

# **WINN PARISH SHERIFF**

FINANCIAL REPORT  
JUNE 30, 2017

SHANNA JONES, CPA  
WINNFIELD, LOUISIANA

**WINN PARISH SHERIFF**  
**FINANCIAL REPORT**  
JUNE 30, 2017

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## **Winn Parish Sheriff**

P. O. Box 950  
Winnfield, LA 71483

### **MANAGEMENT'S DISCUSSION & ANALYSIS**

The Management's Discussion and Analysis of the Winn Parish Sheriff's (the Sheriff) financial performance presents a narrative overview and analysis of Winn Parish Sheriff's financial activities for the years ended June 30, 2017 and 2016. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### **FINANCIAL HIGHLIGHTS**

The Sheriff's net position on June 30, 2017 and June 30, 2016 were \$1,789,531 and \$1,039,401 respectively. The positive net position includes Other Post Employment Benefit Obligation as required GASB Statement No. 45, which is an actuarial calculation showing the estimated future costs of health and other benefits to retirees during their employment. It also includes Net Pension Liability as required by GASB Statement No. 68, which is an actuarial calculation showing the estimated future costs of retirement and other benefits to retirees during their employment.

The Sheriff has \$4,377,612 in Capital Assets as of June 30, 2017 with \$1,940,136 in debt associated with it. This includes Land purchased and Construction in Progress for costs toward the new jail. The construction in progress recorded in the General Fund for prior year capital outlay was transferred out to the Capital Projects Fund. As this is restatement of expenses and transfers out it does not affect the related prior year Fund Balances. The current year General Fund expenditures related to the jail were transferred out to the Capital Projects Fund during the fiscal year end.

Fiscal year ending June 30, 2017 showed an increase of \$69,796 in Personnel and Related Benefits. These costs continue to be the largest expenditure for the Sheriff as \$1,858,992 and \$1,789,196 were spent during fiscal years ended June 30, 2017, and June 30, 2016 respectively. Overall, the Sheriff decreased public safety expenditures by \$231,194 in the fiscal year ended June 30, 2017 as compared to June 30, 2016 while managing to increase investments, cash and cash equivalents by \$345,552.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Winn Parish Sheriff's financial position and results of operations from differing perspectives which are described as follows:

**GOVERNMENTAL-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.

# Winn Parish Sheriff

## MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

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 fund balance sheet and the governmental fund 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, deposits for inmate commissary, 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.

### 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.

## Winn Parish Sheriff

### MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

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

#### Summary of Statement of Net Position

	2017	2016
<b>Assets:</b>		
Current:		
Cash & Cash Equivalents	\$ 862,775	\$ 1,019,871
Investments	2,011,168	1,508,520
Receivables	259,008	242,051
Due from Other Funds	-	1,955
Prepaid Expenses	14,299	15,050
Non-Current:		
Restricted Cash	39,340	28,710
Capital Assets (Net of Depreciation)	4,377,612	1,245,005
Total Assets	7,564,202	4,061,162
 <b>Deferred Outflows:</b>		
Pension Related	698,804	456,367
Total Assets & Deferred Outflows	8,263,006	4,517,529
 <b>Liabilities:</b>		
Current:		
Accounts Payable	516,782	39,556
Accrued Payroll & Related Liabilities	60,863	65,639
Due from Other Funds	2,210	-
Retainage Payable	282,072	-
Non-Current:		
Net Pension Liability	930,544	626,540
Other Post Employment Benefits	2,635,601	2,589,104
Interim Loans	1,940,136	-
Total Liabilities	6,368,208	3,320,839
 <b>Deferred Inflows:</b>		
Pension Related	105,267	157,289
 <b>Net Position:</b>		
Invested in Capital Assets, Net of Debt	2,437,476	1,245,005
Restricted	( 719,386)	28,710
Unrestricted	71,441	( 234,314)
Total Net Position	\$ 1,789,531	\$ 1,039,401

## Winn Parish Sheriff

### MANAGEMENT'S DISCUSSION & ANALYSIS (continued)

Rather than present the Statement of Net Activities, this comparative data shows a Summary of Changes in of Net Position:

	2017	2016
<b>Revenues:</b>		
Program Revenues—		
Charges for Services, Fines, Commissions	\$ 553,352	\$ 510,416
Operating Grants & Contributions	269,596	191,622
Capital Grants & Contributions	29,763	35,077
General Revenues—		
Ad Valorem Taxes	1,424,491	1,345,497
Sales Taxes	945,716	980,661
Non-Employer Pension Contributions	56,953	52,629
State Revenue Sharing	104,880	101,457
Miscellaneous & Interest	28,172	22,477
Gain on Sale/Retirement of Assets	2,744	11,635
Total Revenues	3,415,667	3,251,471
<b>Expenses:</b>		
Public Safety	2,665,537	2,896,731
Changes in Net Position	\$ 750,130	\$ 354,740

#### GOVERNMENTAL FUNCTION OF EXPENSES

The total function of the Sheriff is public safety and law enforcement activities.

#### GENERAL BUDGETARY HIGHLIGHTS

For the year ended June 30, 2017, total revenues and other financing sources as well as total expenditures and other financing uses were within the 5% favorable variance allowed by state law. For the next fiscal year ending June 30, 2018 changes affecting liquidity are proposed to include additional borrowing of funds for new jail and spending within means as possible.

#### 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 Cranford Jordan, Sheriff, P. O. Box 950, Winnfield, LA 71483.

# *Shanna Jones, CPA*

*795 Big Creek Rd  
Winnfield, LA 71483  
792-8544*

## INDEPENDENT AUDITOR'S REPORT

Cranford Jordan, Sheriff  
of Winn Parish  
P.O. Box 950  
Winnfield, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the major fund, the aggregate remaining fund information of Winn Parish 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund, and the aggregate remaining fund information of the Winn Parish Sheriff as of June 30, 2017, and the respective changes in financial position thereof 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 Management's Discussion and Analysis on pages M1 through M4, the Budgetary Comparison Schedule presented on pages 34, the Schedule of the Sheriff's Proportionate Share of the Net Pension Liability on page 36, and the Schedule of the Sheriff's Contributions on page 37, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate operation, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming an opinion on the Sheriff's basic financial statements. The Agency Funds and their Statement of Collections, Distributions, and Unsettled Deposits-Agency Funds presented on page 39 and listed in the Table of Contents as Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements but is required by the Governmental Accounting Standards Board. The Schedule of Expenditures of Federal Awards on page 42 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Statement of Collections, Distributions, and Unsettled Deposits-Agency Funds and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As amended by Act 462 of 2015, Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 41, in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required governmental entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Village's management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 53-63. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 64-66. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a reported dated December 7, 2017, on my consideration of the Winn Parish Sheriff's internal control over financial reporting and my 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 my 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 Winn Parish Sheriff's internal control over financial reporting and compliance.



