

**CLAIBORNE PARISH SHERIFF  
Homer, Louisiana**

**Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2018  
With Supplemental Information Schedules**

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

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

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Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

### Independent Auditor's Report

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

#### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Claiborne Parish Sheriff, a component unit of the Claiborne Parish Police Jury, as of June 30, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

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

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

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

## CLAIBORNE PARISH SHERIFF

Homer, Louisiana  
Independent Auditor's Report,  
June 30, 2018

### *Opinions*

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

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison information on pages 45 through 47, the schedule of funding progress for the retiree healthcare plan on page 48, the schedule of the Sheriff's proportionate share of the net pension liability on pages 49 through 50, 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Claiborne Parish Sheriff's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 52 and the Sheriff's sworn statement presented on page 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Independent Auditor's Report,  
June 30, 2018

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

In accordance with *Government Auditing Standards*, I have also issued a report dated December 6, 2018, on my consideration of the Claiborne Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Claiborne Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana  
December 6, 2018

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

**Management's Discussion and Analysis**

June 30, 2018

As management of the Claiborne Parish Sheriff, I offer readers of the Claiborne Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Claiborne Parish Sheriff for the fiscal year ended June 30, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Claiborne Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Claiborne Parish Sheriff's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Claiborne Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Claiborne Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Claiborne Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Claiborne Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue funds. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

**Fiduciary funds.** Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Claiborne Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Claiborne Parish Sheriff's performance.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Claiborne Parish Sheriff exceeded assets by \$4,026,967.

An additional portion of the Claiborne Parish Sheriff's net position represents capital assets, less any related debt used to acquire those assets that is still outstanding. The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Claiborne Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

## STATEMENT OF NET POSITION

	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$635,791	\$1,487,184
Receivables	325,817	366,968
Due from other funds	2,847	2,806
Capital assets (net of accumulated depreciation)	<u>3,623,769</u>	<u>3,615,947</u>
TOTAL ASSETS	4,588,224	5,472,905
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>660,320</u>	<u>1,125,707</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$5,248,544</u>	<u>\$6,598,612</u>
<b>LIABILITIES</b>		
Accounts payable	\$145,429	\$117,197
Payroll deductions payable	6,096	6,735
Salaries payable	95,403	89,859
Net OPEB obligation	4,126,453	1,756,707
Net pension obligation	1,807,803	2,853,748
Long-term liabilities:		
Due within one year	220,032	262,182
Due in more than one year	<u>2,235,000</u>	<u>2,505,032</u>
TOTAL LIABILITIES	<u>8,636,216</u>	<u>7,591,460</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	<u>639,295</u>	<u>300,382</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	1,168,737	848,733
Unrestricted	<u>(5,195,704)</u>	<u>(2,141,963)</u>
<b>TOTAL NET POSITION</b>	<u>(4,026,967)</u>	<u>(1,293,230)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$5,248,544</u>	<u>\$6,598,612</u>

## STATEMENT OF ACTIVITIES

	2018	2017
Public Safety:		
Personal services	\$4,101,692	\$4,475,057
Operating services	823,886	1,440,680
Materials and supplies	1,273,127	803,135
Travel	29,419	30,788
Debt service - interest	42,545	64,228
Depreciation expense	<u>335,727</u>	<u>300,901</u>
Total Program Expenses	<u>6,606,396</u>	<u>7,114,789</u>
Program revenues:		
Civil and criminal fees	224,920	194,183
Commissions on licenses and taxes	40,659	39,202
Court attendance	1,802	2,580
Feeding and keeping prisoners	3,202,519	3,554,217
Other	<u>1,202</u>	<u>657,311</u>
Total program revenues	<u>3,471,102</u>	<u>4,447,493</u>
Net Program Expenses	<u>(3,135,294)</u>	<u>(2,667,296)</u>
General revenues:		

Taxes - Ad valorem	\$1,482,198	\$1,624,569
Grants and contributions not restricted to specific programs:		
Federal sources	14,035	52,135
State sources	211,151	201,394
Local sources	85,000	85,000
Use of money and property	608,598	16,941
Miscellaneous	214,512	240,728
Special item:		
Gain (loss) on disposal of assets	13,870	14,019
Change in Net Position	(505,930)	(432,510)
<b>NET POSITION</b>		
Beginning of year - as restated	(3,521,037)	(860,720)
End of year	<u>(\$4,026,967)</u>	<u>(\$1,293,230)</u>

### Financial Analysis of the Government's Funds

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

As of June 30, 2018, combined governmental fund balances of \$717,527 showed a decrease of \$925,640 over June 30, 2017. The General Fund's portion of the unreserved, undesignated fund balance of \$207,149 shows a decrease (of approximately \$540,046) from the prior year amount. The Detention Center portion of the unreserved, undesignated fund balance of \$353,640 shows a decrease (of approximately \$394,330) from the prior year amount.

### General Fund and Major Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget for the General Fund were due primarily to a decrease in ad valorem taxes, federal grants, supplemental pay, other state grants, feeding and keeping prisoners and use of money and property and increases in civil and criminal fees, court attendance and proceeds from disposal of assets. Budgeted expenditures increased for personal services, operating services, materials and supplies and travel and other charges and had decreases in debt service. In the Detention Center, the original budgeted revenues differed from the final budgeted revenues due to a decrease in revenues for supplemental pay, feeding and keeping of prisoners, and other fees and charges. Anticipated expenditures differed due to an increase in materials and supplies and capital outlay and decreases in personal services and benefits and operating services.

### Capital Asset and Debt Administration

**Capital assets.** The Claiborne Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$3,623,769 (net of accumulated depreciation). This investment includes land, buildings, furniture, and equipment. The increase in capital assets for the year was \$347,281. There were decreases of \$131,134 for the year.

**Long-term debt.** At the end of the fiscal year, Claiborne Parish Sheriff had total debt outstanding of \$8,389,288. This amount is made up of revenue bonds of \$2,450,000 and a lease payable of \$5,032. Also included is the Claiborne Parish Sheriff contributes to a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff’s group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2018 is \$4,126,453. The liability associated with the Net Pension Obligation is \$1,807,803 at June 30, 2018. During the current year \$305,000 was paid on the revenue bonds, and \$7,182 was paid on the lease payable, in accordance with the debt agreements.

