

**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

**Basic Financial Statements  
As of and for the Year Ended June 30, 2018  
With Supplemental Information Schedules**

**JEFFERSON DAVIS PARISH SHERIFF**  
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 As of and for the Year Ended June 30, 2018  
 With Supplemental Information Schedules

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Ivy J. Woods  
Jefferson Davis Parish Sheriff  
Jennings, Louisiana

**Report on the Financial Statements**

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

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and aggregate fund information of the Sheriff, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 18 to the financial statements, in fiscal year ending in 2018 the Sheriff adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 36 to 37), schedule of changes in OPEB liability and related ratios (page 38), and the additional pension/ retirement information (pages 39 to 41) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying other supplementary information, as listed in the table of contents (pages 44 to 46 and 53), is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 our opinion, the accompanying other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 28, 2018

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**JEFFERSON DAVIS PARISH SHERIFF**  
**Statement of Net Position**  
**June 30, 2018**

**Statement A**

**ASSETS**

Cash	\$ 6,540,235
Receivables	542,390
Capital assets:	
Land	25,000
Construction in Progress	1,225,702
Exhaustible capital assets, net of depreciation	1,099,026

<b>TOTAL ASSETS</b>	<u>9,432,353</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows-pension	1,069,913
Deferred outflows-other post employment benefits	31,853

<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,101,766</u>
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**LIABILITIES**

Accounts payable	32,156
Payroll deductions, withholdings, and accrued salaries payable	129,028
Long-term obligations:	
Compensated absences:	
Due within one year	90,123
Due in more than one year	117,457
Other post employment benefit payable	3,736,220
Net pension liability	2,140,056

<b>TOTAL LIABILITIES</b>	<u>6,245,040</u>
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**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows-pension	473,064
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<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>473,064</u>
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**NET POSITION**

Net investment in capital assets	2,349,728
Restricted for:	
Drug Enforcement	75,620
Sex offender compliance	10,409
Unrestricted	1,380,258

<b>TOTAL NET POSITION</b>	<u>\$ 3,816,015</u>
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The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

**Statement B**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public safety	\$ 7,022,395	\$ 651,110	\$ 471,016	\$ (5,900,269)
<b>Total Governmental Activities</b>	<b>\$ 7,022,395</b>	<b>\$ 651,110</b>	<b>\$ 471,016</b>	<b>(5,900,269)</b>

**General Revenues:**

Property taxes, levied for general purposes	2,610,487
Parish contribution to retirement fund	302,436
Sales taxes, levied for general purposes	2,501,267
State revenue sharing	67,368
State supplemental pay	312,453
Interest and investment earnings	26,850
Miscellaneous	145,213
<b>Total General Revenues</b>	<b>5,966,074</b>
<b>Change in Net Position</b>	<b>65,805</b>
Net Position -Beginning	6,088,033
Prior period adjustment- accounting change	(2,337,823)
<b>Net Position -Ending</b>	<b>\$ 3,816,015</b>

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**FUND FINANCIAL STATEMENTS (FFS)**

**JEFFERSON DAVIS PARISH SHERIFF**  
**Balance Sheet**  
**June 30, 2018**

**Statement C**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 6,540,235
Receivables	542,390
<b>TOTAL ASSETS</b>	<u><u>7,082,625</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Accounts payable	32,156
Payroll deduction, withholdings, and accrued salaries payable	129,028
<b>Total Liabilities</b>	<u>161,184</u>
<b>FUND BALANCES</b>	
Restricted:	
Drug enforcement	80,882
Sex offender compliance	11,424
Unassigned	6,829,135
<b>Total Fund Balances</b>	<u>6,921,441</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 7,082,625</u></u>

The accompanying notes are an integral part of this statement.



**JEFFERSON DAVIS PARISH SHERIFF  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2018**

**Statement E**

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes:	
Property taxes	\$ 2,610,487
Sales taxes	2,501,267
Parish contribution to retirement fund	106,259
Intergovernmental revenues:	
Federal sources:	
Federal grants	217,507
State sources:	
State grants	44,044
State supplemental pay	312,453
State revenues sharing	67,368
Other	61,533
Local sources:	
Parish - 911 District	209,465
Fees, charges, and commissions for services:	
Commissions on licenses, taxes, etc.	92,473
Civil and criminal fees	188,623
Court attendance	10,185
Transporting prisoners	16,081
Feeding and keeping prisoners	109,313
Commissary commissions	25,055
Commissions on fines and other forfeitures	41,381
Other	118,479
Fines and Forfeitures:	
Drug related fines and forfeitures	10,752
Bond, fines and other forfeitures	5,014
Use of money and property:	
Interest	26,850
Commissions on phones	33,754
Miscellaneous	67,781
Total Revenues	<u>6,876,124</u>
<b>EXPENDITURES</b>	
Current:	
Personal services and related benefits	5,158,689
Operating services	586,915
Materials and supplies	458,242
Other	83,599
Intergovernmental:	
Retirement deducted from tax collections	39,784
Capital outlay	1,490,734
Total Expenditures	<u>7,817,963</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(941,839)</u>
<b>OTHER FINANCING SOURCES (USES):</b>	
Proceeds from sales of fixed assets	15,898
Total Other Financing Sources (uses)	<u>15,898</u>
NET CHANGE IN FUND BALANCE	(925,941)
FUND BALANCES BEGINNING OF YEAR	<u>7,847,382</u>
FUND BALANCES END OF YEAR	<u>\$ 6,921,441</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2018**

**Statement F**

**Total Net Change in Fund Balance - Governmental Funds (Statement E)** \$ (925,941)

Amounts reported for governmental activities in the statement of activities are different because:

In statement of activities pension expense is based on proportionate share computation based on changes in total net pension liability, and in governmental funds pension expense is measured by the amount of financial resources used (essentially employer contribution paid).

148,512

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

Depreciation expense	(461,788)	
Capital outlays	<u>1,490,734</u>	1,028,946

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Post-employment benefits are not reported in governmental fund financial statements. The net amount of these transactions for the current year were as follows:

Change in other post employment benefit liability	(191,228)
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In the statement of activities, certain operating expenses - compensated absences (vacations and other absences) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid):

Change in compensated absences payable	5,516
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**Change In Net Position of Governmental Activities (Statement B)** \$ 65,805

**JEFFERSON DAVIS PARISH SHERIFF  
FIDUCIARY FUNDS  
Statement of Fiduciary Net Position  
June 30, 2018**

**Statement G**

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 590,592
Due from general fund	-
<b>TOTAL ASSETS</b>	<u>\$ 590,592</u>
<b>LIABILITIES</b>	
Deposits due others	\$ 590,592
<b>TOTAL LIABILITIES</b>	<u>\$ 590,592</u>

The accompanying notes are an integral part of this statement.