Shanna Jones, CPA  
Winnfield, Louisiana  
December 7, 2017

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

**WINN PARISH SHERIFF**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 862,775
Investments	2,011,168
Receivables	259,008
Prepaid Expenses	<u>14,299</u>
Total Current Assets	3,147,250
Non-Current Assets:	
Restricted Cash	39,340
Capital Assets	
Depreciable (Net)	627,722
Non-Depreciable	<u>3,749,890</u>
Total Non-Current Assets	<u>4,416,952</u>
Total Assets	7,564,202
<b>Deferred Outflows:</b>	
Pension Related	<u>698,804</u>
Total Assets & Deferred Outflows	8,263,006
<b>Liabilities:</b>	
Current Liabilities:	
Accounts Payable	516,782
Payroll and Related Liabilities	60,863
Due to Other Funds	2,210
Retainage Payable	<u>282,072</u>
Total Current Liabilities	861,927
Long-Term Liabilities:	
Other Post Employment Benefits	2,635,601
Net Pension Liability	930,544
Interim Loans	<u>1,940,136</u>
Total Long-Term Liabilities	5,506,281
Total Liabilities	6,368,208
<b>Deferred Inflows:</b>	
Pension Related	105,267
<b>Net Position:</b>	
Invested in Capital Assets, Net of Related Debt	2,437,476
Restricted	( 719,386)
Unrestricted	<u>71,441</u>
Total Net Position	<u>\$ 1,789,531</u>

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

**WINN PARISH SHERIFF**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u> <u>Revenue &amp; Changes</u> <u>in Net Position</u> <u>Government Activities</u>
		<u>Fines, Fees, Commissions &amp; Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	
Governmental Activities:					
Public Safety	\$ 2,665,537	\$ 553,352	\$ 269,596	\$ 29,763	\$ ( 1,812,826)
General Revenues:					
Taxes:					
					1,424,491
Ad Valorem					
Sales					945,716
Non-Employer Pension Contrib.					56,953
State Revenue Sharing					104,880
Interest Earnings					5,934
Miscellaneous					22,238
Gain (Loss) on Sale of Assets					2,744
Total General Revenues					2,562,956
Change in Net Position					750,130
Net Position July 1, 2016					1,039,401
Net Position June 30, 2017					\$ 1,789,531

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

## FUND FINANCIAL STATEMENTS

**WINN PARISH SHERIFF**  
**BALANCE SHEET—GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	Major	Funds	Non-Major	Total
	General	Capital Project	Fund DARE	Governmental Funds
<b>Assets:</b>				
Current Assets:				
Cash & Cash Equivalents	\$ 862,775	\$		\$ 862,775
Investments	2,011,168			2,011,168
Receivables	253,461		\$ 5,547	259,008
Prepaid Expenses	14,299			14,299
Non-Current Assets:				
Restricted Cash	-	1	39,339	39,340
Total Assets	3,141,703	1	44,886	3,186,590
<b>Liabilities:</b>				
Current Liabilities:				
Accounts Payable	34,581	481,579	622	516,782
Payroll & Related Liabilities	60,863			60,863
Due to Other Funds	2,210			2,210
Retainage Payable	-	282,072		282,072
Total Liabilities	97,654	763,651	622	861,927
<b>Fund Balances:</b>				
Nonspendable	14,299			14,299
Restricted	-	( 763,650)	44,264	( 719,386)
Unassigned	3,029,750			3,029,750
Total Fund Balances	3,044,049	( 763,650)	44,264	2,324,663
Total Liabilities & Fund Balances	\$ 3,141,703	\$ 1	\$ 44,886	\$ 3,186,590

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

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

Total Fund Balances for the Governmental Funds at June 30, 2017		\$ 2,324,663
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Deferred Outflows—Pension Related		698,804
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Non-Depreciable	3,749,890	
Depreciable	1,353,832	
Less: Accumulated Depreciation	<u>( 726,110)</u>	4,377,612
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:		
Interim Loan Proceeds		( 1,940,136)
Net Pension Liability		( 930,544)
Deferred Inflows—Pension Related		( 105,267)
Other Post-Employment Benefits		<u>( 2,635,601)</u>
Total Net Position of Governmental Activities at June 30, 2017		<u>\$ 1,789,531</u>

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

**WINN PARISH SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Major Funds		Non-Major	Total
	General	Capital Project	Fund DARE	Governmental Funds
<b>Revenues:</b>				
Taxes:				
Ad Valorem	\$ 1,424,491			\$ 1,424,491
Sales	945,716			945,716
Fines, Fees, Commissions & Charges for Services:				
Civil & Criminal Fees	74,004			74,004
Commissions-Taxes	5,387			5,387
Commissions-Fines & Bonds	37,959		\$ 3,990	41,949
Prisoner Maintenance	256,215			256,215
Other Fines, Fees, Commissions & Charges for Services	175,797			175,797
Intergovernmental:				
Federal Grants	155,497			155,497
State Funding:				
Grants	5,165		22,806	27,971
Supplemental Pay	88,582			88,582
Revenue Sharing	104,880			104,880
Other Grants	24,339			24,339
Miscellaneous:				
Interest Earned	5,934			5,934
Donations	-		2,970	2,970
Other	22,238			22,238
<b>Total Revenues</b>	<b>3,326,204</b>	<b>-</b>	<b>29,766</b>	<b>3,355,970</b>
<b>Expenditures:</b>				
Public Safety—Current:				
Personnel & Related Benefits	1,858,992			1,858,992
Operating Services	287,423			287,423
Materials & Supplies	202,694		16,700	219,394
Training, Travel & Other	32,324			32,324
Capital Outlay	241,833	3,049,050		3,290,883
<b>Total Expenditures</b>	<b>2,623,266</b>	<b>3,049,050</b>	<b>16,700</b>	<b>5,689,016</b>
Excess (Deficiency) of Revenues over Expenditures	702,938	( 3,049,050)	13,066	( 2,333,046)

(Continued)

**WINN PARISH SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Major Funds</u>		Non-Major	Total
	<u>General</u>	<u>Capital Project</u>	<u>Fund DARE</u>	<u>Governmental Funds</u>
<b>Other Financing Sources/(Uses):</b>				
Capital Asset Sales	6,611	-	-	6,611
Interim Loan Proceeds	-	1,940,136	-	1,940,136
Transfers In/(Out)	<u>( 345,264)</u>	<u>345,264</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/(Uses)	( 338,653)	2,285,400	-	1,946,747
 Excess of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	364,285	( 763,650)	13,066	( 386,299)
 Fund Balances—Beginning of Year	<u>2,679,764</u>	<u>-</u>	<u>31,198</u>	<u>2,710,962</u>
 Fund Balances—End of Year	<u>\$ 3,044,049</u>	<u>\$( 763,650)</u>	<u>\$ 44,264</u>	<u>\$ 2,324,663</u>

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

(Concluded)

**WINN PARISH SHERIFF**  
**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 Balances—Governmental Funds	\$ ( 386,299)
<p>Amounts reported for Governmental Activities  in the Statement of Activities are different because:</p>	
<p>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</p>	
	3,290,883
<p>Depreciation expense on Capital Assets is reported in  the Government-wide Financial Statements, but  does not require the use of current financial resources  and is not reported in the Fund Financial Statements.  Current year depreciation expense is</p>	
	( 154,409)
<p>Governmental Funds report the entire amount received from the  Sales of Assets as Revenues, but the undepreciated cost of the  assets reduces the gain from the sale in the Statement of Activities.</p>	
	( 3,867)
Loan Proceeds	( 1,940,136)
<p>Increases in Other Post Employment Benefits are reflected  as an increase in Expenses on the Statement of Activities,  but are not reported in the Governmental Fund.</p>	
	( 46,497)
Non-employer Contributions to Cost-sharing Pension Plan	56,953
Pension Expense (Benefit)	<u>( 66,498)</u>
Net Change in Net Position per Statement of Activities	<u>\$ 750,130</u>

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

**WINN PARISH SHERIFF**  
**STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Civil</u>	<u>Cash Bond</u>	<u>Tax Collector</u>	<u>Inmate</u>	<u>Totals</u>
Assets:					
Cash & Cash Equivalents	\$ 9,345	\$ 69,375	\$ 44,296	\$ 27,359	\$ 150,375
Investments	-	-	4,307	-	4,307
Due from Other Funds	<u>-</u>	<u>60</u>	<u>2,150</u>	<u>-</u>	<u>2,210</u>
 Total Assets	 <u>9,345</u>	 <u>69,435</u>	 <u>50,753</u>	 <u>27,359</u>	 <u>156,892</u>
Liabilities:					
Due to Other Funds	-	-	-	-	-
Due to Others	<u>9,345</u>	<u>69,435</u>	<u>50,753</u>	<u>27,359</u>	<u>156,892</u>
 Total Liabilities	 <u>9,345</u>	 <u>69,435</u>	 <u>50,753</u>	 <u>27,359</u>	 <u>156,892</u>
 Net Position	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**WINN PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1—INTRODUCTION**

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

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

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

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Winn Parish Sheriff conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of applicable Louisiana Revised Statutes and to the guides set forth in the *Louisiana Governmental Audit Guide*.