### **Requests for Information**

This financial report is designed to provide a general overview of the Claiborne Parish Sheriff’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Claiborne Parish Sheriff, 613 East Main Street, Homer LA 71040.

December 6, 2018

**BASIC FINANCIAL STATEMENTS**

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

STATEMENT OF NET POSITION  
June 30, 2018

**ASSETS**

Cash and cash equivalents	\$635,791
Receivables	325,817
Due from other funds	2,847
Capital assets (net of accumulated depreciation)	<u>3,623,769</u>
TOTAL ASSETS	<u>4,588,224</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related	<u>660,320</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OR RESOURCES	<u><u>\$5,248,544</u></u>

**LIABILITIES**

Accounts payable	\$145,429
Payroll deductions payable	6,096
Salaries payable	95,403
Net OPEB obligation	4,126,453
Net pension liability	1,807,803
Long-term liabilities:	
Due within one year	220,032
Due in more than one year	<u>2,235,000</u>
TOTAL LIABILITIES	<u>8,636,216</u>

**DEFERRED INFLOWS OR RESOURCES**

Pension and OPEB related	639,295
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**NET POSITION**

Invested in capital assets, net of related debt	1,168,737
Unrestricted	<u>(5,195,704)</u>
<b>TOTAL NET POSITION</b>	<u>(4,026,967)</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND NET POSITION

\$5,248,544

The accompanying notes are an integral part of this statement.

## Statement B

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
STATEMENT OF ACTIVITIES  
June 30, 2018

Public Safety:	
Personal services	\$4,101,692
Operating services	823,886
Materials and supplies	1,273,127
Travel	29,419
Debt service	42,545
Depreciation expense	335,727
Total Program Expenses	<u>6,606,396</u>
Program revenues:	
Civil and criminal fees	224,920
Commissions on licenses and taxes	40,659
Court attendance	1,802
Feeding and keeping prisoners	3,202,519
Other	1,202
Total program revenues	<u>3,471,102</u>
Net Program Expenses	<u>(3,135,294)</u>
General revenues:	
Taxes - Ad valorem	1,482,198
Grants and contributions not restricted to specific programs:	
Federal sources	14,035
State sources	211,151
Local sources	85,000
Use of money and property	608,598
Miscellaneous	214,512
Special items -	
Proceeds from sale of assets	13,870
Change in Net Position	<u>(505,930)</u>
<b>NET POSITION</b>	
Beginning of year - as restated	<u>(3,521,037)</u>
End of year	<u><u>(\$4,026,967)</u></u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

	.....MAJOR FUNDS.....			OTHER GOVERNMENTAL FUND	TOTAL
	GENERAL FUND	DETENTION CENTER	DEBT SERVICE	INMATE COMMISSARY	
<b>ASSETS</b>					
Cash and cash equivalents	\$226,986	\$252,067	\$126,130	\$30,608	\$635,791
Receivables	31,837	293,980			325,817
Due from other funds	15,474				15,474
<b>TOTAL ASSETS</b>	<u>\$274,297</u>	<u>\$546,047</u>	<u>\$126,130</u>	<u>\$30,608</u>	<u>\$977,082</u>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable	\$10,124	\$135,305			\$145,429
Payroll withholding payable	4,710	1,386			6,096
Salaries payable	52,314	43,089			95,403
Due to other funds		12,627			12,627
<b>Total Liabilities</b>	<u>67,148</u>	<u>192,407</u>	<u>NONE</u>	<u>NONE</u>	<u>259,555</u>
Fund Equity - Fund Balance:					
Restricted		353,640			353,640
Assigned			\$126,130	\$30,608	156,738
Unassigned	207,149				207,149
<b>Total Fund Equity</b>	<u>207,149</u>	<u>353,640</u>	<u>126,130</u>	<u>30,608</u>	<u>717,527</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$274,297</u>	<u>\$546,047</u>	<u>\$126,130</u>	<u>\$30,608</u>	<u>\$977,082</u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2018

Total Fund Balances at June 30, 2018- Governmental Funds (Statement C)		<u>\$717,527</u>
Deferred outflows - pension related		660,320
Cost of capital assets at June 30, 2018	\$7,733,695	
Less: Accumulated depreciation as of June 30, 2018	<u>(4,109,926)</u>	3,623,769
Long-term liabilities at June 30, 2018:		
Bonds payable	2,450,000	
Lease payable	5,032	
Net pension liability	1,807,803	
Net OPEB obligation	<u>4,126,453</u>	<u>(8,389,288)</u>
Deferred inflows of resources		(639,295)
Net Position at June 30, 2018 (Statement A)		<u>(\$4,026,967)</u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended June 30, 2018

	.....MAJOR FUNDS.....			OTHER GOVERNMENTAL FUND	TOTAL
	GENERAL FUND	DETENTION CENTER	DEBT SERVICE	INMATE COMMISSARY	
<b>REVENUES</b>					
Taxes - ad valorem	\$1,482,198				\$1,482,198
Intergovernmental revenues:					
Federal grants	14,035				14,035
State grants:					
State revenue sharing (net)	87,246				87,246
State supplemental pay	91,009	\$10,511			101,520
Other	22,385				22,385
Local	85,000				85,000
Fees, charges, and commissions for services:					
Commissions on licenses and taxes	40,659				40,659
Civil and criminal fees	224,920				224,920
Court attendance	1,802				1,802
Feeding and keeping of prisoners	189,983	3,012,536			3,202,519
Other	1,202				1,202
Use of money and property	14,791	593,790		\$17	608,598
Other	344			48,448	48,792
Total revenues	<u>2,255,574</u>	<u>3,616,837</u>	NONE	<u>48,465</u>	<u>5,920,876</u>
<b>EXPENDITURES</b>					
Public safety:					
Current:					
Personal services and related benefits	2,217,966	1,867,712			4,085,678
Operating services	335,776	488,110			823,886
Materials and supplies	223,018	1,008,005		42,104	1,273,127
Travel and other charges	28,747	672			29,419
Capital outlay		347,281			347,281
Debt service	7,715		\$297,012		304,727
Total expenditures	<u>2,813,222</u>	<u>3,711,780</u>	<u>297,012</u>	<u>42,104</u>	<u>6,864,118</u>