## NOTES TO THE FINANCIAL STATEMENTS

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

**INTRODUCTION**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Jefferson Davis Parish Sheriff (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, parish occupational licenses, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

**B. REPORTING ENTITY**

GASB Statement 14, *The Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Sheriff is considered a primary government, since it is a special purpose government, the Sheriff is independently elected, is a legally separate entity, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent entity is defined as being able to determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt without the approval or consent of another governmental entity. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the Parish Police Jury as required under Louisiana law, the Sheriff is financially independent. The Sheriff also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the Sheriff is financially accountable.

**C. FUND ACCOUNTING**

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

**Governmental Funds**

Governmental funds account for all or most of the sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Sheriff. The following are the Sheriff's governmental funds:

**General Fund** – the primary operating fund of the Sheriff and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund, of Statements C and E, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations.

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

**Revenues**

Property taxes are recorded as revenues in the year for which they are levied under the susceptible to accrual concept. Property taxes are assessed on a calendar year basis, become due

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. Sales taxes are recorded as revenues in the same period the assets are recognized, which is when the exchange transaction on which the tax is imposed occurs or when the resources are received. Grants are recorded when the Sheriff is entitled to the funds. Other intergovernmental revenues and fees, charges, and commissions for services are recorded when the Sheriff is entitled to the funds. Interest earnings on time deposits are recorded as earned since they are measurable and available. Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**Other Financing Sources**

Proceeds from the sale of fixed assets are accounted for as other financial sources and are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of all of the funds of the Sheriff, except the fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The Sheriff does not allocate indirect expenses. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program revenues included in the Statement of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

**E. CASH**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

**F. CAPITAL ASSETS**

Capital assets are recorded at historical cost or estimated historical 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 \$500 or more for capitalizing assets.

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

Buildings and building improvements	5 – 40 years
Furniture and fixtures	5 – 15 years
Vehicles	5 years
Software	10 years

**G. COMPENSATED ABSENCES**

All employees who have completed twelve months of service receive ten (10) days vacation leave each year. Vacation leave does not accumulate or vest. Employees can accumulate compensatory time in lieu of payment for overtime. The Sheriff's standard policy is that sick leave does not accumulate or vest. However, each instance of sick leave is handled on an individual basis at the discretion of the Sheriff. No liability is reported for unpaid accumulated sick leave.

In the FFS, vacation and compensatory time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the general fund. The amount not expected to be paid with current resources is not reported in the FFS. The entire compensated absence liability is reported in the GWFS.

**H. RESTRICTED NET POSITION**

For government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

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

**I. FUND EQUITY**

In the FFS, funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Sheriff passes a motion that removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes, but are neither restricted or committed. The Sheriff has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Sheriff's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Sheriff's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

**J. 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.

**K. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers in the FFS.

**L. SALES TAX**

Sales taxes will be collected on a monthly basis by the Jeff Davis Parish School Board's Sales Tax Department. The Sheriff's Office will receive sales tax revenue from the following sales taxes:

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An ordinance dated July 21, 2007, which was approved by the voters of the parish authorizes the Sheriff's Office to collect, for an indefinite period beginning January 1, 2008, a 1/2% sales and use tax to be dedicated and used for the purposes of (a) paying the salaries and benefits of deputies, (b) acquiring, operating and maintaining vehicles and communications equipment, and (c) providing additional funding for operations and training.

**M. PENSION/RETIREMENT**

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Sheriffs Pension and Relief Fund (LSPRF), and additions to/deductions from LSPRFs' and fiduciary net position have been determined on the same basis as they are reported by LSPRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. LSPRF uses the accrual basis of accounting.

**N. DEFERRED OUTFLOW/ INFLOW OF RESOURCES**

In addition to assets the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. All of the items that qualify for reporting in this category are related to pension amounts. See pension/ retirement footnote for further details of these items. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. All of the items that qualify for reporting in this category are related to pension amounts. See pension/ retirement footnote for further details of these items. No deferred inflows of resources affect the governmental funds financial statements in the current year.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had actual expenditures over budgeted appropriations for the year ended June 30, 2018:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
None	-	-	-	-

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**3. LEVIED TAXES**

The Sheriff levies taxes on real and business personal property located within Jefferson Davis Parish’s boundaries. Property taxes are levied by the Sheriff on property values at January 1 assessed by the Jefferson Davis Parish Tax Assessor and approved by the State of Louisiana Tax Commission upon submission of the tax roll.

The Jefferson Davis Parish Sheriff Tax Collector’s Office bills and collects property taxes for the Sheriff.

<u>Property Tax Calendar</u>	
Assessment date	January 1 <sup>st</sup>
Levy date	Not later than June 1 <sup>st</sup>
Tax bills mailed	On or about November 15 <sup>th</sup>
Due date	December 31 <sup>st</sup>
Penalties and interest are added	January 1 <sup>st</sup>
Lien date	January 1 <sup>st</sup>
Tax sale – delinquent property	During June

Assessed values are established by the Jefferson Davis Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$267,170,312 for the calendar year 2017. Louisiana State law exempts the first \$75,000 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption was \$50,499,281 of the assessed value in calendar year 2017.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement:			
Legislative	6.20	6.20	NONE
Special	5.95	5.95	2020

**4. CASH**

At June 30, 2018, the Sheriff has cash (book balances) totaling \$ 7,130,827 as follows:

Cash on hand	\$ 1,800
Checking-non-interest bearing	262,366
Checking- interest bearing	5,814,105
Savings deposits	1,031,345
Certificates of deposits	21,211
	<u>\$ 7,130,827</u>

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Cash and cash equivalents are reported in the basic financial statements as follows:

Governmental Funds	\$ 6,540,235
Fiduciary Funds	<u>590,592</u>
	<u>\$ 7,130,827</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to the Sheriff. The Sheriff's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of June 30, 2018, the Sheriff had deposits (collected bank balances) totaling \$6,506,773 which includes \$678,930 in fiduciary funds. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the Sheriff's Office.