Reporting Entity

Governmental Accounting Standard Board (GASB) Statement No. 61 amended No 14's established the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under these provisions, the Winn Parish Sheriff is considered a primary government, since the Sheriff is an independently elected parish official and is not fiscally dependent on any other governmental entity. The primary government is required to consider all entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The accompanying financial statements present information only on the funds that comprise the Winn Parish Sheriff, the primary government.

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Basis of Presentation

Government-Wide Financial Statements (GWFS):

GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the Sheriff has implemented GASB Statement No. 63 for the fiscal year end June 30, 2013.

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all governmental funds of the reporting entity. 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 (FFS):

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

Governmental Funds:

General Fund—The General Fund is the principal fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary source of revenue is ad valorem taxes levied by the law enforcement district. Other sources of revenue include one-half cent sales taxes levied in parish, commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, and various other reimbursements, fees, grants, and commissions. General operating expenditures are paid from this fund.

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Capital Projects Fund—The Capital Projects fund was opened by the Sheriff for the purpose of separately recording the construction in progress and related interim debt funding of the jail facilities for the law enforcement district. Transferring out of the General Fund prior year capital outlay expenditures noted as construction in progress and totaling \$620,727 to the Capital Projects Fund would not change the related beginning fund balances as this is a reclassification of expenses to transfers out. Expenditures from the General Fund for construction in progress related to the jail in the current year were transferred out in the current year.

DARE Fund—The DARE Fund was created by the Sheriff for the purpose of assisting management with adhering to restrictions on spending in place by the funding source. It is the only nonmajor governmental fund at this time.

**Fiduciary Funds:**

Agency Funds—The Civil, Tax Collector, Cash Bond, and Inmate Funds are used to account for assets held as an agent for various taxing bodies (tax collections), deposits for inmate commissary, and for deposits held pending court action. Disbursements from these funds are made to various parish agencies, litigants in suits, etcetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations and, accordingly, have no measurement focus.

Measurement Focus and 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.

Accrual Basis—Government-Wide Financial Statements (GWFS)

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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the exchange.

Modified Accrual Basis—Fund Financial Statements (FFS)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected 60 days after year end. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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Assets Liabilities and Equity

Cash and Cash Equivalents—The Sheriff’s cash is considered to be the cash in demand deposits and interest bearing deposits. Cash equivalents include all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates.

Investments—The Sheriff’s investments are limited by LA RS 33:2955. During the fiscal year certificates of deposits with maturities of greater than 90 days are considered investments.

Capital Assets—The Sheriff reports property and equipment in the governmental activities column in the GWFS. Capital assets are carried at historical 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. Also the Sheriff’s FFS expense assets as capital outlays in the year occurring.

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. The assets estimated useful lives are as follows:

Equipment and Furniture	5 - 12 years
Vehicles	5 years
Buildings	40 years

Compensated Absences—Employees are not allowed to carry leave forward from year to year, however policy change has vacation payable upon termination. Therefore, there is an entry made for compensated absences payable as of the fiscal year end.

Equity Classifications—In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position—Net position 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 provisions or enabling legislation.

**WINN PARISH SHERIFF**  
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Unrestricted Net Position—All other net position that does not meet the definition of “restricted” or “invested in capital assets.”

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the Sheriff implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. 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;
- 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; positive amounts are reported only in the general fund.

The General Fund, a major governmental fund, has a nonspendable fund balance of \$14,299 which represents prepaid expenses. The remaining fund balance of \$3,029,750 is classified as unassigned. The Construction Fund has a restricted fund deficit of \$763,650. The DARE Fund as the only nonmajor governmental fund has a restricted fund balance of \$44,264.

Pension Plan—The Winn Parish Sheriff is a participating employer in a cost-sharing, multiple employer defined benefit pension plan as described in Note 10. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan. A separate audited report on the plan is available on the Louisiana Legislative Auditor’s website.

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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 budgeted appropriations lapse at the end of each fiscal year. The budget is prepared on the modified accrual basis of accounting.

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

**NOTE 3—AD VALOREM TAXES**

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem taxes. Property taxes are levied by the Sheriff on property values assessed by the Winn Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Sheriff levied the following ad valorem taxes for 2016:

	<u>Authorized</u>	<u>Levied</u>
Law Enforcement District #1	11.20	11.20
Law Enforcement District #2	9.49	9.49

The Sheriff’s Law Enforcement District # 1 millage was established by the Louisiana constitution and does not expire while the Law Enforcement District # 2 millage for 9.49 expires in the year 2020, as voted by electors in Winn Parish.

The Sheriff recognizes property tax revenues when levied. The property tax calendar is as follows:

<u>Property Tax Calendar</u>	
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 for the Sheriff was \$85,767,450 in 2016. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption for the Sheriff was a total of \$17,235,697 of the assessed value in 2016.

**WINN PARISH SHERIFF**  
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**NOTE 4—SALES TAX**

On November 16, 2014, the voters of Winn Parish passed a one-half cent sales tax for operations of the Sheriff. This perpetuity sales tax was levied effective January 1, 2014. The Winn Parish School Board collects and remits this sales tax. It currently serves as collateral for the debt related to the construction of the jail facilities.

**NOTE 5—CASH AND CASH EQUIVALENTS**

At June 30, 2017, the carrying amount of the Sheriff's cash and cash equivalents of governmental and fiduciary funds (collected bank balances) totaled \$1,059,121 at one financial institution, \$1 at another and \$5,194 at a third financial institution. This includes a certificate of deposit with a maturity of less than 90 days. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of entity by the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the Sheriff's deposits were secured from risk by federal deposit insurance of \$250,000 at each financial institution, and the remainder by either a letter of credit or pledged securities in the name entity by the fiscal agent banks with a market value greater than the remaining amounts.

**NOTE 6—INVESTMENTS**

At June 30, 2017, the carrying amount of the Sheriff's investments of governmental and fiduciary funds (collected bank balances) totaled \$2,015,475 at a financial institution. This is comprised of certificates of deposit with maturities of greater than 90 days. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of entity by the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the Sheriff's deposits were secured from risk by federal deposit insurance of \$250,000 at the financial institution, and the remainder by pledged securities in the name entity by the fiscal agent bank with a market value greater than the remaining amount.

**WINN PARISH SHERIFF**  
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**NOTE 7—REVENUES RECEIVABLE**

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

	<u>General</u>	<u>DARE</u>
Prisoner Maintenance	\$ 35,358	
Commission-Fines & Bonds	3,878	
Other Fees, Fines, and Commissions	11,406	\$ 282
Intergovernmental-Sup. Pay	8,000	
Ad Valorem Taxes	1,556	
Sales Taxes	162,174	
Grants	28,728	5,265
Interest	2,151	
Miscellaneous	210	
Total	<u>\$ 253,461</u>	<u>\$ 5,547</u>

**NOTE 8—DUE FROM/TO OTHER FUNDS**

At June 30, 2017 amounts due from and to other Sheriff funds are as follows:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General		\$ 2,210
Tax Collector	\$ 2,150	
Cash Bond	60	

The interfund balances resulted from normal settlements between funds.