(Continued)

Statement D

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance

	.....MAJOR FUNDS.....		OTHER GOVERNMENTAL FUND INMATE COMMISSARY	
	GENERAL FUND	DETENTION CENTER	DEBT SERVICE	TOTAL
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(\$557,648)	(\$94,943)	(\$297,012)	\$6,361
<b>OTHER FINANCING SOURCES (Use):</b>				
Proceeds from disposal of assets	17,602			17,602
Transfers in			299,387	299,387
Transfers out		(299,387)		(299,387)
Total Other Financing Sources (use)	17,602	(299,387)	299,387	NONE
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE</b>	(540,046)	(394,330)	2,375	6,361
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	747,195	747,970	123,755	24,247
<b>FUND BALANCE AT THE END OF YEAR</b>	\$207,149	\$353,640	\$126,130	\$30,608

(Concluded)

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds (Statement D)	(\$925,640)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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 capital outlay exceeds depreciation in the period.	11,554
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.	(3,732)
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.	262,182
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(105,704)
Non-employer contributions to cost-sharing pension plan	165,720
Pension expense	<u>89,690</u>
Change in Net Position of governmental activities (Statement B)	<u><u>(\$505,930)</u></u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	<u>CRIMINAL FUND</u>	<u>CIVIL FUND</u>	<u>INMATE FUNDS</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$35,366</u>	<u>\$11,817</u>	<u>\$98,671</u>	<u>\$145,854</u>
<b>LIABILITIES</b>				
Unsettled deposits due to:				
Other funds	\$1,443	\$1,404		\$2,847
Others	<u>33,923</u>	<u>10,413</u>	<u>\$98,671</u>	<u>143,007</u>
Total Liabilities	<u>\$35,366</u>	<u>\$11,817</u>	<u>\$98,671</u>	<u>\$145,854</u>

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2018

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The accompanying financial statements of the Claiborne Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. 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.

**A. REPORTING ENTITY**

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

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

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

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

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

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

## CLAIBORNE PARISH SHERIFF

Homer, Louisiana

### Notes to the Financial Statements (Continued)

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net Position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position.

The government-wide financial statements are prepared using 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 nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

**Allocation of Indirect Expenses** - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services

## CLAIBORNE PARISH SHERIFF

Homer, Louisiana

### Notes to the Financial Statements (Continued)

to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

#### **Governmental Fund Types**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

**Special Revenue Fund** - The Special Revenue Funds are used to account for the proceeds of specific revenue sources such as grants and state and parish funds for maintaining state and parish prisoners. Those revenues are restricted to expenditures for specified purposes.

#### **Fiduciary Fund Type - Agency Funds**

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

### **D. BASIS OF ACCOUNTING**

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

#### **1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### **2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and

## CLAIBORNE PARISH SHERIFF

Homer, Louisiana

### Notes to the Financial Statements (Continued)

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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds 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**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

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

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

**Expenditures**

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

**E. CASH AND CASH EQUIVALENTS**

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 and national banks having principal offices in Louisiana. At June 30, 2018, the sheriff has cash and equivalents (book balances) totaling \$781,645 as follows:

Demand deposits	\$781,145
Petty cash	<u>500</u>
Total	<u><u>\$781,645</u></u>

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2018, are secured as follows:

Bank balances	<u>\$904,075</u>
Federal deposit insurance	<u>\$309,053</u>
Pledged securities (uncollateralized)	<u>1,318,907</u>
Total	<u><u>\$1,627,960</u></u>

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

**F. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, 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:

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

**G. RISK MANAGEMENT**

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2018.

**H. VACATION AND SICK LEAVE**

Employees earn 1 week (7 calendar days) of vacation leave after one year of employment and 2 weeks (14 calendar days) of vacation leave after 2 years of employment. After the employee's fifth year of employment, an employee shall be entitled to 3 weeks (21 calendar days), and after ten years of employment, and employee is entitled to a 4 week (28 calendar days) of vacation

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

leave. Vacation leave does not accumulate. Employees earn 10 days of sick leave each year. Sick leave not used at the end of the year cannot be carried over to the next year. Sick leave does not accumulate. There are no accumulated and vested vacation and sick leave benefits at June 30, 2018, which require accrual or disclosure to conform with generally accepted accounting principles.

**I. PENSION PLANS**

The Claiborne Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**J. OPEB PLAN**

The Sheriff's defined benefit postemployment health care plan provides OPEB to eligible retired employees. The plan provides OPEB for permanent full-time employees of the Sheriff. The Sheriff's OPEB plan is a single employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**K. EQUITY CLASSIFICATIONS**

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

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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB Statement 54 for the year ended June 30, 2018. As such, fund balances of the governmental funds are classified as follows:

*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff reduces committed amounts first, followed by assigned amounts and the unassigned amounts.

**L. 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

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

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.

**M. CURRENT YEAR ADOPTION OF NEW ACCOUNTING  
STANDARDS AND RESTATEMENT OF NET POSITION**

The Claiborne Parish Sheriffs' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45. The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2017, as previously stated	(\$1,293,230)
Net Change in OPEB at June 30, 2018	<u>(2,227,807)</u>
Total Net Position, June 30, 2018, Restated	<u><u>(\$3,521,037)</u></u>

**2. RECEIVABLES**

The receivables of \$325,817 at June 30, 2018, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Total</u>
Intergovernmental revenues -			
Federal grants	\$4,770		\$4,770
State grants	16,083		16,083
Fees, charges, and commissions for services:			
Feeding and keeping prisoners	6,773	\$256,710	263,483
Other commissions	3,244	37,270	40,514
Miscellaneous	967		967
Total	<u>\$31,837</u>	<u>\$293,980</u>	<u>\$325,817</u>

**3. ON-BEHALF PAYMENTS**

Certain employees of the Claiborne Parish Sheriff and Claiborne Parish Detention Center receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund (\$91,009) and the Detention Center Operating Fund (\$10,511). Revenues and expenditures under this arrangement totaled \$101,520.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