**5. RECEIVABLES**

The receivables at June 30, 2018, consisted of the following:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Total</u>
Intergovernmental :		
State	\$ 39,354	39,354
Local	477,053	477,053
Other	<u>25,983</u>	<u>25,983</u>
Total	<u>\$ 542,390</u>	<u>542,390</u>

There were no allowances for uncollectible accounts as of June 30, 2018.

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**6. CAPITAL ASSETS**

A summary of changes in capital assets is a follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance Ending</u>
Capital assets not being depreciated:				
Land	\$ 25,000	-	\$ -	\$ 25,000
Construction in Progress	-	1,225,702	-	1,225,702
Total capital assets not being depreciated	<u>25,000</u>	<u>1,225,702</u>	<u>-</u>	<u>1,250,702</u>
Capital assets being depreciated:				
Buildings and improvements	184,990	-	-	184,990
Furniture and equipment	2,799,266	141,790	-	2,941,056
Vehicles	1,791,598	118,143	(87,372)	1,822,369
Software	240,594	5,099	-	245,693
Total capital assets being depreciated	<u>5,016,448</u>	<u>265,032</u>	<u>(87,372)</u>	<u>5,194,108</u>
Less accumulated depreciation for:				
Buildings and improvements	55,475	5,382	-	60,857
Furniture and equipment	2,355,487	173,940	-	2,529,427
Vehicles	1,181,335	228,546	(87,372)	1,322,509
Software	128,369	53,920	-	182,289
Total accumulated depreciation	<u>3,720,666</u>	<u>461,788</u>	<u>(87,372)</u>	<u>4,095,082</u>
Total capital assets being depreciated, net	<u>1,295,782</u>	<u>(196,756)</u>	<u>-</u>	<u>1,099,026</u>
Capital assets, net	<u>\$ 1,320,782</u>	<u>1,028,946</u>	<u>-</u>	<u>2,349,728</u>

**7. PENSION/ RETIREMENT**

**General Information about the Pension Plan**

***Plan Description***

The Louisiana Sheriffs Pension and Relief Fund (LSPRF) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office.

***Benefits Provided***

The following is a description of the plan and its benefits and is provided for general informational purposes only. LSPRF provides normal retirement, disability benefits, survivor's benefits, deferred benefits, and back

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deferred retirement option plan (DROP) benefits. Participants should refer to the appropriate statutes for more complete information.

**Retirement Benefits:**

**A. Normal Retirement**

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

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

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

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

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

**B. Disability Benefits**

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

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**C. Survivor Benefits**

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

**D. Deferred Benefits**

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

**E. Back Deferred Retirement Option Plan (Back-DROP)**

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

**Cost of Living Adjustments**

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

**Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75% with an additional

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0% allocated from the Funding Deposit Account. Employer contributions for the year ended June 30, 2018 were \$418,193.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 201. Non-employer contributions for the year ended June 30, 2017 were \$196,177.

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

At June 30, 2018, the Sheriff reported a liability of \$2,140,056 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on the employer's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year. At June 30, 2017 (the measurement date), the Sheriff's proportion was .4942084%, which was a decrease of .0166658 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$462,759 plus/(less) employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$73,302.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 372,534
Changes of assumptions	376,554	-
Net difference between projected and actual earnings on pension plan investments	-	30,716
Changes in proportion and difference between Employer contributions and proportionate share of contributions	275,166	69,814
Employer contribution subsequent to the measurement date	418,193	-
Total	<u>\$ 1,069,913</u>	<u>\$ 473,064</u>

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\$418,193 reported as deferred outflows of resources related to the pension resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2019	\$	(10,196)
2020		218,629
2021		97,371
2022		(150,560)
2023		26,298
Thereafter		(2,883)

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

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

<b>Valuation Date</b>	June 30, 2017
<b>Actuarial cost method</b>	Entry Age Normal
<b>Actuarial assumptions:</b>	
<b>Investment rate of return</b>	7.5% net of investment expenses
<b>Discount Rate</b>	7.4%
<b>Projected salary increases</b>	5.5% (2.775% Inflation, 2.725% Merit)
<b>Mortality Rates</b>	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitant, and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
<b>Expected Remaining Service Lives</b>	2017 -7 years; 2016 -7 years; 2015-6 years; 2014-6 years
<b>Cost-of-living adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2017 were as follows:

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

The discount rate used to measure the total pension liability was 7.4% for the measurement period ending June 30, 2016. In the prior period this rate was 7.6%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Sheriff's net pension liability calculated using the discount rate of 7.4%, as well as what the employers' net pension liability 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 as of June 30, 2017:

	1% Decrease 6.4%	Current Discount Rate 7.4%	1% Increase 8.4%
Net Pension Liability (Asset)	\$ 4,409,079	\$ 2,140,056	\$ 230,982

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**Pension Plan Fiduciary Net Position**

The Sheriffs' Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov. The plan's basis of accounting is accrual basis. The plan's fiduciary net position was also determined using the accrual basis of accounting.

**Payables to the Pension Plan**

As of June 30, 2018, the Sheriff owed \$71,316 in legally required contributions to LSPRF.

**8. LONG-TERM OBLIGATIONS**

Summary of the long-term liability transactions during the year:

	Balance <u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Ending</u>	Due Within <u>One Year</u>
Other Obligations:					
Compensated absences	\$ 213,095	90,123	95,638	207,580	90,123
Net pension liability	3,242,464	-	1,102,408	2,140,056	-
Other post-employment benefits <sup>1</sup>	3,513,139	223,081	-	3,736,220	-
Total long-term liabilities	\$ <u>6,968,698</u>	<u>313,204</u>	<u>1,198,046</u>	<u>6,083,856</u>	<u>90,123</u>

<sup>1</sup> other post-employment benefits liability beginning balance as of July 1, 2017 has been restated from \$1,175,316 to \$3,513,139 due to change in accounting principle due to implementation of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**9. RESTRICTED FUND BALANCE**

A portion of the fund balance of the General Fund, \$92,306 has been restricted for specific use. A portion of the restricted fund balance, \$80,882 has been restricted for drug law enforcement. This balance represents seizures from criminal activities. Louisiana Revised Statute 40:2616.B(3.a) requires such proceeds to be used in drug law enforcement. The other portion of the restricted fund balance of the General Fund, \$11,424, has been restricted for sex offender registration and compliance. The Code of Criminal Procedure 895.1(F) provides funding that is to be used to improve the overall effectiveness and efficiency of the sex offender and child predator registration process.