**NOTE 9—CAPITAL ASSETS**

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

<u>Governmental</u> <u>Activities</u>	<u>Balance</u> <u>07/01/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/17</u>
Capital Assets—NonDepreciable:				
Land	\$ 80,113	\$ -	\$ -	\$ 80,113
Construction in Progress	<u>620,727</u>	<u>3,049,050</u>	<u>-</u>	<u>3,669,777</u>
Total NonDepreciable Assets	<u>700,840</u>	<u>3,049,050</u>	<u>-</u>	<u>3,749,890</u>
Capital Assets—Depreciable:				
Furniture and Equipment	486,396	84,217	13,213	557,400
Vehicles	518,561	132,648	37,176	614,033
Buildings	157,431	-	-	157,431
Land Improvements	<u>-</u>	<u>24,968</u>	<u>-</u>	<u>24,968</u>
Total Depreciable Assets	<u>1,162,388</u>	<u>241,833</u>	<u>50,389</u>	<u>1,353,832</u>
Total Capital Assets	<u>1,863,228</u>	<u>3,290,883</u>	<u>50,389</u>	<u>5,103,722</u>

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Governmental <u>Activities</u>	Balance <u>07/01/16</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/17</u>
Less Accumulated Depreciation:				
Furniture and Equipment	295,262	68,739	13,213	350,788
Vehicles	273,219	78,825	33,309	318,735
Buildings	49,742	5,874	-	55,616
Land Improvements	<u>-</u>	<u>971</u>	<u>-</u>	<u>971</u>
Total Accum. Depreciation	<u>618,223</u>	<u>154,409</u>	<u>46,522</u>	<u>726,110</u>
Net Capital Assets	<u>\$1,245,005</u>			<u>\$4,377,612</u>

Depreciation expense for the year ended June 30, 2017 of \$154,409 is charged to the public safety expenditures.

**NOTE 10—PENSION PLAN**

*Plan Description*—Substantially all employees of the Winn Parish Sheriff participate in the Louisiana Sheriffs’ Pension and Relief Fund (“System”). The Sheriffs’ Pension and Relief Fund is a multiple employer (cost-sharing) defined benefit, statewide public employee retirement system (PERS) that is administrated and controlled by a separate board of trustees.

All sheriffs, deputies, and other employees who are 18 years or older at the time of original employment, who earn per month not less than \$400 if employed after September 7, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed between January 1, 2000 and December 31, 2012; and \$1,000 if employed after January 1, 2013, are required to participate in the System. Employees whose employment began before January 1, 2012 are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. Those employed originally after January 1, 2012, are eligible to retire at 62 years of age with 12 years of creditable service, at 60 with 20 years of service and at 55 with 30 years of service. The retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary for employees hired before June 30, 2006, is the employee’s average salary over the 36 consecutive or joined months that produce the highest average. For those whose first eligible employment began after July 1, 2006, final average salary is calculated using the 60 highest successive months of employment. Employees whose employment began prior to January 1, 2012, and who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. If these employees terminate with at least 20 years of credited service, they are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits and cost of living adjustments are allowed. Benefits are established or amended by state statute.

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

*Funding Policy*—Contributions to the System include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. State statute requires covered employees to contribute a percentage of their salaries to the System and such percentage at June 30, 2017 was 10.25%. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. During year ended June 30, 2017, the current rate for employers was 13.25%. The Winn Parish Sheriff's office contributions to the System for the years ended June 30, 2017, 2016, and 2015 were \$255,964, \$240,315, and \$228,415, respectively, and were materially equal to the required contributions for each year.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*—At June 30, 2017, the Sheriff reported a liability of \$930,544 for its proportionate share of the net pension liability of the System. 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 .147%, which was an increase of 0.006% from its proportion measured as of June 30, 2015. For the year ended June 30, 2017, the Sheriff recognized pension expense/(benefit) of \$(66,498) representing its proportionate share of the System's net expense, including amortization of deferred amounts.

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

Deferred Flows of Resources	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience		\$ 97,604
Changes of assumptions	\$ 76,023	
Net difference between projected and actual earnings on pension plan investments	233,055	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	245,236	7,663
Employer contributions subsequent to the measurement date	<u>144,490</u>	<u>-</u>
Totals	\$ 698,804	\$ 105,267

**WINN PARISH SHERIFF**  
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The Sheriff reported a total of \$144,490 as deferred outflow of resources related to pension contributions made subsequent to the plan's measurement period of June 30, 2016 which will be recognized as a reduction in net pension liability in the Sheriff's fiscal year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources, including remaining plan's amortization, related to pensions will be recognized in pension expense as follows:

Year	Amount
2017	\$ 93,989
2018	93,989
2019	161,874
2020	86,297
2021	6,448
2022	<u>6,450</u>
Total	<u>\$ 449,047</u>

*Actuarial Methods and Assumptions*—A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

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

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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 included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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

*Mortality Rate*—The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 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 Pension Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

*Discount Rate*—The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, approved by PRSAC taking into consideration the recommendation of the 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 active and inactive plan members. Therefore, the long-term expected rate of return on System's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LA Sheriffs' Pension & Relief Fund Rates	6.5%	7.5%	8.5%
Winn Parish Sheriff's Share of NPL	\$ 1,578,762	\$ 930,544	\$ 395,516

**NOTE 11—OTHER POST EMPLOYMENT BENEFITS**

On July 1, 2009, the Winn Parish Sheriff implemented Governmental Accounting Standards Board Statement No. 45 (GASB 45) entitled "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions" (OPEB). The major change under GASB 45 is to attribute the cost of postretirement benefits (medical, dental and life insurance) to the time in which the employee is working for the employer. This standard does not require the funding of these benefits, but it does require recognizing the liability and expense in the financial statements. The Sheriff recognized a noncurrent liability of \$2,635,601 for 2017 in the Statement of Net Position. A \$46,497 expense is included in personnel services and related benefits expense in the Statement of Activities.

*Plan Description* - The Winn Parish Sheriff provides certain continuing health and dental care and life insurance benefits for its retired employees. Eligibility for medical coverage is based on 60 years old and 10 years of service, 55 years old and 12 years of service, or 30 years of service at any age.

*Funding Policy* - These benefits for the retirees are provided through an insurance company on a pay-as-you-go basis. The Sheriff contributes 100% of the cost of current-year premiums for eligible retirees. The Sheriff receives reimbursement from the retiree for dependent coverage. The Sheriff will recognize the cost of providing these benefits (Sheriff's cost of premiums) as expenditure when the monthly premiums are paid. For the year ended June 30, 2017, the total amount of net premiums paid for retirees totaled \$99,327.

*Annual OPEB Cost and Net OPEB Obligation* - The Sheriff's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Sheriff has elected to calculate the ARC and related information using the Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years. The following table shows the components of the Sheriff's annual OPEB cost for the year, the amount assumed contributed to the plan, and changes in the Sheriff's net OPEB obligation to the Retiree Health Plan for year ended June 30, 2017:

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DISCOUNT RATE—4%

Determination of Annual Required Contribution-	
Normal Cost at Fiscal Year End	\$ 69,755
Amortization of UAAL	<u>120,405</u>
Annual Required Contribution (ARC)	\$ 190,160
Determination of Net OPEB Obligation-	
Annual Required Contribution	\$ 190,160
Interest on Prior Year Net OPEB Obligation	103,564
Adjustment to ARC	<u>( 149,728)</u>
Annual OPEB Cost	143,996
Assumed Contributions Made	<u>( 97,499)</u>
Estimated Increase in Net OPEB Obligation	46,497
Net OPEB Obligation - Beginning of Year	<u>2,589,104</u>
Estimated Net OPEB Obligation - End of Year	<u>\$2,635,601</u>

The Sheriff's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation for year ended 2017 and the two preceding fiscal years assuming the plan is not prefunded (4% discount rate in current year and 1.07% discount rate in two most recent preceding years) are noted as follows.