**4. CHANGES IN CAPITAL ASSETS**

A summary of changes in office furnishings and equipment for the year ended June 30, 2018, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
General Fund - vehicles and equipment	\$1,450,793			\$1,450,793
Detention Center:				
Land and improvements	214,182	\$171,758		385,940
Buildings	5,432,922	9,990		5,442,912
Furniture and equipment	362,980	54,699	(\$41,045)	376,634
Vehicles	56,671	110,834	(90,089)	77,416
Sub-total Detention Center	<u>6,066,755</u>	<u>347,281</u>	<u>(131,134)</u>	<u>6,282,902</u>
Total assets	<u>\$7,517,548</u>	<u>\$347,281</u>	<u>(\$131,134)</u>	<u>\$7,733,695</u>
Less accumulated depreciation	<u>3,901,601</u>	<u>335,727</u>	<u>(127,402)</u>	<u>4,109,926</u>
Net capital assets	<u><u>\$3,615,947</u></u>	<u><u>\$11,554</u></u>	<u><u>(\$3,732)</u></u>	<u><u>\$3,623,769</u></u>

**5. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER**

The Sheriffs' Pension and Relief Fund (Fund) 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 the sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for contributions Made Subsequent to the Measurement Date, an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability.

***Summary of Significant Accounting Policies.***

The Sheriffs' Pension and Relief Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

## CLAIBORNE PARISH SHERIFF

Homer, Louisiana

### Notes to the Financial Statements (Continued)

The Sheriffs' Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2017.

#### ***Plan Description.***

The Sheriffs' Pension and Relief Fund was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Substantially all employees of the Claiborne Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

#### ***Plan Benefits***

##### Retirement Benefits

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 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. 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 a member whose first employment making him 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 3.33 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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

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

Disability Benefits

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

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 members' 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 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

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits:

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

Back Deferred Retirement Option Plan (Back-DROP)

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

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Claiborne Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Claiborne Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Claiborne Parish Sheriff's contributions to the System for the years ended June 30, 2018, 2017, and 2016 were \$355,631, \$383,248, and \$422,227, respectively, equal to the required contributions for each year.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

***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 \$1,807,803 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 liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2017, the Sheriffs' proportion was .4175 percent, which was a decrease of .0321 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the Sheriff recognized pension expense of (\$89,690). At June 30, 2017, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$1,317,706	\$492,381
Change in system deferred outflows and inflows of resources	(629,772)	41,320
Differences between Sheriff contributions and proportionate share of contributions		91,980
Difference in proportion of contributions and actual proportions		(151)
Contributions for measurement period	(383,245)	
Sheriff contributions subsequent to the measurement date	355,631	
Total	\$660,320	\$625,530

\$355,631 reported as deferred outflows of resources related to pensions resulting from the Claiborne Parish Sheriffs' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	(\$136,229)
2019	57,069
2020	(17,205)
2021	(169,963)
2022	(20,563)

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

2023	(\$15,131)
Thereafter	(\$302,022)

**Actuarial assumptions.** The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2017
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.4%
Projected salary increases	5.5% (2.775% inflation, 2.725% merit)
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries  RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	7 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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

The discounted rate used to measure the total pension liability was 7.4%. 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.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method.

**Sensitivity of the Sheriffs’ proportionate share of the net pension liability to changes in the discount rate.** The following presents the net pension liability of the participating employers 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.

	<b>1% Decrease (6.4%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.4%)</b>
Sheriffs’ proportionate share of the net pension liability	\$3,724,550	\$1,807,803	\$195,121

**6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description.** The Claiborne Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Claiborne 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/dental and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree and 50% for the surviving spouse. 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. Hired after January 1<sup>st</sup>, 2012, age 55 and 30 years of service, age 60 and 20 years of service, and age 62 with 12 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

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

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

Inactive employees or beneficiaries currently receiving benefit payments	20
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>79</u>
Total employees	<u><u>99</u></u>

**Total OPEB Liability**

The Sheriff's total OPEB liability of \$4,126,453 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	3.0%, including inflation
Discount rate	3.5%, 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	\$4,034,514
Changes for the year:	
Service cost	37,066
Interest	\$142,505
Differences between expected and actual	13,765
Benefit payments and net transfers	<u>(101,397)</u>
Net Changes	<u>91,939</u>
Balance at June 30, 2018	<u><u>\$4,126,453</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

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	<b>1.0% Decrease (2.5%)</b>	<b>Current Discount Rate (3.5%)</b>	<b>1.0% Increase (4.5%)</b>
Total OPEB liability	\$4,819,523	\$4,126,453	\$3,571,778

*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 a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	<b>1.0% Decrease (4.5%)</b>	<b>Current Discount Rate (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$3,615,249	\$4,126,453	\$4,754,878

**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 \$180,001. 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 expenditures	NONE	\$13,765

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

Year ended June 30:	
2019	(\$430)
2020	(430)
2021	(430)
2022	(430)
2023	(430)
Thereafter	(\$11,184)

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

**7. DUE FROM/TO OTHER FUNDS**

Individual balances due from/to other funds at June 30, 2018, are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund		\$15,474
Detention Center Fund	\$12,627	
Agency Funds:		
Criminal Fund	1,443	
Civil Fund	<u>1,404</u>	
Total	<u>\$15,474</u>	<u>\$15,474</u>

**8. CHANGES IN AGENCY FUND BALANCES**

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

	<u>Tax Collector</u>	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
Balance at June 30, 2017	NONE	\$27,173	\$10,282	\$65,319	\$102,774
Additions	\$9,615,650	661,352	191,876	610,437	11,079,315
Reductions	<u>(9,615,650)</u>	<u>(654,602)</u>	<u>(191,745)</u>	<u>(577,085)</u>	<u>(11,039,082)</u>
Balance at June 30, 2018	<u>NONE</u>	<u>\$33,923</u>	<u>\$10,413</u>	<u>\$98,671</u>	<u>\$143,007</u>

**9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

On August 2, 2016, the sheriff issued \$2,950,000 in revenue refunding bonds with an interest rate ranging from 1.2 percent to 2.1 percent to retire \$1,622,327 of outstanding 2013 series bonds with a 3.00 percent interest rate. The 2016 series bonds were used to refund the 2009 series bond used for acquisition and construction of a detention center. The net proceeds were \$3,018,820 (after issuance costs of \$68,820). Principal is due in annual installments ranging from \$195,000 to \$301,000 and LPFA bond payments with annual installments of \$50,000 through March 1, 2026. Debt retirement payments are to be made from Detention Center Revenue Fund.

