

LINCOLN PARISH SHERIFF
Ruston, Louisiana

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

LINCOLN PARISH SHERIFF
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

HONORABLE MIKE STONE
LINCOLN PARISH SHERIFF
Ruston, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Lincoln Parish Sheriff, a component unit of the Lincoln 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 Lincoln 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 Lincoln 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.

LINCOLN PARISH SHERIFF
Ruston, 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 Lincoln 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 10, the budgetary comparison information on pages 44 through 45, and the schedule of funding progress for the retiree healthcare plan on page 46, and the schedule of the Sheriff's proportionate share of the net pension liability on pages 47 through 48, 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 management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

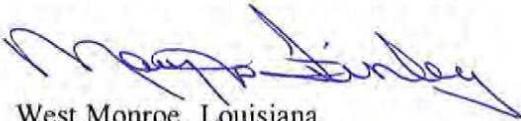
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Sheriff's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis 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 Sheriff's sworn statement presented on page 50 and the schedule of compensation, benefits, and other payments to agency head 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.

LINCOLN PARISH SHERIFF
Ruston, 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 October 31, 2018, on my consideration of the Lincoln 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 Lincoln Parish Sheriff's internal control over financial reporting and compliance.



West Monroe, Louisiana
October 31, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Management's Discussion and Analysis

June 30, 2018

As management of the Lincoln Parish Sheriff, I offer readers of the Lincoln Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Lincoln 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 Lincoln Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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 Lincoln Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue fund. 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 Lincoln 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 Lincoln Parish Sheriff's performance.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

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, assets of the Lincoln Parish Sheriff exceeded liabilities by \$707,221. Assets (e.g., equipment) of the Lincoln Parish Sheriff's exceed net position due to the Net OPEB and Net Pension liabilities. These assets are not available for future spending.

An additional portion of the Lincoln Parish Sheriff's net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Lincoln 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

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$4,218,565	\$4,731,642
Investments	2,184,809	2,231,099
Receivables	391,167	423,027
Prepays		26,824
Capital assets (net of accumulated depreciation)	<u>7,412,272</u>	<u>7,834,615</u>
TOTAL ASSETS	<u>14,206,813</u>	<u>15,247,207</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>2,205,426</u>	<u>2,620,688</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$16,412,239</u>	<u>\$17,867,895</u>
LIABILITIES		
Accounts payable	\$39,589	\$160,780
Salaries payable	211,300	188,540
Compensated absences payable	248,302	219,362
Long-term liabilities		
Net pension liability	3,966,912	4,779,764
Net OPEB Obligation	<u>11,038,199</u>	<u>4,884,093</u>
TOTAL LIABILITIES	<u>15,504,302</u>	<u>10,232,539</u>
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB	200,716	261,763
NET POSITION		
Invested in capital assets	7,412,272	7,834,615
Unrestricted	<u>(6,705,051)</u>	<u>(461,022)</u>
TOTAL NET POSITION	<u>\$707,221</u>	<u>\$7,373,593</u>

STATEMENT OF ACTIVITIES

	<u>2018</u>	<u>2017</u>
Public safety:		
Personal services and related benefits	\$7,759,481	\$7,694,105
Operating services	1,016,905	923,533
Materials and supplies	736,730	470,994
Travel and other charges	87,705	79,688
Intergovernmental	2,014,567	1,915,707
Depreciation expense	<u>552,219</u>	<u>603,710</u>
Total Program Expenses	<u>12,167,607</u>	<u>11,687,737</u>
Program revenues:		
Commissions on licenses and taxes	236,567	225,595
Civil and criminal fees	347,639	364,181
Court attendance	11,390	12,308
Transportation of prisoners	177,489	169,778
Bond forfeiture	<u>1,015</u>	<u>14,992</u>
Total program revenues	<u>774,100</u>	<u>786,854</u>
Net Program Expenses	<u>(11,393,507)</u>	<u>(10,900,883)</u>
General revenues:		
Taxes:		
Ad valorem	4,927,015	4,937,317
Sales	<u>2,458,578</u>	<u>2,387,462</u>
Grants and contributions not restricted to specific programs:		
Federal sources	43,171	84,788
State sources	804,829	691,542
Local sources	246,000	242,250
Interest earned	11,581	58,030
Intergovernmental	1,929,339	1,721,121
Miscellaneous	400,146	360,149
Special item - gain on disposal of assets	<u>8,923</u>	<u>12,689</u>

Change in Net Position	(\$563.925)	(\$405.535)
Net Position - Beginning of year as restated	<u>1,271,146</u>	<u>7,779,128</u>
Net Position - End of year	<u>\$707,221</u>	<u>\$7,373,593</u>

Financial Analysis of the Government's Funds

As noted earlier, the Lincoln 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 \$6,543,652 showed a decrease of \$519,620 over June 30, 2017. The General Fund's portion of the unassigned fund balance of \$6,433,113 shows a decrease (of approximately \$541,346) from the prior year amount.