<u>Fiscal</u> <u>Year Ended</u>	<u>Discount</u> <u>Rate</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>% of OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
06/30/2017	4.00%	\$ 143,996	68%	\$ 2,635,601
06/30/2016	1.07%	558,588	17%	2,589,104
06/30/2015	1.07%	579,904	16%	2,128,066

*Funded Status and Funding Progress* - The Sheriff's actuarial accrued liability for benefits was \$2,165,303. The covered payroll (annual payroll of active employees covered by the plan) was \$971,773, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 223 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about turnover rate, retirement rate, healthcare cost trend rate, mortality, the discount rate (investment return assumption) and the period to which the costs apply (past, present, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations new estimates are made about the future.

**WINN PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

*Methods and Assumptions* – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit cost method was the actuarial method used with the estimates based to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, inflation rates, rates of mortality among active and retired employees, rates of termination from employment, turnover, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are:

**MEASUREMENT DATE**

Benefit liabilities are valued as of July 1, 2016

**DISCOUNT RATE FOR VALUING LIABILITIES**

Without prefunding - 4.00% per annum, compounded annually

**MORTALITY RATES**

Based on the 1994 Group Annuity Reserving table, projected to 2002, using a fixed blend of 50% of the unloaded male and female mortality rates

**NOTE 12—DEBT**

During the fiscal year ended June 30, 2017 the Winn Parish Sheriff otherwise known as the Winn Parish Law Enforcement District incurred debt related to the construction of the jail facilities, as approved by the State Bond Commission. At June 30, 2017 the balances of the interim loans were \$1,424,087 financed with Citizens National Bank and \$516,049 financed through LPFA. Interest only is due at this time at a rate of 3.625% and is capitalized. These loans will close into a USDA funded loan and a Debt Service Fund will be created with scheduled payments and required contingency funds once the construction is complete.

**NOTE 13—ON BEHALF PAYMENTS**

Certain employees of the Winn 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 \$88,582 for the fiscal year ended June 30, 2017.

**WINN PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 14—SERVICES PROVIDED BY WINN 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 Winn Parish Police Jury.

**NOTE 15—CHANGES IN AGENCY BALANCES**

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

<u>Funds</u>	<u>Balance</u> <u>07/01/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/17</u>
Civil	\$ 9,478	\$ 232,253	\$ 232,386	\$ 9,345
Cash Bond	63,902	528,934	523,401	69,435
Tax Collector	19,419	7,335,180	7,303,846	50,753
Inmate	<u>47,471</u>	<u>47,206</u>	<u>67,318</u>	<u>27,359</u>
 Totals	 <u>\$ 140,270</u>	 <u>\$ 8,143,573</u>	 <u>\$ 8,126,951</u>	 <u>\$ 156,892</u>

**NOTE 16—EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand at year-end was \$39,102, which does not include taxes paid under protest. The amount of taxes collect by the taxing authority was:

Winn Parish School Board	\$ 2,687,558
Winn Parish Police Jury	1,582,643
Winn Parish Sheriff	1,448,804
Winn Parish Assessor	345,674
Winn Parish Fire District	618,773
Louisiana Tax Commission	5,511
Louisiana Forestry Commission	30,532
Pension Funds	<u>191,519</u>
 Total	 <u>\$ 6,911,014</u>

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

**NOTE 17—TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others in the agency fund at June 30, 2017, include \$9,501 of taxes paid under protest. These monies are cash equivalents of \$5,194 and investments of \$4,307 and include interest earned as certificates of deposit and are held pending resolution of the protest. They are accounted for in the Tax Collector Agency Fund.

**WINN PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 18—STATE REVENUE SHARING FUNDS**

The revenue sharing funds received during the year were distributed as follows:

Winn Parish Sheriff	\$	104,880
Winn Parish School Board		72,322
Winn Parish Police Jury		81,997
Winn Parish Assessor		23,254
Pension Funds		<u>7,515</u>
 Total	 \$	 <u>289,968</u>

**NOTE 19—PENDING LITIGATION**

At June 30, 2017, there was an outstanding suit against the management of the Winn Parish Sheriff. Although the outcome of this suit is not presently determinable, the opinion of the Sheriff is that resolution of this matter would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

**NOTE 20—COOPERATIVE ENDEAVORS**

During the fiscal year ended June 30, 2017 the following cooperative endeavors were in place: Operation Save a Kid—The Sheriff will support the Winnfield City Police’s “Shop with a Cop”. This program is designed and intended to promote interaction and mentorship between law enforcement officers and the at-risk youth population of Winn Parish.

**NOTE 21—COMMITMENTS AND CONTINGENCIES**

The Winn Parish Sheriff has contractual obligations to the contractor and architect related to the construction of the jail. The amounts expended to date are included in the Construction in Progress for the Capital Project Fund.

**NOTE 22—SUBSEQUENT EVENTS**

Management has evaluated events through December 7, 2017, the date which the financial statements were available for issue. There were no items noted to be reported as subsequent events, other than new jail is still in progress.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

**WINN PARISH SHERIFF**  
**BUDGETARY COMPARISON SCHEDULE—GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes:				
Ad Valorem	\$1,288,600	\$1,429,714	\$1,424,491	\$ ( 5,223)
Sales	900,000	1,000,000	945,716	( 54,284)
Fines, Fees, Commissions, & Charges for Services:				
Civil & Criminal Fees	75,000	165,000	74,004	( 90,996)
Commissions-Taxes	5,000	5,500	5,387	( 113)
Commissions-Fines & Bonds	30,000	64,900	37,959	( 26,941)
Prisoner Maintenance	245,000	245,000	256,215	11,215
Other Fines, Fees, Commissions & Charges for Services	24,000	22,100	175,797	153,697
Intergovernmental:				
Federal Grants	45,000	153,400	155,497	2,097
Other Grants	-	20,000	24,339	4,339
State Funding:				
Grants	-	5,000	5,165	165
Supplemental Pay	75,000	70,500	88,582	18,082
Revenue Sharing	101,000	104,880	104,880	-
Miscellaneous:				
Interest	5,000	1,700	5,934	4,234
Other	<u>10,000</u>	<u>86,000</u>	<u>22,238</u>	<u>( 63,762)</u>
<b>Total Revenues</b>	<u><b>2,803,600</b></u>	<u><b>3,373,694</b></u>	<u><b>3,326,204</b></u>	<u><b>( 47,490)</b></u>
<b>Expenditures:</b>				
Public Safety—Current:				
Personnel & Related Benefits	2,190,000	2,115,445	1,858,992	256,453
Operating Services	235,000	269,000	287,423	( 18,423)
Materials & Supplies	225,000	205,000	202,694	2,306
Training, Travel & Other	36,000	32,275	32,324	( 49)
Capital Outlay	<u>80,000</u>	<u>300,000</u>	<u>241,833</u>	<u>58,167</u>
<b>Total Expenditures</b>	<u><b>2,766,000</b></u>	<u><b>2,921,720</b></u>	<u><b>2,623,266</b></u>	<u><b>298,454</b></u>
Excess of Revenues over Expenditures	37,600	451,974	702,938	250,964
Other Financing Sources/(Uses):				
Capital Asset Sales	-	6,611	6,611	-
Transfer Out to Capital Fund	<u>-</u>	<u>( 341,749)</u>	<u>(345,264)</u>	<u>( 3,515)</u>

(Continued)

**WINN PARISH SHERIFF**  
**BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	37,600	116,836	364,285	247,449
Fund Balance—Beginning of Year	<u>2,679,764</u>	<u>2,679,764</u>	<u>2,679,764</u>	-
Fund Balance—End of Year	<u>\$2,717,364</u>	<u>\$2,796,600</u>	<u>\$3,044,049</u>	<u>\$ 247,449</u>

See accountant's report.