The following is a summary of long-term obligation transactions (revenue refunding bonds) for the year ended June 30, 2018:

Balance at July 1, 2017	\$2,755,000
Additions	NONE
Retirements	<u>(305,000)</u>
Balance at June 30, 2018	<u>\$2,450,000</u>

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
Notes to the Financial Statements (Continued)

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$215,000	\$35,712	\$50,000	\$3,425	\$304,137
2020	226,000	32,917	50,000	3,100	312,017
2021	237,000	29,753	50,000	2,750	319,503
2022	249,000	26,198	50,000	2,375	327,573
2023-2026	1,123,000	57,614	200,000	5,000	1,385,614
Total	<u>\$2,050,000</u>	<u>\$182,194</u>	<u>\$400,000</u>	<u>\$16,650</u>	<u>\$2,648,844</u>

Refunding bonds totaling \$2,050,000 at June 30, 2018, are secured by revenues derived from a cooperative endeavor agreement with the Louisiana Department of Public Safety and Corrections and the sheriff's office for the housing of state inmates. The agreement provides that the Department of Public Safety and Corrections will provide and maintain an inmate population of not less than forty percent (40%) of the 400 bed detention facility.

**10. CAPITAL LEASE**

The Claiborne Parish Sheriff entered into a lease program with Ally for the purchase of a vehicle. This vehicle was totaled during the current year and was paid off with insurance proceeds. The Claiborne Parish Sheriff also entered into a lease program with Ford Motor Credit for a vehicle. Current year principal payments equaled \$7,182. Future minimum payments as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	<u>\$5,032</u>	<u>\$112</u>	<u>\$5,144</u>

**11. TAX COLLECTOR ENDING CASH BALANCE**

At June 30, 2018, the tax collector has cash and equivalents (book balances) totaling \$0.

**12. AD VALOREM TAXES COLLECTED**

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2018, by taxing body as follows:

Louisiana Forestry Service	\$26,446
Louisiana Tax Commission	19,562
Claiborne Parish Assessor	578,184

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

Claiborne Parish Police Jury	\$2,726,338
Claiborne Parish School Board	3,022,595
Claiborne Parish Sheriff	1,483,409
Evergreen Fire District	3,886
Haynesville Fire District #3	208,533
Homer Fire District #4	326,908
South Claiborne Fire District #5	176,022
Recreation District	171,788
Village of Athens	9,578
Town of Junction City	2,358
Town of Homer	<u>124,387</u>
Total	<u><u>\$8,879,994</u></u>

**13. TAX UNCOLLECTED AND UNSETTLED**

The tax collector has not collected and disbursed the following taxes for the year ended June 30, 2018, by taxing body as follows:

Claiborne Parish Assessor	\$167
Claiborne Parish Police Jury	758
Claiborne Parish School Board	1,660
Claiborne Parish Sheriff	427
Claiborne Fire District #5	13
Town of Homer	<u>308</u>
Total	<u><u>\$3,333</u></u>

The majority of uncollected taxes were an oil company that has filed bankruptcy. The sheriff is still attempting to collect these taxes.

**14. OCCUPATIONAL LICENSES COLLECTED**

At June 30, 2018, the tax collector has collected and disbursed the following:

	Total Collection	Collection Cost	Final Distribution
Claiborne Parish Police Jury	<u>\$86,740</u>	<u>\$13,011</u>	<u>\$73,729</u>

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Notes to the Financial Statements (Continued)

**15. LITIGATION AND CLAIMS**

At June 30, 2018, the Claiborne Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes - Ad valorem	\$1,650,000	\$1,482,200	\$1,482,198	(\$2)
Intergovernmental revenues:				
Federal grants - federal revenue	46,500	28,903	14,035	(14,868)
State grants:				
State revenue sharing (net)	88,000	87,246	87,246	
State supplemental pay	96,000	92,010	91,009	(1,001)
Other state grants	19,000	16,761	22,385	5,624
Local	85,000	85,000	85,000	
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	40,500	41,400	40,659	(741)
Civil and criminal fees	185,100	229,750	224,920	(4,830)
Court attendance	2,500	4,382	1,802	(2,580)
Feeding and keeping of prisoners	267,000	214,000	189,983	(24,017)
Other	1,600	1,200	1,202	2
Use of money and property	16,000	14,634	14,791	157
Other revenue	140	140	344	204
Total revenues	<u>2,497,200</u>	<u>2,297,626</u>	<u>2,255,574</u>	<u>(42,052)</u>
<b>EXPENDITURES</b>				
Public safety:				
Current:				
Personal services and benefits	2,176,000	2,216,250	2,217,966	(1,716)
Operating services	316,550	337,933	335,776	2,157
Materials and supplies	167,650	201,869	223,018	(21,149)
Travel and other charges	26,100	28,732	28,747	(15)
Debt service	8,200	7,733	7,715	18
Total expenditures	<u>2,694,500</u>	<u>2,792,517</u>	<u>2,813,222</u>	<u>(20,705)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(197,300)</u>	<u>(494,891)</u>	<u>(557,648)</u>	<u>(62,757)</u>
<b>OTHER FINANCING SOURCES</b>				
Disposal of assets		17,602	17,602	
Total financing sources	NONE	17,602	17,602	NONE
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	(197,300)	(477,289)	(540,046)	(62,757)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>755,348</u>	<u>747,195</u>	<u>747,195</u>	NONE
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$558,048</u>	<u>\$269,906</u>	<u>\$207,149</u>	<u>(\$62,757)</u>