General Fund Budgetary Highlights

There was no budget amendment for the year.

Capital Asset and Debt Administration

Capital assets. The Lincoln Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$7,412,272 (net of accumulated depreciation). This investment includes furniture, vehicles and equipment. The increase in capital assets for the year was \$138,651. There were decreases of \$131,717 for the year.

Long-term debt. At the end of the fiscal year, Lincoln Parish Sheriff had debt outstanding of \$15,253,413. Of this amount, \$248,302 is for compensated absences payable. The Lincoln 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 \$11,038,199. Net Pension obligation associated with the Pension Plan at June 30, 2018 is \$3,966,912.

Requests for Information

This financial report is designed to provide a general overview of the Lincoln 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 Lincoln Parish Sheriff, 100 West Texas Avenue, Ruston, LA 71270.

BASIC FINANCIAL STATEMENTS

LINCOLN PARISH SHERIFF
Ruston, Louisiana

STATEMENT OF NET POSITION
June 30, 2018

ASSETS

Cash and cash equivalents	\$4,218,565
Investments	2,184,809
Receivables	391,167
Capital assets (net of accumulated depreciation)	<u>7,412,272</u>
TOTAL ASSETS	<u>14,206,813</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>2,205,426</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$16,412,239</u></u>

LIABILITIES

Accounts payable	\$39,589
Salaries payable	211,300
Compensated absences payable	248,302
Long term liabilities:	
Net pension liability	3,966,912
Net OPEB obligation	<u>11,038,199</u>
TOTAL LIABILITIES	<u>15,504,302</u>

DEFERRED INFLOWS OF RESOURCES

Pension and OPEB	200,716
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NET POSITION

Invested in capital assets	7,412,272
Unrestricted	<u>(6,705,051)</u>
TOTAL NET POSITION	<u>707,221</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$16,412,239</u></u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2018

Public Safety:	
Personal services and related benefits	\$7,759,481
Operating services	1,016,905
Materials and supplies	736,730
Travel and other charges	87,705
Intergovernmental	2,014,567
Depreciation expense	552,219
Total Program Expenses	<u>12,167,607</u>
Program revenues:	
Commissions on licenses and taxes	236,567
Civil and criminal fees	347,639
Court attendance	11,390
Transportation of prisoners	177,489
Bond Forfeiture	1,015
Total program revenues	<u>774,100</u>
Net Program Expenses	(11,393,507)
General revenues:	
Taxes:	
Ad valorem	4,927,015
Sales	2,458,578
Grants and contributions not restricted to specific programs:	
Federal sources	43,171
State sources	804,829
Local sources	246,000
Interest earned	11,581
Intergovernmental	1,929,339
Miscellaneous	400,146
Special item - gain on disposal of assets	<u>8,923</u>
Change in Net Position	(563,925)
NET POSITION	
Beginning of year as restated	<u>1,271,146</u>
End of year	<u><u>\$707,221</u></u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

	MAJOR FUND	NON MAJOR FUND	TOTAL (MEMORANDUM) ONLY
	<u>GENERAL FUND</u>	<u>DRUG TASK FORCE</u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$4,106,773	\$111,792	\$4,218,565
Investments	2,184,809		2,184,809
Receivables	391,167		391,167
TOTAL ASSETS	<u><u>\$6,682,749</u></u>	<u><u>\$111,792</u></u>	<u><u>\$6,794,541</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$38,336	\$1,253	\$39,589
Salaries payable	211,300		211,300
Total Liabilities	<u>249,636</u>	<u>1,253</u>	<u>250,889</u>
Fund Equity:			
Committed		110,539	110,539
Unassigned	<u>6,433,113</u>		<u>6,433,113</u>
Total Fund Equity	<u>6,433,113</u>	<u>110,539</u>	<u>6,543,652</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$6,682,749</u></u>	<u><u>\$111,792</u></u>	<u><u>\$6,794,541</u></u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, 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>\$6,543,652</u>
Deferred outflows - pension related		2,205,426
Cost of capital assets at June 30, 2018	\$11,366,962	
Less: Accumulated depreciation as of June 30, 2018	<u>(3,954,690)</u>	<u>7,412,272</u>
Compensated absences	(248,302)	
Net pension liability	(3,966,912)	
Net OPEB obligation	<u>(11,038,199)</u>	<u>(15,253,413)</u>
Deferred inflows		<u>(200,716)</u>
Net Position at June 30, 2018 (Statement A)		<u><u>\$707,221</u></u>

The accompanying notes are an integral part of this statement.