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

Actuarial Valuation <u>Date</u>	Employer Portion of the Net Pension Liability/ <u>(Asset)</u>	Employer Proportionate Share of the Net Pension Liability/ <u>(Asset)</u>	Employer's Covered Employee <u>Payroll</u>	Employer's Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of its Covered Employee <u>Payroll</u>	Plan Fiduciary Net Position as a Percentage of the Total Pension <u>Liability</u>
06/30/16	.147%	\$930,544	\$1,090,446	85.336%	82.097%
06/30/15	.141%	\$626,540	\$1,001,314	62.572%	86.607%
06/30/14	.123%	\$487,243	932,824	52.233%	87.345%

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

**WINN PARISH SHERIFF**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Actuarial Valuation <u>Date</u>	Contractually Required <u>Contribution</u>	Contributions in relation to Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	Employer's Covered Employee <u>Payroll</u>	Contributions as a Percentage of Covered Employee <u>Payroll</u>
06/30/16	\$144,484	\$144,490	\$ 6	\$1,090,446	13.25%
06/30/15	\$137,666	\$137,679	\$ (13)	\$1,001,314	13.75%
06/30/14	132,927	132,799	(128)	932,824	14.25%

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

OTHER  
SUPPLEMENTARY INFORMATION

**WINN PARISH SHERIFF**  
**FIDUCIARY FUNDS - AGENCY FUNDS**  
**STATEMENT OF COLLECTIONS, DISTRIBUTIONS, AND UNSETTLED DEPOSITS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Civil</u>	<u>Cash Bond</u>	<u>Tax Collector</u>	<u>Inmate</u>	<u>Totals</u>
Unsettled Balances 07/01/16	\$ 9,478	\$ 63,902	\$ 19,419	\$ 47,471	\$ 140,270
Additions:					
Deposits:					
Ad Valorem Taxes			6,911,014		6,911,014
State Revenue Sharing			289,969		289,969
Sheriff Sales	109,048				109,048
Garnishments	84,004				84,004
Parish Licenses			113,811		113,811
Fines & Costs		518,893			518,893
Commissary Receipts				47,206	47,206
Other	39,201	10,041	20,386		69,628
Totals	<u>232,253</u>	<u>528,934</u>	<u>7,335,180</u>	<u>47,206</u>	<u>8,143,573</u>
Deductions:					
Deposits Settled to:					
Louisiana Dept					
of Ag & Forestry			30,562		30,562
North LA Crime Lab		43,190			43,190
Winn Parish:					
Police Jury		124,450	1,732,256		1,856,706
School Board			2,760,593		2,760,593
Sheriff General Fund	62,346	80,658	1,571,762	30,000	1,744,766
Sheriff DARE Fund		4,028			4,028
Clerk of Court	15,908	70,215			86,123
Assessor			369,012		369,012
Fire Protect Dist No. 3			618,926		618,926
Pension Funds			199,034		199,034
Eighth Judicial District:					
District Attorney		53,430			53,430
District Court		60,165			60,165
Indigent Defender Board		56,102			56,102
Attorneys, Litigants, Appraisers, Etc.					
Other Sheriffs	12,212				12,212
Garnishments	1,242				1,242
Garnishments	75,615				75,615
Inmate Settlements				6,702	6,702
Other Settlements	65,063	31,163	21,701	30,616	148,543
Totals	<u>232,386</u>	<u>523,401</u>	<u>7,303,846</u>	<u>67,318</u>	<u>8,126,951</u>
Unsettled Balances 06/30/17	<u>\$ 9,345</u>	<u>\$ 69,435</u>	<u>\$ 50,753</u>	<u>\$ 27,359</u>	<u>\$ 156,892</u>

See accountant's report.

STATE OF LOUISIANA  
PARISH OF WINN

AFFIDAVIT

Cranford Jordan, Sheriff of Winn Parish

BEFORE ME, the undersigned authority, personally came and appeared.

Cranford Jordan, Sheriff of Winn Parish. State of Louisiana, who after  
Being duly sworn, deposed and said;

The following information is true and correct as stated in the June 30, 2017 Financial Report:

NOTE 16—EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at year-end was \$39,102, which does not include taxes paid under protest. The amount of taxes collect by the taxing authority was:

Winn Parish School Board	\$	2,687,558
Winn Parish Police Jury		1,582,643
Winn Parish Sheriff		1,448,804
Winn Parish Assessor		345,674
Winn Parish Fire District		618,773
Louisiana Tax Commission		5,511
Louisiana Forestry Commission		30,532
Pension Funds		<u>191,519</u>
Total	\$	<u>6,911,014</u>

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

NOTE 17—TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency fund at June 30, 2017, include \$9,501 of taxes paid under protest. These monies are cash equivalents and include interest earned as certificates of deposit and are held pending resolution of the protest. They are accounted for in the Tax Collector Agency Fund.

  
Cranford Jordan,  
Sheriff of Winn Parish

SWORN to and subscribed before me, Notary, this 7 day of DECEMBER, 2017  
in my office in Winnfield, Louisiana

 #139926  
Notary Signature

**WINN PARISH SHERIFF**  
**SCHEDULE OF COMPENSATION FOR AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2017**

In accordance with Act 706 of the 2014 Legislative Session as amended by Act 462 of 2015 Legislative Session the following Schedule of Compensation, Reimbursements, Benefits and Other Payment to the Political Subdivision Head or Chief Executive Officers is presented.

The Chief Executive Officer is Sheriff Cranford Jordan. The payments the Sheriff as required to be disclosed per the Acts for the fiscal year ended June 30, 2017 are as follows:

Gross Salary	\$	144,869
Expense Allowance		14,487
Retirement Contributions		21,911
Health Insurance		12,305
Conferences and Seminars-Registration		385
Conferences and Seminars-Lodging		1,387
Conferences and Seminars-Meals		32
Dues		115

See accountant's report.

**WINN PARISH SHERIFF**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2017**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA</i>	<i>Pass-through Grantor</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<b>Department of Homeland Security:</b>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Governors OHSEP	127-05D4A-00	45,542
Emergency Management Performance Grants	97.042	Governors OHSEP	OHSEP--EMW- 2016-EP-00003-S0	25,137
Emergency Management Performance Grants	97.042	Governors OHSEP	OHSEP--EMW- 2015-EP-00009-S0	17,132
<b>Total Emergency Management Performance Grants</b>				<u>42,269</u>
<i>Total Department of Homeland Security</i>				87,811
<b>United States Department of Justice:</b>				
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	LA Commission on Law Enforcement	SRO--2013-JF-09- 2580	2,421
Edward Byrne Memorial Justice Assistance Grant Program	16.738	LA Commission on Law Enforcement	K-9--2016-MU- BX-0059 Integrated Criminal	11,945
Edward Byrne Memorial Justice Assistance Grant Program	16.738	LA Commission on Law Enforcement	Apprehension Program-2015-DJ- 01-2996	7,374
<b>Total Edward Byrne Memorial Justice Assistance Grant Program</b>				<u>19,319</u>
<i>Total United States Department of Justice</i>				21,740
<b>Department of Transportation:</b>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	LA Commission on Law Enforcement	2016-35-25	7,000
<i>Total Department of Transportation</i>				<u>7,000</u>
<b>United States Department of Agriculture:</b>				
<b>USFS:</b>				
Partnership Agreements	10.699	USFS	14-PA-11080604- 017	19,834
Law Enforcement Agreements	10.704	USFS	12-LE-11080600- 023	3,585
<b>Total USFS</b>				<u>23,419</u>
<b>Community Facilities Loans and Grants:</b>				
Community Facilities Loans and Grants	10.766			2,703,787
<i>Total United States Department of Agriculture</i>				<u>2,727,206</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 2,843,757</u></u>

The accompanying notes are an integral part of this schedule.

**WINN PARISH SHERIFF**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

SEFA Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Winn Parish Sheriff under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Winn Parish Sheriff, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Winn Parish Sheriff.

SEFA Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

SEFA Note 3. Indirect Cost Rate

Winn Parish Sheriff has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, when applicable.

SEFA Note 4. Loan Balance

As of June 30, 2017, the balance of the loan under the Community Facilities Loan and Grant Program was \$1,940,135.