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

BUDGETARY COMPARISON SCHEDULE  
DETENTION CENTER  
For the Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
State grants - state supplemental pay	\$12,000	\$9,648	\$10,511	\$863
Fees, charges, and commissions for services:				
Feeding and keeping of prisoners	3,280,000	3,046,500	3,012,536	(33,964)
Other	691,350	607,249	593,790	(13,459)
Use of money and property - interest	280	215		(215)
Total revenues	<u>3,983,630</u>	<u>3,663,612</u>	<u>3,616,837</u>	<u>(46,775)</u>
<b>EXPENDITURES</b>				
Public safety:				
Current:				
Personal services and benefits	2,025,750	1,871,819	1,867,712	4,107
Operating services	651,550	636,572	488,110	148,462
Materials and supplies	769,000	864,889	1,008,005	(143,116)
Travel and other charges	1,100	720	672	48
Capital outlay	305,000	347,281	347,281	
Total expenditures	<u>3,752,400</u>	<u>3,721,281</u>	<u>3,711,780</u>	<u>9,501</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	231,230	(57,669)	(94,943)	(56,276)
<b>OTHER FINANCING USE</b>				
Transfer out	(300,000)	(300,000)	(299,387)	613
Total financing use	<u>NONE</u>	<u>(300,000)</u>	<u>(299,387)</u>	<u>613</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE</b>	231,230	(357,669)	(394,330)	(36,661)
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	<u>845,362</u>	<u>747,970</u>	<u>747,970</u>	
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$1,076,592</u></u>	<u><u>\$390,301</u></u>	<u><u>\$353,640</u></u>	<u><u>(\$36,661)</u></u>

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2018

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Claiborne Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

Claiborne Parish Sheriff  
 Schedule of Changes in Net OPEB Liability and Related Ratios  
 FYE June 30, 2018

Schedule of Funding Progress

**Total OPEB Liability**

Service cost	\$37,066
Interest	142,505
Changes of benefits terms	NONE
Differences between expected and actual experience	13,765
Changes of assumptions	NONE
Benefit payments	<u>(101,397)</u>
Net change in total OPEB liability	91,939
Total OPEB liability - beginning	<u>4,034,514</u>
Total OPEB liability - ending	<u><u>\$4,126,453</u></u>
Covered employee payroll	\$2,904,534
Net OPEB liability as a percentage of covered-employee payroll	142.07%

Note:

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

*Changes of Assumptions.* There were no 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.

**Claiborne Parish Sheriff**  
**Schedule of Employer's Share of Net Pension Liability**  
**June 30, 2018**

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer 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
June 30, 2015	0.489572%	\$1,939,420	\$3,019,643	64.23%	87.34%
June 30, 2016	0.464097%	\$2,068,720	\$3,070,743	67.37%	86.16%
June 30, 2017	0.449629%	\$2,853,748	\$2,892,440	98.66%	82.09%
June 30, 2018	0.417480%	\$1,807,803	\$2,789,263	64.81%	88.49%

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

**Claiborne Parish Sheriff**  
**Schedule of Employer Contributions**  
**June 30, 2018**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$430,299	\$430,299	\$0	\$3,019,643	14.25%
June 30, 2016	\$422,227	\$422,227	\$0	\$3,070,743	13.75%
June 30, 2017	\$383,248	\$383,248	\$0	\$2,892,440	13.25%
June 30, 2018	\$355,631	\$355,631	\$0	\$2,789,263	12.75%

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

STATE OF LOUISIANA

PARISH OF CLAIBORNE

**AFFIDAVIT  
KEN BAILEY, SHERIFF OF CLAIBORNE PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, KEN BAILEY, SHERIFF OF CLAIBORNE PARISH, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$0, is the amount of cash on hand in the tax collector account on June, 30, 2018.

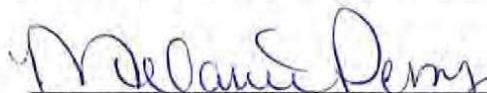
He further deposed and said:

All itemized statements of the amount of taxes collected for the 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.

  
\_\_\_\_\_  
KEN BAILEY, SHERIFF  
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 6<sup>th</sup> day of December, 2018, in my office in Homer, Louisiana.

  
\_\_\_\_\_  
MELANIE PERRY, NOTARY PUBLIC #135872  
CLAIBORNE PARISH, LOUISIANA

CLAIBORNE PARISH SHERIFF  
Homer, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2018

KENNETH BAILEY, SHERIFF

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$145,761
Expense Allowance	14,576
Benefits-insurance	11,138
Benefits-retirement	20,443
Benefits-other	2,528
Registration fees	385
Housing and lodging	2,512
Membership dues-Sheriffs Association	12,147

**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended June 30, 2018

**FIDUCIARY FUND TYPE - 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.

**CRIMINAL FUND**

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

**SHERIFF'S CIVIL FUND**

The Sheriff's Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments. Payment of these collections to recipients are made in accordance with applicable laws.

**INMATE FUND**

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances  
Due to Taxing Bodies and Others  
For the Year Ended June 30, 2018

	TAX COLLECTOR FUND	CRIMINAL FUND	CIVIL FUND	INMATE FUND	TOTAL
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR</b>	NONE	\$27,173	\$10,282	\$65,319	\$102,774
<b>ADDITIONS</b>					
Deposits - sheriff's sales, etc.			70,746		70,746
Fines, forfeitures, bonds, etc.		661,352			661,352
Ad valorem taxes	\$9,133,956				9,133,956
State Revenue Sharing	318,025				318,025
Parish licenses	86,740				86,740
Interest on:					
NOW accounts	779				779
Delinquent taxes	17,159				17,159
Garnishments			86,016		86,016
Tax notices, etc.	34,553		35,114		69,667
Inmate deposits				610,437	610,437
Other deposits	24,438				24,438
Total additions	<u>9,615,650</u>	<u>661,352</u>	<u>191,876</u>	<u>610,437</u>	<u>11,079,315</u>
Total	<u>9,615,650</u>	<u>688,525</u>	<u>202,158</u>	<u>675,756</u>	<u>11,182,089</u>
<b>REDUCTIONS</b>					
Deposits settled to:					
Claiborne Parish:					
Sheriff's General Fund	1,620,491	124,238	44,506		1,789,235
Assessor	602,980				602,980
Clerk of Court	1,779	54,711	11,675		68,165
Police jury	2,905,121	10,173			2,915,294
School board	3,132,485				3,132,485
District attorney		73,329			73,329
Fire Districts	717,366				717,366
Recreation District	172,419				172,419
Municipalities	136,699				136,699
Indigent Defender Board		97,932			97,932
Louisiana Supreme Court		7,138			7,138
Judicial Expense fund		26,314			26,314
Salary-judges secretary		51,672			51,672