**10. CONTINGENCIES**

**Litigation.** The Sheriff is involved in various lawsuits and pending claims. Management believes the ultimate resolution of these suits would not create a material liability to the Sheriff in excess of existing insurance coverage. Accordingly, no provision for losses, exceeding available insurance coverage, has been recorded in the accompanying financial statements.

**Grant Disallowances.** The Sheriff participates in a number of state and federal financial assistance programs. These programs are subject to further financial and compliance audits by grantor agencies. The amount, if any,

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of expenditures which may be disallowed by granting agencies cannot be determined at this time. Based on prior experience the Sheriff feels such amounts, if any, to be immaterial to the financial statements.

**11. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY**

Certain operating expenditures of the Sheriff's office are paid by the parish police jury, as required under Louisiana law, and are not included in the accompanying financial statements. Specifically the police jury maintains and operates the parish courthouse in which the Sheriff's office is located and occasionally provides funds for equipment and furniture of the Sheriff's office. The total amount of these expenditures were not available for disclosure.

**12. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

Retirement plan payments in the amount of \$106,259 were made by the Sheriff, acting in his capacity as Ex-Officio Tax Collector, to the Louisiana Sheriff's Pension and Relief Retirement System of the State of Louisiana on behalf of the Sheriff's Office. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to the Louisiana Sheriff's Pension and Relief Retirement System on behalf of the Sheriff. These on-behalf payments have been recorded in the accompanying financial statements as revenues and expenditures in the General Fund.

**13. TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2018, includes \$109,713 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$405. These funds, totaling \$110,118, are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**14. RISK MANAGEMENT**

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Effective September 1, 1998, the Sheriff's Office became a participant in the Louisiana Sheriff's Law Enforcement Program (LSLEP), a public entity risk pool currently operating as a common risk management and insurance program for approximately 45 Louisiana Sheriffs. The Sheriff pays an annual premium to the LSLEP for its law enforcement professional liability insurance coverage. The Sheriff is allowed to select the level of coverage during the process of annual enrollment. The risk retained by LSLEP is managed with the intent to be self-sustaining through participant member premiums. Varying levels of excess coverage, if requested by the Sheriff during the enrollment period, are reinsured through commercial insurance companies. As of June 30, 2018, the Sheriff is covered for individual claims and up to \$2,900,000 with an annual aggregate cap of \$2,900,000. The Sheriff has retained the risk in excess of this limit. The Sheriff estimates claims, for risk retained, based on the requirements of GASB Statement 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of June 30, 2018, the Sheriff has no carrying amount recorded in the financial statements of liabilities for unpaid claims and there are no outstanding amounts of claims liabilities for which annuity contracts have been purchased. No payments for claims were made during fiscal year ending June 30, 2018.

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The Sheriff also participates in the Louisiana Sheriff’s Association Group Benefits Plan (LSAGP) which provides employee health and life insurance benefits. Neither the LSAGP nor the Sheriff assumes any liability for charges not meeting the Plan’s definitions of covered expenses. Health insurance claims are administered by a major health insurance company while the life insurance is underwritten with a commercial life insurance company.

The Sheriff continues to carry commercial insurance for risk of loss concerning auto liability and collision. Risk of loss for Courthouse and Jail building contents and equipment is covered principally by the Police Jury through a commercial insurance company. The Sheriff does not maintain insurance coverage for risk of loss related to a building owned separately in the name of the Law Enforcement District which is used to house the Criminal Investigative Division. Under Louisiana Revised Statutes 23:1034, the Sheriff is exempt from workers compensation coverage and any risk of loss with respect to himself and commissioned deputies. Settled claims resulting from the aforementioned risks have not exceeded commercial insurance coverage in any of the past three years.

**15. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**General Information about the OPEB Plan**

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

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	77
	<hr/>
	90
	<hr/>

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

**Total OPEB Liability**

The Sheriff's total OPEB liability of \$3,736,220 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.62%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

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

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

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

**Changes in the Total OPEB Liability**

Balance at June 30, 2017	<u>\$ 3,513,139</u>
Changes for the year:	
Service cost	154,449
Interest	132,767
Differences between expected and actual experience	33,301
Benefit payments and net transfers	<u>(97,436)</u>
Net changes	<u>223,081</u>
Balance at June 30, 2018	<u><u>\$ 3,736,220</u></u>

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

	1.0% Decrease (2.62%)	Current Discount Rate (3.62%)	1.0% Increase (4.62%)
Total OPEB liability	<u>\$ 4,419,599</u>	<u>\$ 3,736,220</u>	<u>\$ 3,199,625</u>

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

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 3,199,807	\$ 3,736,220	\$ 4,412,237

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$288,664. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,853	\$ -
Total	\$ 31,853	\$ -

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

Years ending June 30:	
2019	1,448
2020	1,448
2021	1,448
2022	1,448
2023	1,448
Thereafter	24,614

**16. TAXES COLLECTED ON BEHALF OF OTHERS**

***Ad Valorem Taxes Collected***

The amount of cash on hand at year-end was \$405,355, of which \$110,118 was held under protest (\$109,713 on taxes, and \$405 in interest earnings). The amount of taxes collected for the current year by taxing authority was:

	Unprotected Taxes Collected	Protested Taxes Collected	Total Collected
Jefferson Davis Parish Government	\$ 3,049,408	-	3,049,408
Jefferson Davis Parish Library	1,230,432	-	1,230,432
Jefferson Davis Parish Mosquito Abatement	1,671,074	-	1,671,074
Jefferson Davis Parish Law Enforcement	2,586,459	-	2,586,459
Jefferson Davis Parish Assessor	534,319	-	534,319
Jefferson Davis Parish School Board	8,417,385	-	8,417,385
Jefferson Davis Parish Water and Sewer	426,472	-	426,472
Jefferson Davis Parish Fire Districts	1,815,328	-	1,815,328
Jefferson Davis Parish Drainage Districts	1,137,664	-	1,137,664
City of Jennings	1,303,219	-	1,303,219
Town of Welsh	112,070	-	112,070
Village of Fenton	9,186	-	9,186
Department of Agriculture and Forestry	4,601	-	4,601
Louisiana Tax Commission	25,934	-	25,934
	<u>\$ 22,323,551</u>	<u>-</u>	<u>22,323,551</u>