Statement D

LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2018

	<u>MAJOR FUND</u>	<u>NON MAJOR FUND</u>	
	<u>GENERAL FUND</u>	<u>DRUG TASK FORCE</u>	<u>TOTAL</u>
REVENUES			
Taxes:			
Ad valorem taxes	\$4,927,015		\$4,927,015
Sales taxes	2,458,578		2,458,578
Intergovernmental revenues:			
Federal grants	32,168	\$11,003	43,171
State grants:			
State revenue sharing (net)	155,405		155,405
State supplemental pay	374,065		374,065
Other	275,359		275,359
Local grants	150,000	96,000	246,000
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	236,567		236,567
Civil and criminal fees	347,639		347,639
Court attendance	11,390		11,390
Transportation of prisoners	177,489		177,489
Bond forfeiture	1,015		1,015
Use of money and property	11,426	155	11,581
Intergovernmental	1,929,339		1,929,339
Other	5,167	31,336	36,503
Total revenues	<u>11,092,622</u>	<u>138,494</u>	<u>11,231,116</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	7,773,876		7,773,876
Operating services	1,007,005	9,900	1,016,905
Materials and supplies	629,862	106,868	736,730
Travel and other charges	87,705		87,705
Capital outlay	138,651		138,651
Intergovernmental	2,014,567		2,014,567
Total expenditures	<u>11,651,666</u>	<u>116,768</u>	<u>11,768,434</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(559,044)	21,726	(537,318)
OTHER FINANCING SOURCE:			
Proceeds from disposal of assets	17,698		17,698
Total Other Financing Source	17,698	NONE	17,698
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>(541,346)</u>	<u>21,726</u>	<u>(519,620)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>6,974,459</u>	<u>88,813</u>	<u>7,063,272</u>
FUND BALANCE AT END OF YEAR	<u>\$6,433,113</u>	<u>\$110,539</u>	<u>\$6,543,652</u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, 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)	(\$519,620)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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.	423,824
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(28,940)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the period.	(413,568)
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.	(8,775)
Non-employer contributions to cost-sharing pension plan.	363,643
Pension expense	<u>(380,489)</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$563,925)</u></u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	<u>TAX COLLECTOR FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>TOTAL</u>
ASSETS				
Cash and equivalents	<u>\$15,251</u>	<u>\$112,198</u>	<u>\$126,599</u>	<u>\$254,048</u>
LIABILITIES				
Due to others			\$195	\$195
Unsettled deposits due to others	<u>\$15,251</u>	<u>\$112,198</u>	<u>126,404</u>	<u>253,853</u>
TOTAL	<u>\$15,251</u>	<u>\$112,198</u>	<u>\$126,599</u>	<u>\$254,048</u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, 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, 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 Lincoln 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 Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln 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:

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Notes to the Financial Statements (Continued)

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 the sheriff's office and provides funds for various operations of the parish jail, the sheriff was determined to be a component unit of the Lincoln 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 Lincoln 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.

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-

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Notes to the Financial Statements (Continued)

term assets and receivables as well as long-term obligations. Net position are 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.

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 to the public or other agencies through service charges or user fees.

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Notes to the Financial Statements (Continued)

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 Drug Task Force Special Revenue Fund consists of federal grants from the United States Department of Justice passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and local matching grants. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

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.

I. 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 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.

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Notes to the Financial Statements (Continued)

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.

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 within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the sheriff has cash and cash equivalents (book balances) totaling \$4,472,613 as follows:

Demand deposits	\$3,696,938
Time deposits	765,250
Petty cash	<u>10,425</u>
Total	<u><u>\$4,472,613</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

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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>\$4,913,441</u>
Federal deposit insurance	\$1,036,980
Pledged securities	<u>8,737,606</u>
Total	<u>\$9,774,586</u>

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. INVESTMENTS

Under state law, the sheriff may invest funds in obligations of the United States, in federally insured investments, investment grade (A-1/P-1) commercial paper of domestic corporations or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments are grouped into three categories of credit risk:

1. Insured or registered, or for which the securities held by the sheriff or its agent in the sheriff's name.
2. Uninsured and unregistered, with securities held by the bank's trust department or agent in the sheriff's name.
3. Uninsured and unregistered, with securities held by the bank, or by its trust department or agent but not in the sheriff's name.

At year-end, the sheriff's investment balances are in United State government securities totaling \$2,184,809, which is also fair market value. There is an unrealized loss of \$26,857.