## COMPLIANCE AND OTHER MATTERS

*Shanna Jones, CPA*

795 Big Creek Rd  
Winnfield, LA 71483  
792-8544

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 *GOVERNMENTAL AUDITING STANDARDS*

Cranford Jordan, Sheriff  
of Winn Parish  
P.O. Box 950  
Winnfield, Louisiana

I have audited the financial statements of the governmental activities, the major funds, the aggregate remaining fund information of Winn Parish 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 and have issued my report thereon dated December 7, 2017. I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, I do not express an opinion on the effectiveness of the Sheriff's internal control.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these

(Continued)

limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify a certain deficiency in internal control, described in the accompanying Schedule of Audit Findings and Questioned Costs that I consider to be significant deficiencies. See items 17-01 and 17-02.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Winn Parish Sheriff's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*. These instances are described in the accompanying Schedule of Audit Findings and Questioned Costs as items 17-01 and 17-02.

### **Winn Parish Sheriff's Response to Finding**

The Winn Parish Sheriff's response to the finding identified in my audit is described in the accompanying Schedule of Findings and Questioned Costs. The Winn Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of the Louisiana Legislative Auditor, management of the Winn Parish Sheriff and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA  
Winnfield, Louisiana  
December 7, 2017

Concluded

# *Shanna Jones, CPA*

*795 Big Creek Rd  
Winnfield, LA 71483  
792-8544*

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Cranford Jordan, Sheriff  
of Winn Parish  
P.O. Box 950  
Winnfield, Louisiana

### **Report on Compliance for Each Major Federal Program**

I have audited the Winn Parish Sheriff's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Winn Parish Sheriff's major federal programs for the year ended June 30, 2017. Winn Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

My responsibility is to express an opinion compliance for each of the Winn Parish Sheriff's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S.; the *Louisiana Governmental Audit Guide* and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Winn Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Winn Parish Sheriff's compliance.

### **Basis for Qualified Opinion on U.S. Department of Agriculture, Community Facilities Loans and Grants, CFDA 10.766**

As described in the accompanying Schedule of Findings and Questioned Costs, the Winn Parish Sheriff did not comply with requirements regarding allowable costs of CFDA 10.766 Community Facilities Loans and Grants as described in findings 2017-001 and 2017-002. Compliance with such requirements is necessary in my opinion, for the Winn Parish Sheriff to comply with the requirements applicable to that program.

### **Qualified Opinion on U.S. Department of Agriculture, Community Facilities Loans and Grants, CFDA 10.766**

In my opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Winn Parish Sheriff complied, in all material respects with the types of compliance requirements regarding referred to above that could have a direct and material effect on CFDA 10.766 Community Facilities Loans and Grants for the year ended June 30, 2017.

### **Other Matters**

The Winn Parish Sheriff's responses to the noncompliance findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Costs. The Winn Parish Sheriff's responses were not subjected to the auditing procedures applied in the audit of the compliance, and accordingly, I express no opinion on these responses.

### **Report on Internal Control Over Compliance**

Management of the Winn Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of the compliance, I considered the Sheriff's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Sheriff's internal control over compliance.

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

(Continued)

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002, that I consider to be material weaknesses.

The purpose of this report of internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana R.S. 24:513 this report is a matter of public record and its distribution is not limited.



Shanna Jones, CPA  
Winnfield, Louisiana  
December 7, 2017

Concluded

**WINN PARISH SHERIFF**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2017**

**A. SUMMARY OF AUDIT RESULTS**

1. The Independent Auditor's Report expresses an unqualified opinion on the financial statements of the Winn Parish Sheriff.
2. There were two significant deficiencies noted during the audit of the financial statements. These deficiencies were not deemed to be material weaknesses.
3. Two instances of noncompliance material to the financial statements of the Winn Parish Sheriff were disclosed during the audit.
4. The Independent Auditor's Report on Compliance for Each Major Program of the Winn Parish Sheriff expresses a qualified opinion.
5. There were two deficiencies noted in internal control over major federal awards programs disclosed in the Independent Auditor's Report on Compliance for Each Major Program. These deficiencies were deemed to be material weaknesses.
6. The audit disclosed two findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as major program for the Winn Parish Sheriff was the U.S. Department of Agriculture, Community Facilities Loans and Grants, CFDA 10.766.
8. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
9. The auditee did not qualify as a low risk auditee.

**B. FINANCIAL STATEMENTS AUDIT**

**Compliance**

**17-01 Compliance with Regulatory Statues—Cash Deposits**

**Finding—Louisiana R. S. 39:1212 requires daily cash deposits where practical.**

**Recommendation—It was noted in the DARE fund that deposits appeared not to be made in a timely manner. It is recommended that the Sheriff make deposits at least within the same week as monies received if daily deposits are not practical.**

**Management's Response—We will ensure that deposits are made in a timely manner sufficient to comply with Louisiana R. S. 39:1212.**

**17-02 Lack of Written Policies and Procedures**

**Finding—In performing Statewide AUPs, noted written policies and procedures required were verbal except for payroll policies during fiscal year ended June 30, 2017.**

Recommendation—While Sheriff’s office appears to follow procedures for approving purchasing and payroll, only payroll appeared to have written policies and procedures in place for the whole fiscal year ended June 30, 2017. Written policies were noted to be in progress at year end.

Management’s Response—We had verbal policies in place which were being followed and we believed funds were properly accounted for. Upon being made aware written policies were required we took time to write the policies and procedures we use and implemented a process to monitor written policies.

### C. PRIOR YEAR FINDINGS

No findings.

### D. MAJOR FEDERAL AWARD PROGRAM AUDIT

Major Program: CFDA 10.766 Community Facilities Loans and Grants

#### 2017-001 LACK OF WRITTEN POLICIES

##### Criteria

Written policies, procedures, and standards of conduct are required by 2 CFR 200, Subparts D and E (2 CFR sections 200.300 and 200.400, respectively). The regulations require that the Sheriff follow his policies and procedures in procurement and purchasing as long as they comply with federal regulations for such transactions and contracts.

##### Condition

The Sheriff did not have written policies, procedures, and standards of conduct. In particular, there were no written procedures covering procurement and purchasing.

##### Cause

The cause of the condition is unknown.

##### Effect

Lack of written policies and procedures could lead to other instances of noncompliance.

##### Questioned Costs

I did not identify any questioned costs.

##### Perspective

The condition is a systemic problem. The project has a budget of \$11,200,000. Of that amount, the Sheriff funded \$1,000,000. The balance is funded under the loan program.

##### First Year

2017

##### Recommendation

I recommend that the Sheriff implement written policies and procedures as required by federal regulations.

### Views of Responsible Officials/Corrective Action Plan

The Winn Parish Sheriff had verbal policies in place which were being followed and complied with state requirements for procurement and purchasing. Upon being made aware written policies were required we took time to write the policies and procedures we use and implemented a process to monitor written policies.

### 2017-002 ADJUSTMENTS TO EXPENDITURES

#### Criteria

Generally accepted accounting principles and Uniform Guidance require that program costs include all costs incurred as of the balance sheet date or the year end reported in the schedule of expenditures of federal awards.

#### Condition

Expenditures of the major program on the SEFA and in the financial statements did not include costs totaling \$282,072 because the retainage payable on the construction contract had not been recorded. Also, costs totaling \$481,579 were reflected in the accounting records as paid as of June 30, 2017. However, the checks were not issued until July 2017, when the loan proceeds were received. An audit adjustment was made to reclassify the amount increasing cash and accounts payable.

#### Cause

The cause of the condition is unknown.

#### Effect

The Sheriff's statement of net position; statement of activities; balance sheet; statement of revenues, expenditures, and changes in fund balance; and SEFA were misstated by these amounts.

#### Questioned Costs

I did not identify any questioned costs.