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

The amount of taxes assessed and uncollected, and the reason for the failure to do so is as follows:

	Supplemental Homestead Exemptions	LTC Reductions (Additions)	Adjudica- tions	No Property Found	Bank- ruptcy	Unpaid
Jefferson Davis Parish Government	\$ 6,944	1,551	1,553	6,473	159	42,032
Jefferson Davis Parish Library	3,118	1,148	979	2,236	134	14,320
Jefferson Davis Parish Mosquito Abatement	4,235	1,559	1,329	3,037	181	19,448
Jefferson Davis Parish Law Enforcement	6,554	2,412	2,058	4,700	281	30,101
Jefferson Davis Parish Tax Assessor	1,354	498	425	971	58	6,219
Jefferson Davis Parish School Board	21,352	7,783	6,933	16,299	974	99,182
Jefferson Davis Parish Water & Sewer	1,123	(439)	108	-	-	2,880
Jefferson Davis Parish Fire Districts	3,908	657	937	3,634	38	28,183
Jefferson Davis Parish Drainage Districts	2,657	468	619	3,090	17	16,696
City of Jennings	7	2,056	7,611	424	423	5,891
Town of Welsh	-	412	3,752	231	-	233
Village of Fenton	-	-	-	-	-	183
LA Dept of Ag and Forestry	-	-	-	-	-	-
Louisiana Tax Commission	-	(24)	-	-	-	-
	<u>\$ 51,252</u>	<u>18,081</u>	<u>26,304</u>	<u>41,095</u>	<u>2,265</u>	<u>265,368</u>

**Other Taxes Collected**

Act 711 of the 2010 Louisiana Legislative Session amended LRS24:51(B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are current year State Revenue Sharing and parish license collections and distributions to parish governmental agencies during the fiscal year:

	State Revenue Sharing	Parish Licenses
Beginning balance due taxing authorities	\$ 0	21,021
Additions:		
State revenue sharing	616,155	
Insurance licenses collections		140,026
Occupational licenses collections		88,814
Alcohol licenses collections		2,695
Interest, penalties, and other collections		9
Total additions	615,155	231,544
Reductions:		
Taxes distributed to others		
Jefferson Davis Parish Government	129,387	210,233
Jefferson Davis Parish Library	30,281	
Jefferson Davis Parish Tax Assessor	10,000	
Jefferson Davis Parish School Board	301,737	
Jefferson Davis Parish Fire Districts	2,233	
Jefferson Davis Parish Gravity Drainage	10,550	
City of Jennings	24,461	
Town of Welsh	9,215	
Village of Fenton	2,918	
Town of Elton	4,534	
Town of Lake Arthur	8,203	
Pension Funds	15,268	
Jefferson Davis Parish Sheriff's Office General Fund	67,368	34,732
Total reductions	616,155	244,965
Ending balance due taxing authorities	\$ 0	7,600

**JEFFERSON DAVIS PARISH SHERIFF**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2018**

The ending balance due taxing authorities represents unpaid amounts pending distribution for subsequent month.

**17. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 28, 2018, the date which the financial statements were available to be issued.

**18. ACCOUNTING CHANGE/ PRIOR PERIOD ADJUSTMENT**

Due to implementation of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, beginning net position was restated in the Governmental-wide financial statements. The effect of this restatement caused beginning net position to decrease by \$2,337,823. Because it was not practical to determine beginning deferred outflows and inflows in this initial year of implementation of this standard, beginning net position has not been restated for the effects, if any, that may have existed.

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## REQUIRED SUPPLEMENTAL INFORMATION

**JEFFERSON DAVIS PARISH SHERIFF  
GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2018**

**Schedule 1A**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 2,500,000	\$ 2,520,000	\$ 2,610,487	\$ 90,487
Sales taxes	2,150,000	2,244,000	2,501,267	257,267
Parish contribution to retirement fund			106,259	106,259
Intergovernmental revenues:				
Federal sources:				
Federal grants	-	-	217,507	217,507
State sources:				
State grants	-	156,061	44,044	(112,017)
State supplemental pay	300,000	288,000	312,453	24,453
State revenue sharing			67,368	67,368
Other	143,000	146,309	61,533	(84,776)
Local sources:				
District attorney - LACE			-	-
Parish - 911 District	208,000	208,000	209,465	1,465
Fees, charges, and commissions for services:				
Commissions on licenses, taxes, etc.	81,000	81,180	92,473	11,293
Civil and criminal fees	135,000	140,000	188,623	48,623
Court attendance	7,000	7,000	10,185	3,185
Transporting prisoners	12,000	12,000	16,081	4,081
Feeding and keeping prisoners	100,000	90,000	109,313	19,313
Commissary commissions	25,000	20,000	25,055	5,055
Commissions on fines and other forfeitures	75,000	35,000	41,381	6,381
Other	128,000	138,500	118,479	(20,021)
Fines and Forfeitures:				
Drug related fines and forfeitures	1,500	11,000	10,752	(248)
Bond, fines and other forfeitures	3,500	4,500	5,014	514
Use of money and property:				
Interest	10,000	17,000	26,850	9,850
Commissions on phones	35,000	29,000	33,754	4,754
Miscellaneous	40,000	38,000	67,781	29,781
Total Revenues	<u>5,954,000</u>	<u>6,185,550</u>	<u>6,876,124</u>	<u>690,574</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Personal services and related benefits	5,721,300	5,337,000	5,158,689	178,311
Operating services	608,000	695,200	586,915	108,285
Materials and supplies	605,000	610,000	458,242	151,758
Other	95,000	95,000	83,599	11,401
Intergovernmental:				
Retirement deducted from tax collections	40,000	40,000	39,784	216
Capital outlay	500,000	1,600,000	1,490,734	109,266
Total Expenditures	<u>7,569,300</u>	<u>8,377,200</u>	<u>7,817,963</u>	<u>559,237</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,615,300)</u>	<u>(2,191,650)</u>	<u>(941,839)</u>	<u>1,249,811</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from sales of fixed assets	-	-	15,898	15,898
Compensation for loss or damage of assets	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>15,898</u>	<u>15,898</u>
NET CHANGE IN FUND BALANCE	<u>(1,615,300)</u>	<u>(2,191,650)</u>	<u>(925,941)</u>	<u>1,265,709</u>
FUND BALANCES BEGINNING OF YEAR	<u>6,717,136</u>	<u>7,847,382</u>	<u>7,847,382</u>	<u>-</u>
FUND BALANCES END OF YEAR	<u>\$ 5,101,836</u>	<u>\$ 5,655,732</u>	<u>\$ 6,921,441</u>	<u>\$ 1,265,709</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF  
Notes to Budgetary Comparison Schedule  
For the Year Ended June 30, 2018**

**A. BUDGETARY PRACTICES**

**General Budget Practices** The Sheriff follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the Sheriff is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to June 15<sup>th</sup>, the Director of Finance and the Sheriff develop a proposed annual budget for the general fund and all special revenue funds. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a finance committee meeting in order to obtain public input. The budget is subsequently adopted by the Sheriff through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Sheriff.