(Continued)

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS  
Combining Schedule of Changes in Balances  
Due to Taxing Bodies and Others, 2018

	TAX COLLECTOR FUND	CRIMINAL FUND	CIVIL FUND	INMATE FUND	TOTAL
<b>REDUCTIONS (CONTD.)</b>					
Deposits settled to (contd.):					
North Louisiana Crime Lab		\$68,156			\$68,156
Commission on Law Enforcement		6,240			6,240
LA Tax Commission	\$19,563				19,563
Department of Public Safety		500			500
Department of Wildlife & Fisheries		100			100
Louisiana Forestry Commission	26,471				26,471
LA Rehab. Services THSCITF		8,395			8,395
Juvenile Maint. Fund		20,230			20,230
Second Judicial Criminal Court		92,392			92,392
Pension funds	256,518				256,518
Refunds	12,145	12,927			25,072
Litigants			\$125,143		125,143
Other settlements	11,613	155	10,421	\$577,085	599,274
Total reductions	<u>9,615,650</u>	<u>654,602</u>	<u>191,745</u>	<u>577,085</u>	<u>11,039,082</u>
<b>UNSETTLED BALANCES</b>					
<b>DUE TO TAXING BODIES</b>					
<b>AND OTHERS AT END OF YEAR</b>					
	<u>NONE</u>	<u>\$33,923</u>	<u>\$10,413</u>	<u>\$98,671</u>	<u>\$143,007</u>

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent Auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditors Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance *Government Auditing Standards***

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the Claiborne Parish Sheriff as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Claiborne Parish Sheriff's basic financial statements, and have issued my report thereon dated December 6, 2018.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exist 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CLAIBORNE PARISH SHERIFF

Homer, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2018

**Compliance and Other Matters**

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

**Purpose of this Report**

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



West Monroe, Louisiana

December 6, 2018

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

**A. SUMMARY OF AUDIT RESULTS**

1. The Auditor's report expresses an unqualified opinion on the general purpose financial statements of the Claiborne Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the Claiborne Parish Sheriff was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

CLAIBORNE PARISH SHERIFF  
Homer, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2018

There were no audit findings reported in the audit for the year ended June 30, 2017.

Member:  
American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

**MARY JO FINLEY, CPA, INC.**  
*A PROFESSIONAL ACCOUNTING CORPORATION*  
116 Professional Drive - West Monroe, LA 71291  
Phone (318) 329-8880 - Fax (318) 329-8883

Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Claiborne Parish Sheriff  
613 East Main Street  
Homer, LA 71291

To the Claiborne Parish Sheriff's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Claiborne Parish Sheriff's Office and the Louisiana Legislative Auditor, State of Louisiana, 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. Management of Claiborne Parish Sheriff's Office 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, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**AGREED-UPON PROCEDURES**

**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 operation):

The Sheriff provided a policy and procedures manual to test against the agreed upon procedures.

- A. Budgeting, including preparing, adopting, monitoring, and amending the budget.

The budgeting policy and procedure is in compliance with the agree upon procedures guidelines.

- 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.

The purchasing policies and procedures are in compliance with the agreed upon procedures guidelines. The Sheriff office and the Detention Center use purchase orders or requisitions. Supervisors initiate all purchases and the sheriff approves all purchases. The Chief Accounting Deputy adds any new vendors and the Sheriff approves all vendors added. The policy and procedures outlines any purchases requiring compliance with the bid law.

- C. Disbursements, including processing, reviewing, and approving

The disbursement policies and procedures are in compliance with the agree upon procedures guidelines. The Chief Accounting Deputy compiles all accounts payable documentation and enters them into the accounting system. A distribution report is generated and given to the Sheriff to review and approve. Once approved, the Chief Accounting Deputy initiates all disbursements and the Sheriff signs all checks. The Chief Accounting Deputy mails all checks.

- 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).

The Sheriff has a written policy and procedures for receipts, recording and preparing documents. The Sheriff is in accordance with AUP guidelines. All employees receive money and work out of their own cash drawer. The Sheriffs office has 4 tax collector drawers and 2 criminal drawers. The employees do not reconcile their own cash drawers, they swap drawers to reconcile them. The Sheriff has employee theft insurance coverage for the employees.

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

The Sheriff has policies and procedures pertaining to payroll/personnel. It addresses several areas such as leave time, holiday time, and compensatory time. The Chief Accounting Deputy is responsible for tracking the leave time and other compensatory time. All employees track time worked and leave time taken. The Sheriff is in compliance with the AUP guidelines.

- 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

The Sheriff has written policies and procedures concerning contracting. The Sheriff is in compliance with the AUP guidelines.

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

The Sheriff has a written policies and procedures addressing credit cards. The cards are in the name of the Sheriff and designated employees. Fuel cards at the Detention Center are assigned to the vehicles. The Sheriff's office deputies use a fuel tank. There are fuel cards for some of the deputies at the sheriff's office. The Chief Accounting Deputy attaches the backup to the statements. The Sheriff is in compliance with the AUP guidelines.

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

The Sheriff has policies and procedures in place to cover travel and expense reimbursements. The Sheriff is in compliance with the AUP guidelines.

- 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.

The Sheriff has ethics policies and procedures in place. All employees are required to take the online ethics course. There was no signature verification that the employees have read the agency policy on ethics.

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

The Sheriff has a written policies and procedures in place for debt service and is in compliance with the AUP guidelines.

## **BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)**

2. The Claiborne Parish Sheriff's office does not have a board or a finance committee therefore this procedure is not applicable.

## **BANK RECONCILIATIONS**

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

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

The agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. The agency had a total of 17 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

For the 5 bank accounts selected above, it was determined that the bank reconciliations were dated to show evidence that they were reconciled within 2 months of the closing date of the statements.

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

For the 5 bank accounts selected above, it was determined that the all 5 bank reconciliations were performed by the Chief Accounting Deputy and that the reconciliations were reviewed by the Sheriff.