#### Perspective

Total expenditures of the project during the audit year were \$3,049,050. The total loan balance under the program at June 30, 2017 was \$1,940,135.

#### First Year

2017

#### Recommendation

I recommend that the Sheriff ensure that procedures are implemented to ensure that all project and program costs and payments are captured in the accounting records in the correct period.

### Views of Responsible Officials/Corrective Action Plan

The retainage expenditures and checks for the month of June's work were inadvertently omitted and incorrectly dated, respectively. We will more closely monitor accounting to ensure proper timing.

# Shanna Jones, CPA

795 Big Creek Rd  
Winnfield, LA 71483  
792-8544

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

Cranford Jordan, Sheriff  
of Winn Parish  
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the management of the Winn Parish Sheriff, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Winn Parish Sheriff's compliance with certain laws and regulations during the fiscal year ended June 30, 2017, included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The Sheriff's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts**, including receiving, recording, and preparing deposits
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Other than personnel policies, written procedures noted to be in process for each fund for fiscal year ended June 30, 2017.

#### BOARD OR FINANCE COMMITTEE, if applicable

2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 

Sheriff not required to have meetings. Noted one meeting documented related to Capital Projects Fund.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - 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.

Although no required meetings, noted documentation showing periodic budget to actual comparisons for the General Fund.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The referenced Capital Projects Fund meeting awarded contract bid for jail construction.

#### BANK RECONCILIATIONS

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

Management provided me with required representation.

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:
  - a) Bank reconciliations have been prepared;  
Bank reconciliations appear to have been prepared.
  - b) 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  
Management indicated bank reconciliations had been reviewed but no documented evidence noted.
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.  
Noted no documentation reflecting that management has researched reconciling items that appear to have been outstanding for more than six months during fiscal year ended June 30, 2017; however, noted such research in subsequent period.

#### COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.  
Management provided listing and representation.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.  
Bonding invoice notates Sheriff. Management stated two clerks do not share drawer when accepting collections. Per inquiry, tax fund manager deposits clerks' collections to bank and brings fund managers deposit slips and support. Each fund manager records the deposits related to their fund and reconciles the related account.
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.  
Each fund manager reconciles cash deposits to revenue source subsidiary ledgers.

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The week of December 18, 2016 had the largest cash collections; therefore, those collections were traced from the daily collection reports to the related revenue source deposits. Per bank statements, appears deposits were made within one business day.

- 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.

System reports for property taxes and fines provide support for daily collections. Other income such as grants, garnishments, sales taxes are directly input by fund managers; however, check stubs and related documentation provide support for monies received.

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.

While written policy noted in progress, client stated system reports have collections input and outstanding property taxes are noted for additional collection efforts or sheriff's sale. Fines also have payments entered to system by ticket number which are turned over to the D.A. if unpaid. These reconciliations are performed by the fund managers who are not responsible for collections per inquiry.

#### 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.

Obtained listing and representation letter.

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:

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

Purchases do not appear to have been initiated using a requisition/purchase order system.

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

Per inquiry, employees request items needed, sheriff tells office employee to order, turn in receipts to sheriff for approval then send to general fund manager.

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

Payments for purchases sampled had related invoice for support. Majority of invoices had formal approval noted.

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.

It does not appear that the person responsible for processing payments is prohibited from adding vendors. However, supporting invoice was noted for each payment.

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.

Sheriff has signing authority and does not record purchases. However, in the general fund, the manager also has signing authority. Again, supporting documentation was noted for 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.

Management presented unused check supplies locked in offices. General fund manager has access to print checks and signatory authority.

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.

No signature stamp utilized. Fund managers maintain until mailed.

#### CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

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.

Obtained listing and representation letter.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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:

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

On the largest monthly statements noted approval in writing by Sheriff and majority of purchases had supporting invoices attached in addition to statements' detailed reports.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.  
No finance charges and/or late fees appear to have been assessed on the related statements.

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

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

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

Statement receipt detail available with vendor notation of purchase.

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

Majority have no formal business purpose documented. For meal charges, appear to have documentation of group participating.

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

No additional documentation noted to be required per inquiry.

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

No purchases appear to have Public Bid Law requirements, other than Capital Project Fund construction. Noted entity appeared to have awarded construction bids in accordance with Public Bid Law requirements.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and

report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Based on vendor documentation appear to be allowable expenditures: public safety, office supplies, conferences, etc.

#### TRAVEL AND EXPENSE REIMBURSEMENT

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.

Obtained management's representation and listing.

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.

Written policies noted as in progress for fiscal year.

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

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

Reimbursements/prepaid appear not to exceed GSA rates.

- b) Report whether each expense is supported by:

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

Employees selected were reimbursed per diem.

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

Support documents public purpose.

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

No additional documentation appears required for employees tested.

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

Appear proper.

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

Documentation of expenses appear reviewed and approved by someone other than person receiving reimbursement.

## CONTRACTS

- 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.

Obtained management representation and listing.

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

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

Noted written contracts with construction vendors.

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

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Appears to have complied with legal requirements (e.g. advertisement, selecting lowest bidder).

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

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

Noted no amendments.

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

Appears payments are complying with terms and conditions of contract.

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

Noted meeting minutes documenting approval.

#### PAYROLL AND PERSONNEL

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Obtained listing and representation.

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.

Appear to comply with pay rates approved by sheriff.

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

No written policy noted for pay rates; however, noted raise approvals documented.

- 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.)

Noted daily attendance and leave for employees documented.

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

Noted approval documented for majority of employees selected.

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

Noted written documentation of entity's general fund manager maintaining written leave records in QuickBooks.

- 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.

Obtained listing and representation. Noted termination payments appear to be in strict accordance with written payroll leave policy and approved.

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.

Payroll taxes and retirement contributions appear to be submitted to applicable agencies by required deadlines although one retirement contribution appeared to be short an immaterial amount.

#### ETHICS (excluding nonprofits)

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

Ethic certificates supporting selected employees training completed were noted in documentation.

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, no allegations of ethics violations were reported to the entity during the fiscal period.

#### DEBT SERVICE (excluding nonprofits)

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

State Bond Commission approval noted for debt.

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.

Debt noted as outstanding during the fiscal period was interim and therefore debt service requirements appear not to be in effect for current fiscal year end.

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

Although debt appears secured by sales tax, sales tax not passed with related debt service stipulation.

## OTHER

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

No misappropriations of public funds or assets noted.

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

Noted fraud hotline notice posted on premises.

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

No exceptions noted.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Shanna Jones*

Shanna Jones, CPA  
Winnfield, Louisiana  
December 7, 2017

WINN PARISH SHERIFF  
P. O. BOX 950  
WINNFIELD, LA 71483

December 7, 2017

Shanna Jones, CPA  
795 Big Creek Rd  
Winnfield, LA 71483

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 1, 2016 through June 30, 2017, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; disbursements; credit/debit/fuel/purchasing cards; travel and expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas, as applicable.  

Yes  No
2. For the fiscal period July 1, 2016 through June 30, 2017, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.  

Yes  No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.  

Yes  No
4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.  

Yes  No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2017, and December 7, 2017.  

Yes  No
6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.  

Yes  No

7. We represent that the listing of bank accounts provided to you is complete.  
Yes  No
8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.  
Yes  No
9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.  
Yes  No
10. We represent that the 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, provided to you is complete.  
Yes  No
11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.  
Yes  No
12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.  
Yes  No
13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.  
Yes  No
14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.  
Yes  No
15. We have disclosed to you other data you deemed necessary to complete SAUPs.  
Yes  No
16. We have responded fully to all inquiries made by you during the engagement.  
Yes  No

17. We are not aware of any events that have occurred subsequent to June 30, 2017, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes  No

**The previous responses have been made to the best of our belief and knowledge.**

Signature  Date 12/7/17  
Title Sheriff