**Budget Basis of Accounting** All governmental funds budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Sheriff cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Sheriff to amend the budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Sheriff approves budgets at the object level and management is allowed to transfer amounts between line items within an object.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS**

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Major Fund	Final Budget	Actual	Unfavorable Variance
None	\$ -	\$ -	\$ -

Reason for unfavorable variance: Not applicable.

**JEFFERSON DAVIS PARISH SHERIFF  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS  
 JUNE 30, 2018 THROUGH 2018**

	<u>2018</u>
<b>Total OPEB Liability:</b>	
Service cost	\$ 154,449
Interest	132,767
Changes of benefit terms	-
Differences between expected and actual experience	33,301
Changes of assumptions	-
Benefit payments	<u>(97,436)</u>
<b>Net change in total OPEB liability</b>	<b>223,081</b>
<b>Total OPEB liability- beginning</b>	<b><u>3,513,139</u></b>
<b>Total OPEB liability- ending</b>	<b><u>\$ 3,736,220</u></b>
Covered-employee payroll	\$ 2,834,867
Net OPEB liability as a percentage of covered-employee payroll	131.80%

**Notes to Schedule:**

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

Changes of Assumptions. There were not changes of assumptions for the year ended June 30, 2018.

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

**JEFERSON DAVIS PARISH SHERIFF  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ADDITIONAL PENSION/ RETIREMENT INFORMATION  
 Schedule of Employer’s Proportionate Share of Net Pension Liability  
 For the Year Ended June 30, 2018\***

**Louisiana Sheriffs’ Pension and Relief Fund:**

Year Ending June 30th	Employer’s proportion of net pension liability (asset)	Employer’s proportionate share of the net pension liability (asset)	Employer’s covered-employee payroll	Employer’s proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.494208%	2,140,056	3,423,136	62.52%	88.49%
2017	0.510874%	3,242,464	3,490,463	92.89%	82.10%
2016	0.480554%	2,142,078	3,186,147	67.23%	86.61%
2015	0.443431%	1,755,989	2,969,653	59.13%	87.34%

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

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

**JEFFERSON DAVIS PARISH SHERIFF  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ADDITIONAL PENSION/ RETIREMENT INFORMATION  
 Schedule of Employer Contributions  
 For the Year Ended June 30, 2018**

**Louisiana Sheriffs’ Pension and Relief Fund:**

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	\$ 418,193	\$ 418,193	\$ -	\$ 3,279,948	12.75%
2017	\$ 446,434	\$ 446,434	\$ -	\$ 3,369,310	13.25%
2016	\$ 479,740	\$ 479,740	\$ -	\$ 3,490,463	13.75%
2015	\$ 454,026	\$ 454,026	\$ -	\$ 3,186,147	14.25%

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

**JEFFERSON DAVIS PARISH SHERIFF  
REQUIRED SUPPLEMENTARY INFORMATION  
ADDITIONAL PENSION/ RETIREMENT INFORMATION  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2018**

**Louisiana Sheriffs' Pension and Relief Fund:**

**Changes of Benefit Terms.** None.

**Changes of Assumptions.** The Discount Rate changed from 7.5% to 7.4% for the year ended June 30, 2017, the measurement period.

## OTHER SUPPLEMENTAL INFORMATION

**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

**COMBINING FINANCIAL STATEMENTS**

**FIDUCIARY FUNDS-AGENCY FUNDS**

**TAX COLLECTOR FUND**

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

**SHERIFF'S FUND:**

**CIVIL FUND**

The Civil Fund accounts for funds held in civil suits, Sheriff's sales, and garnishments and payments of these collections to the recipients in accordance with applicable law.

**CLEARING FUND**

The Clearing Fund accounts for miscellaneous funds collecting pending distribution to various interested parties.

**BONDS AND FINES FUND**

The Bonds and Fines Fund accounts are for the collection of bonds, fines, costs and payments of these collections to the Sheriff's General Fund and other recipients in accordance with applicable law.

**OTHER AGENCY FUNDS:**

**INMATE FUND**

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

**PRISONER WORK RELEASE FUND**

The Prisoner Work Release Fund accounts for the collection of inmate wages and the disbursement of those collections in accordance with R.S. 15:711 to 15:711.1.

**EVIDENCE ROOM FUND**

The Evidence Room Fund accounts for the collection of cash confiscated during arrests that is being held as evidence in a trial.

**JEFFERSON DAVIS PARISH SHERIFF**  
**AGENCY FUNDS**  
**Combining Balance Sheet**  
**June 30, 2018**

**Schedule 2**

	Tax Collector Fund			Sheriff's Fund			Inmate	Prisoner Work Release	Evidence Room	Total
	Ad Valorem	State		Civil	Clearing	Bonds and Fines				
		Revenue Sharing	Parish Licenses							
<b>ASSETS</b>										
Cash	\$ 405,355	0	7,600	667	1,452	118,504	20,581	2,147	34,286	590,592
Due from other funds				-	-	-	-	-	-	-
Due from taxing bodies and others	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 405,355</b>	<b>0</b>	<b>7,600</b>	<b>667</b>	<b>1,452</b>	<b>118,504</b>	<b>20,581</b>	<b>2,147</b>	<b>34,286</b>	<b>590,592</b>
<b>LIABILITIES</b>										
Due to other funds	\$ 0	0	0	0	0	0	0	0		0
Due to taxing bodies and others	405,355	0	7,600	667	1,452	118,504	20,581	2,147	34,286	590,592
<b>TOTAL LIABILITIES</b>	<b>\$ 405,355</b>	<b>0</b>	<b>7,600</b>	<b>667</b>	<b>1,452</b>	<b>118,504</b>	<b>20,581</b>	<b>2,147</b>	<b>34,286</b>	<b>590,592</b>

