356,437
Ward 2 Fire Protection District	0	0	568,688	568,688
Ward 3 Fire Protection District	0	0	433,283	433,283
Ward 4 Fire Protection District	0	0	419,929	419,929

Continued next page

See independent auditor's report and notes to financial statements.

Jackson Parish Sheriff  
Jonesboro, Louisiana  
Fiduciary Funds-Agency Funds  
Combining Schedule of Changes in Net Position  
For the Year Ended June 30, 2017

	Sheriff's Civil <u>Fund</u>	Sheriff's Criminal <u>Fund</u>	Tax Collector <u>Fund</u>	<u>Total</u>
Pension Funds	\$ 0	\$ 0	\$ 694,831	\$ 694,831
Louisiana Tax Commission	0	0	30,144	30,144
Second Judicial District-				
District Attorney	0	37,792	0	37,792
District Judges	0	71,794	0	71,794
Indigent Defender Board	0	38,292	0	38,292
Attorney's, Litigants, Appraiser, etc.	80,890	0	0	80,890
Garnishments	73,009	0	0	73,009
Refunds	0	11,500	0	11,500
Other Settlements	3,983	54,049	23,979	82,011
Claiborne Parish Police Jury	0	10,600	0	10,600
La. Commission Law Enforcement	<u>0</u>	<u>3,854</u>	<u>0</u>	<u>3,854</u>
 Total Deductions	 <u>\$238,191</u>	 <u>\$311,014</u>	 <u>\$25,122,447</u>	 <u>\$25,671,652</u>
 Unsettled Balances-End of Year	 <u>\$ 8,267</u>	 <u>\$174,113</u>	 <u>\$ 4,072</u>	 <u>\$ 186,452</u>

See independent auditor's report and notes to financial statements.

## OTHER REPORTS

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Andy Brown, Sheriff  
of Jackson Parish  
500 East Court Street  
Jonesboro, LA 71251

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the major fund, fiduciary funds and the aggregate remaining fund information as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Jackson Parish Sheriff's (Sheriff) basic financial statements and have issued our report thereon dated November 20, 2017.

#### Internal Control over Financial Reporting

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Johnson, Thomas & Cunningham, CPA's*  
\_\_\_\_\_  
Johnson, Thomas & Cunningham, CPA's

November 20, 2017  
Natchitoches, Louisiana

Jackson Parish Sheriff  
Schedule of Audit Results  
Year Ended June 30, 2017

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Jackson Parish Sheriff as of and for the year ended June 30, 2017.
2. The audit did not disclose any material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings identified.

III. PRIOR YEAR AUDIT FINDINGS

No findings identified.

# Johnson, Thomas & Cunningham

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Andy Brown, Sheriff  
of Jackson Parish  
500 East Court Street  
Jonesboro, LA 71251

We have performed the procedures enumerated below, which were specified and agreed to by the Jackson Parish Sheriff to assist the agency in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended June 30, 2017. We are required to perform each procedure and report the results, including any exceptions. The Sheriff is responsible for internal controls and compliance with laws and regulations relative to the SAUPs and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

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

Our procedures and associated findings are enumerated below.

### *Written Policies and Procedures*

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

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

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

- **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.

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

- **Disbursements**, including processing, reviewing, and approving

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

- **Receipts**, including receiving, recording, and preparing deposits

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

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

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

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

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

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

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

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

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

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

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

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

*This section is not applicable to the Sheriff.*

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

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

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

- Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
  - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*The Sheriff is an elected official with no board oversight, no meetings or minutes are required.*

### ***Bank Reconciliations***

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

*We were provided with the listing by management.*

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

- Bank reconciliations have been prepared;

*The Sheriff has ten bank accounts total, and we selected the minimum of five bank accounts. We obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months, without exception.*

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

*Some of the bank reconciliations obtained did not contain evidence that management reviewed the bank reconciliations.*

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

*There were some items outstanding for more than 6 months at the end of the fiscal period.*

### *Collections*

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

*Management provided the listing as requested.*

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

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

*Management provided the documentation for the selected locations. There is only one cash register used by all employees that collect cash.*