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

For the 5 bank accounts selected above, 2 of the 5 accounts had no outstanding reconciling items over 12 months. Three accounts had items over 12 months.

## COLLECTIONS

4. 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).

Agency provided me with a certified list of deposit sites and I verified that it was complete.

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:

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

The agency has 2 collection locations with 6 cash drawers at the Sheriff's office and none at the detention center. Each deputy has their own cash drawer for tax collections and criminal fund.

- 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.

Deputies reconcile the cash drawer and give to the Chief Accounting Deputy to verify that the deposit is reconciled to support. A uniformed deputy makes the deposit and gives the deposit slip back to the Chief Accounting Deputy for filing. Collections over the counter for tax collector and criminal are posted to the accounting software when collected. The mail is opened by the Chief Accounting Deputy who deposits general fund checks and gives the civil fund checks to the another deputy who posts the civil checks to the accounting software. The Chief Accounting Deputy verifies and prepares the bank deposits for the general fund. A uniformed officer makes the deposit and gives the deposit slip to the accounts payable clerk to be filed. Bank reconciliations are prepared by the Chief Accounting Deputy and there was written documentation that the reconciliations are reviewed by the Sheriff.

- 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.

Deputies reconcile the cash drawer and give to the Chief Accounting Deputy to verify that the deposit is reconciled to support. A uniformed deputy makes the deposit and gives the deposit slip back to the Chief Accounting Deputy for filing. Collections over the counter for tax collector and criminal are posted to the accounting software when collected. The mail is opened by the Chief Accounting Deputy who deposits general fund checks and gives the civil fund checks to the another deputy who posts the civil checks to the accounting software. The Chief Accounting Deputy verifies and prepares the bank deposits for the general fund. A uniformed officer makes the deposit and gives the deposit slip to the accounts payable clerk to be filed. Bank reconciliations are prepared by the Chief Accounting Deputy and there was written documentation that the reconciliations are reviewed by the Sheriff.

- 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.

Deputies reconcile the cash drawer and give to the Chief Accounting Deputy to verify that the deposit is reconciled to support. A uniformed deputy makes the deposit and gives the deposit slip back to the Chief Accounting Deputy for filing. Collections over the counter for tax collector and criminal are posted to the accounting software when collected. The mail is opened by the Chief Accounting Deputy who deposits general fund checks and gives the civil fund checks to the another deputy who posts the civil checks to the accounting software. The Chief Accounting Deputy verifies and prepares the bank deposits for the general fund. A uniformed officer makes the deposit and gives the deposit slip to the accounts payable clerk to be filed. Bank reconciliations are prepared by the Chief Accounting Deputy and there was written documentation that the reconciliations are reviewed by the Sheriff.

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

The Sheriff has employee theft insurance coverage on the employees.

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 statement 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:

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

The Sheriff does not use pre-numbered receipts, the system generates receipts when money is collected.

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

Deposit documentation was traced to the cash register information for the daily receipts.

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

The deposit slips selected were traced to the bank statement.

- 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).

Both Sheriff's office locations make daily deposits.

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

The deposits were traced to the posting in the Software and Services (GFA) accounting software.

**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).

Agency provided a complete list of locations that process payments and represented that the list was complete.

- 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:

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

The Sheriff office and the Detention Center use a purchase order system or purchase requisitions. The supervisors initiate all purchases and the sheriff approves all purchases. The Sheriff has ultimate approval on all major purchases.

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

The Chief Accounting Deputy initiates disbursements and the Sheriff approves all disbursements and signs all checks.

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.

The Chief Accounting Deputy adds vendors and the Sheriff approves all new vendors.

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.

The Chief Accounting Deputy initiates the checks and gives to the Sheriff to review and sign all checks. The Chief Accounting Deputy mails all check payments.

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:

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

All disbursements selected to be tested had the proper support documentation.

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

The Chief Accounting Deputy initiates the disbursements and the Sheriff signs all checks. The Chief Accounting Deputy reconciles all bank statements and there is evidence that the Sheriff reviews the reconciliations.

## 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.

The agency provided me with a certified list of all active credit cards, fuel cards, etc.

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:

- 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.]]

The Chief Accounting Deputy reviews all credit card statements and attaches proper support to the statement. The Chief Accounting Deputy reviews all fuel credit card statements for consistency and approves them for payment. There is written documentation showing the fuel statements were reviewed for exceptions.

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

For the card tested, there were no interest charges on the credit card statement.

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).

All transactions tested had the proper documentation. The designed employees or authorized card holder initiates all purchases and the Sheriff approves all purchases. No meal charges were tested.

## **TRAVEL AND EXPENSE REIMBURSEMENT**

14. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## **CONTRACTS**

15. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## **PAYROLL AND PERSONNEL**

16. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
17. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
18. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## **ETHICS (EXCLUDING NONPROFITS)**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:

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

Agency provided support for ethics training for the five randomly selected employees above.

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

Agency had no written documentation to show that the employees have read the agency policy concerning the ethics policy.

## DEBT SERVICE

21. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
22. The Claiborne Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## OTHER

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Sheriff's office has no known misappropriation of funds during the test period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises.

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

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



Mary Jo Finley, CPA  
December 6, 2018

**KEN BAILEY**  
**CLAIBORNE PARISH SHERIFF**



613 East Main Street • Homer, Louisiana 71040 • Office: 318-927-2011 • Fax: 318-927-9819

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Mary Jo Finley, CPA  
116 Professional Drive  
West Monroe, LA 71291

The following is the Claiborne Parish Sheriff's Office response to the report of exceptions found during your testing performed in accordance with the AUP:

- 1.(I) We are changing our Ethics Training to include that every employee will attach to their Ethic Training Certificate a signed Ethic policy and procedure verifying that they have read policy.
- 3.(C) We will make a great effort to clear up all outstanding checks over 12 months.
- 7.(A) The software we use for collecting generates receipts based on the fund collected out of.
- 20.(B) Employees will now sign the CPSO Ethic policy and turn in with certificate every year.

Ken Bailey, Sheriff

A handwritten signature in black ink that reads "Ken Bailey". The signature is written in a cursive, flowing style.