**JEFFERSON DAVIS PARISH SHERIFF**  
**AGENCY FUNDS**  
**Combining Schedule of Changes in Unsettled Balances**  
**For the Year Ended June 30, 2018**

**Schedule 3**

	Tax Collector Fund			Sheriff's Fund				Prisoner Work Release	Evidence Room	Total
	Ad Valorem	State	Parish	Civil	Clearing	Bonds	Inmate			
		Revenue	Licenses			and				
	Sharing				Fines					
<b>BALANCES AT BEGINNING OF YEAR</b>	\$ 180,135	0	21,021	1,000	1,415	102,785	23,532	2,147	127,351	459,386
<b>INCREASES</b>										
Deposits:										
Sheriff's sales, suits, and seizures	0	0	0	712,167	0	0	0	0	0	712,167
Fines	0	0	0	0	0	0	0	0	0	0
Cash bonds	0	0	0	0	0	0	0	0	0	0
Bond fees	0	0	0	0	0	659,092	0	0	0	659,092
Interest	0	0	0	0	0	0	0	0	0	0
Garnishments	0	0	0	75,109	0	0	0	0	0	75,109
Other deposits	0	0	0	45,204	1,237,029	0	88,274		7,019	1,377,526
Taxes, fees, etc., paid to tax collector	22,761,827	616,155	231,544	0	0	0	0	0	0	23,609,526
Total additions	22,761,827	616,155	231,544	832,480	1,237,029	659,092	88,274	0	7,019	26,433,420
<b>DECREASES</b>										
Deposits settled to:										
State of Louisiana	30,014	0	0	0	0	0	0	0	0	30,014
Pension funds	597,273	15,268	0	0	0	0	0	0	0	612,541
Sheriff's general fund	2,633,556	67,368	34,732	4,506	0	94,032	0	0	0	2,834,194
Police jury and districts	8,916,341	172,451	210,233	0	0	205,915	0	0	0	9,504,940
School board	8,061,387	301,737	0	0	0	0	0	0	0	8,363,124
Assessor	528,601	10,000	0	0	0	0	0	0	0	538,601
Municipalities	1,448,434	49,331	0	0	0	0	0	0	0	1,497,765
District attorney	0	0	0	0	0	85,647	0	0	0	85,647
District court expense funds	0	0	0	0	0	8,737	0	0	0	8,737
Clerk of court	0	0	0	62,276	0	46,326	0	0	0	108,602
Indigent defender board	0	0	0	0	0	87,903	0	0	0	87,903
Attorneys, appraisers, litigants, etc.	0	0	0	766,031	0	0	0	0	0	766,031
Coroner	0	0	0	0	0	9,315	0	0	0	9,315
Other settlements	321,001	0	0	0	1,236,992	105,498	91,225	0	100,084	1,854,800
Protested taxes & interest distributed to taxing bodies & others	0	0	0	0	0	0	0	0	0	0
Total decreases	22,536,607	616,155	244,965	832,813	1,236,992	643,373	91,225	0	100,084	26,302,214
<b>BALANCES AT END OF YEAR</b>	\$ 405,355	0	7,600	667	1,452	118,504	20,581	2,147	34,286	590,592

**JEFFERSON DAVIS PARISH SHERIFF**

**Schedule of Compensation, Benefits and Other Payments to Agency Head  
or Chief Executive Officer  
For the Year Ended June 30, 2018**

**Schedule 4**

Agency Head Name: Ivy J. Woods, Sheriff

Salary	\$	160,338
Benfits- health insurance		9,103
Benefits- retirement		20,443
Benefits- life insurance		764
Cell Phone		1,846
Dues		16,471
Travel		4,848
Registration fees		900
Other (gas)		3,051
	\$	<u>217,764</u>

**OTHER REPORTS REQUIRED BY  
GOVERNMENTAL AUDITING STANDARDS**

**Mike B. Gillespie**  
**Certified Public Accountant**  
A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA

Jennifer L. Doucet, CPA, CGMA, MBA  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable Ivy J. Woods  
Jefferson Davis Parish Sheriff  
Jennings, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and aggregate fund information of the Jefferson Davis Parish Sheriff (Sheriff), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated December 28, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Mike B. Gillespie, CPA, APAC*

Certified Public Accountant  
Jennings, Louisiana  
December 28, 2018

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2018**

**Section I Summary of Auditor's Results**

***Financial Statements***

1. Type of report issued: unmodified opinion on the basic financial statements
2. Internal control over financial reporting:
  - Material weakness(es) identified? - No
  - Significant deficiencies identified that are not considered to be material weakness(es)? - No
3. Noncompliance material to financial statements noted? - No
4. Was a management letter issued? - No

***Federal Awards***

5. Internal control over major programs:
  - Material weakness(es) identified? - No
  - Significant deficiencies identified that are not considered to be material weakness(es)? - No
6. Type of auditor's report issued on compliance for major programs: N/A
7. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? - No
8. The programs tested as major programs included:

<u>CFDA No.</u>	<u>Cluster Title or Program Name</u>
N/A	N/A

9. The dollar threshold used for distinguishing between Type A and B programs was: N/A
10. Did auditee qualify as a low-risk auditee? - N/A

**Section II Financial Statement Findings**

No findings reported.

**Section III Federal Award Findings and Questioned Costs**

No findings reported.

**Section III Management Letter Findings**

No findings reported.

**JEFFERSON DAVIS PARISH SHERIFF  
MANAGEMENT'S STATUS OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2018**

**SECTION I – FINANACIAL STATEMENT FINDINGS**

No findings reported.

**SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings reported.

**SECTION III – MANAGEMENT LETTER FINDINGS**

No findings reported.

\* \* \* \* \*

THIS STATUS OF PRIOR YEAR FINDINGS HAS BEEN PREPARED BY MANAGEMENT

**JEFFERSON DAVIS PARISH SHERIFF  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2018**

**SECTION I – FINANACIAL STATEMENT FINDINGS**

No findings reported.