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

*Management provided the documentation for the collection location and the Sheriff does have written policies and procedures related to the reconciling of cash collections to the general ledger, by a person who is not responsible for cash collections.*

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

*Management provided the required documentation for the selected deposits. The Sheriff does have set procedures that allow deposits to be made within one day. We noted that deposits were made within one business days of collection.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Collection documentation was obtained and no exceptions were noted.*

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

*Management provided the written procedures for collections, which addresses the process to determine completeness of collections.*

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

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

*We obtained the general ledger and sorted for disbursements. We obtained management's representation that the general ledger population was complete.*

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

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

*All other purchase disbursements selected were initiated using a purchase order system. Included in the selection were recurring routine transactions that did not require purchase orders based on the Sheriff's policies and procedures.*

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

*Each selection showed evidence of approval by a person who did not initiate the purchase, without exception.*

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

*All appropriate documentation was provided for each applicable selection, without exception.*

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

*The person responsible for processing payments is not prohibited from adding vendors to the Sheriff's purchasing system. The accounting system does not allow for this level of user restriction, however is monitored by management.*

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

*We obtained the required documentation and noted that persons with signatory authority are not responsible for initiating or recording purchases.*

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

*We noted all unused checks are kept in locked drawers.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*Not applicable – no signature stamps or machines are in use at the Sheriff's office.*

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

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

*Management provided the required listing.*

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

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

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

*Monthly statements were obtained and invoices were approved by someone other than the authorized card holder.*

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

*No finance charges or fees were noted.*

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

- For each transaction, we report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

*Original fuel receipts were provided for each transaction selected.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*We noted no exceptions in the selected transactions.*

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

*We noted no exceptions in the selected transactions.*

### Travel and Expense Reimbursement

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

*We compiled the listing of travel reimbursements from the general ledger. Management represented that the listing was complete.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*Policies were obtained. No amounts listed exceed GSA rates.*

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

- Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*We noted no exceptions with the Sheriff's written policies in the selected transactions.*

- Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*We were provided with an itemized receipt for each of the selected transactions, without exception.*

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

*No exceptions noted.*

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

*We noted all required documentation was provided with each of the selected transactions, without exception.*

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

*We noted no exceptions in the selected transactions.*

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

*No exceptions noted.*

### ***Contracts***

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

*Management provided the requested listing and representation.*

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

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

*Formal/written contracts were provided to support the agreements.*

- Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
  - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
  - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*No noncompliance noted.*

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

*We noted no amendment to the contract selected.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### ***Payroll and Personnel***

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

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

*No exceptions noted.*

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

*Changes made to hourly pay rates/salaries were approved in writing.*

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

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

*All of the 25 employees selected documented daily attendance and leave.*

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

*Supervisory approvals were noted on all selections, without exception.*

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

*We observed the written leave records maintained for all selections, without exception.*

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

*Terminated payments to employees were made in strict accordance with policy and were approved by management, without exception.*

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

*We obtained documentation relating to payroll taxes and retirement contributions. We discovered one payroll tax report was delinquent.*

#### ***Ethics (excluding nonprofits)***

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

*The five randomly selected employees which were selected for payroll and personnel procedures, completed the required ethics training. No exceptions were noted.*

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

*Per inquiry of management, there were no alleged ethics violations reported to the Sheriff during the fiscal period.*

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

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

*Not applicable – No debt was issued during the fiscal period.*

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

*The Sheriff had no outstanding debt during the fiscal period.*

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

*The Sheriff had no tax millages related to debt service.*

**Other**

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

*Per discussion with the Sheriff, there were no funds or assets misappropriated during the period.*

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

*We viewed the notice required by R.S. 24:523.1 posted on the Sheriff's premises. The Sheriff does not have a website.*

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

*Not applicable – no exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of Jackson Parish Sheriff and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

November 20, 2017  
Natchitoches, Louisiana

Jackson Parish Sheriff  
Management's Response to Exceptions to  
Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2017

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 4: The Sheriff will implement procedures to ensure that he has reviewed each bank reconciliation.
- Item 6: The Sheriff does not receive a significant amount of cash during the year and he does not feel that having multiple cash registers is economically feasible.
- Item 25: The Sheriff will ensure that all payroll and retirement reports are submitted by the required deadlines.