**SECTION II – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings reported.

**SECTION III – MANAGEMENT LETTER FINDINGS**

No findings reported.

\* \* \* \* \*

THIS CORRECTIVE ACTION PLAN HAS BEEN PREPARED BY MANAGEMENT

AFFIDAVIT

Ivy J. Woods (Sheriff's Name), Sheriff of Jefferson Davis (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, Ivy J. Woods (Name), the sheriff of Jefferson Davis Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 405,355 is the amount of cash on hand in the tax collector account on 06/30/2018 (Date);

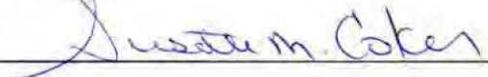
He further deposed and said:

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

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

  
Signature  
Sheriff of Jefferson Davis  
(Parish)

SWORN to and subscribed before me, Notary, this 28<sup>th</sup> day of December 2018, in my office in the Terrace, Louisiana.  
(City/Town)

 (Signature)

JUSTINE M COKER (Print), # 13207  
Notary Public

expire at death (Commission)

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Ivy J. Woods,  
Jefferson Davis Parish Sheriff  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of Jefferson Davis Parish Sheriff (JDPSO) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
***Finding: Written policies and procedures were obtained and address the functions noted above.***
  - 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.  
***Finding: Written policies and procedures were obtained and address the functions noted above.***
  - c) ***Disbursements***, including processing, reviewing, and approving  
***Finding: Written policies and procedures were obtained and address the functions noted above.***
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

- 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

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

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

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

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

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

- 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.

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

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

***Finding: Not applicable***

### ***Management's Response/ Planned Corrective Action***

None required.

### ***Collections***

---

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

***Finding: Obtained listing of the deposit sites and management's representation that the listing is complete. The entity only has two deposit sites. We selected both deposit sites.***

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

***Finding: Obtained listing of cash collection locations and management's representation that the listing is complete. The two deposit sites each had one collection location. We selected both collection locations.***

<u><b>Deposit Site Description</b></u>	<u><b>Collection Location Description</b></u>
<b><i>1530 Hwy 90 W, Jennings, LA – Main Office</i></b>	<b><i>Front Desk</i></b>
<b><i>321 East Plaquemine, Room 102, Jennings, LA - Courthouse Office</i></b>	<b><i>Front Desk</i></b>

***We obtained and inspected written policies and procedures relating to employee job duties, as well as, inquired with employees about their job duties at each collection location and observed whether those job duties are properly segregated at each collection location for the following procedures listed below.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: All employees of the entity that have access to cash are covered by an insurance policy for theft without exception.***

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

***Finding: Bank Reconciliations procedures were not tested at June 30, 2018 (Year 2) due to the fact there were no exceptions in the prior year (Year 1) procedures. However, we still obtained listing of client bank accounts for the fiscal period from management to perform the Bank Reconciliations sample selection procedure that is used for the following procedures listed below. We selected the entity's main operating account, randomly selected four additional accounts, and randomly selected one month from***

***the fiscal period. Then we selected two deposit dates for each of the five bank accounts selected and obtained supporting documentation for each of the deposits to perform the procedures listed below.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

#### ***Management's Response/ Planned Corrective Action***

None required.

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

---

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

***Finding: A listing of locations that process payments for the fiscal period and management's and representation that the listing is complete was obtained. The entity has one location that processes payments.***

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

***Finding: The listing obtained from management for locations that process payments listed in #8 above also included a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated for the following procedures listed below.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

*Finding: No exceptions noted.*

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

*Finding: No exceptions noted.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

*Finding: A listing of the entity's non-payroll disbursement transaction population (excluding credit cards and travel reimbursements) and management's representation that the population is complete was obtained. We randomly selected five disbursements from the location, obtained supporting documentation for each transaction, and performed the procedures listed below.*

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

*Finding: No exceptions noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Finding: No exceptions noted.*

***Management's Response/ Planned Corrective Action***

None required.

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

---

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

*Finding: A listing of all active credit cards, bank debit cards, fuel cards, and p-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards and management's representation that the listing is complete was obtained.*

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

*Finding: We randomly selected five cards that were used during the fiscal period from the list provided by management. Then randomly selected one monthly statement for each card and obtained supporting documentation to complete the following procedures listed below.*

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card

holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: Two out of the five cards selected under #12 above were not fuel cards. Using the monthly statements for the two credit cards, we randomly selected 10 transactions from each statement and obtained supporting documentation for each transaction. For each transaction, we observed that it was supported by (1) an original itemized receipt that identified precisely what was purchased and (2) written documentation of the business/public purpose without exception. (3) documentation of the individuals participating in meals (for meal charges only) was not applicable to any of the transactions that were randomly selected.***

***Management's Response/ Planned Corrective Action***

None required.

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

***Finding: A listing of all travel and travel-related expense reimbursements during the fiscal period from the general ledger and management's representation that the general ledger is complete was obtained. We randomly selected five reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation, as well as the other supporting documentation, and performed the procedures listed below.***

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

***Finding: No exceptions noted.***

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

***Finding: Not applicable.***

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Finding: No exceptions noted.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Finding: No exceptions noted.*

***Management's Response/ Planned Corrective Action***

None required.

***Contracts***

---

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

***Finding: A listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete was obtained. The entity only had three contracts that were initiated or renewed during the fiscal period.***

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

*Finding: No exceptions noted.*

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

*Finding: Not applicable.*

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

*Finding: Note applicable.*

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

*Finding: No exceptions noted.*

***Management's Response/ Planned Corrective Action***

None required.

## ***Payroll and Personnel***

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

***Finding: A listing of all employees during the fiscal period and management's representation that the listing is complete was obtained. We randomly selected five employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files without exception.***

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

***Finding: We randomly selected one pay period during the fiscal period. We obtained the attendance records and leave documentation for the pay period for the five employees selected above and performed the procedures listed below.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

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

***Finding: No exceptions noted.***

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

***Finding: A listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete was obtained. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee's cumulative leave records, and agreed the pay rates to the employee's authorized pay rates in their personnel files without exception.***

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

***Finding: Management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid and associated forms have been filed by required deadlines was obtain and observed without exception.***

***Management's Response/ Planned Corrective Action***

None required.

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

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

***Mike B. Gillespie, CPA, APAC***

Mike B. Gillespie, CPA, APAC  
Jennings, Louisiana  
December 28, 2018