G. LEVIED TAXES

As provided by Louisiana Revised Statute 33:9001, a law enforcement district has been created for the purpose of providing financing to the office of the sheriff of Lincoln Parish. Louisiana Revised Statute 33:9003 requires the district to levy a tax on the assessed valuation of all property appearing on the 1977 and subsequent tax rolls in an amount that would produce for the district in the initial year the same revenue as that estimated to be produced by the sheriff's commission on ad valorem taxes for the fiscal year 1976-77. For the 2018 tax roll, the district levied 10.96 mills (6.32 and 4.64).

Louisiana Revised Statute 33:9003 also provides for the district to impose an additional millage when approved by a majority of the voters in the district. On July 18, 1992, an ad valorem tax of 8.50 mills was passed by a majority of the district voters. The additional millage, which expired with the 2001 tax roll, was renewed by voters for ten years beginning with the 2002 tax roll. This tax was renewed for an additional 10 years beginning with the 2012 tax roll.

H. 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

I. VACATION AND SICK LEAVE

After one year of service, all employees are granted 10 days of vacation leave each year. After 10 years of cumulative full time employment, one additional day of vacation per year shall be granted until the number of vacation days reaches the maximum of 15 days. Employees will be allowed 10 days of sick leave each year. Any unused vacation is converted to sick time. Sick time is accrued with no limit. At termination or retirement, sick time is forfeited.

Employees are allowed to accrue K-time and holiday time. It was determined that this leave time has accumulated and is now material to the audit and was included during this audit period. The sheriff's office has an accrued liability of \$248,302 at June 30, 2018.

J. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to law enforcement liability; torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle risk of loss, the sheriff maintains commercial insurance covering; automobile liability; general liability; commercial crime; law enforcement; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

K. PENSION PLANS

The Lincoln 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.

L. OPEB PLAN

The Sheriff's defined benefit postemployment health care plan provides OPEB to eligible retired employees and their beneficiaries. 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. Louisiana Revised Statute 13:783 grants the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The premium rates are established and may be amended by the Sheriff, with the Sheriff determining the contribution requirements of the retirees.

M. 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.
- 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.

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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.

N. ESTIMATES

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

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

The Lincoln 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	\$7,373,593
Net Change in OPEB at June 30, 2018	<u>(6,102,447)</u>
Total Net Position, June 30, 2018, Restated	<u><u>\$1,271,146</u></u>

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 Notes to the Financial Statements (Continued)

2. RECEIVABLES

The receivables of \$391,167 at June 30, 2018, are as follows:

Intergovernmental - federal, state and local grants	\$66,354
Fees, charges & commissions	43,260
Ad valorem tax	11,177
Sales tax	214,158
Other	<u>56,218</u>
Total	<u><u>\$391,167</u></u>

3. ON-BEHALF PAYMENTS

Certain employees of the Lincoln Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$374,065.

4. CHANGES IN CAPITAL ASSETS

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

Adjusted balance at June 30, 2017	\$11,360,028
Additions	138,651
Deletions	<u>(131,717)</u>
Balance at June 30, 2018	11,366,962
Less accumulated depreciation	<u>(3,954,690)</u>
Net Capital Assets	<u><u>\$7,412,272</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.

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, is recognized in the period in which the employee is compensated for services performed.

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 Lincoln 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 Sheriffs' Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.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 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 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

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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 Lincoln Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.75 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 Lincoln 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 Lincoln Parish Sheriff’s contributions to the System for the years ended June 30, 2018, 2017, and 2016 were \$648,305, \$644,241, and \$535,136, respectively, equal to the required contributions for each year.

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

At June 30, 2018, the Sheriff reported a liability of \$3,966,912 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 .916 percent, which was an increase of .163 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$1,028,794. 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	\$2,620,688	\$261,763
Change in system deferred outflows and inflows of resources	(889,588)	246,140
Changes in proportionate share	470,262	

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Sheriff contributions and proportionate share of contributions		\$168,296
Contributions for measurement period	(\$644,241)	
Sheriff contributions subsequent to the measurement date	648,305	
Total	\$2,205,426	\$676,199

\$648,305 reported as deferred outflows of resources related to pensions resulting from the Lincoln 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	\$174,405
2019	598,566
2020	192,211
2021	(215,852)
2022	111,979
2023	130,421
Total	991,730

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)

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

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.

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.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
Sheriffs’ proportionate share of the net pension liability	\$8,172,884	\$3,966,912	\$428,159

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Lincoln Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Lincoln 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 P75.

Benefits Provided - Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical and dental coverage for the retiree and a portion for dependents for employees hired before July1, 2010. For employees hired on and after July1, 2010, only retiree coverage is provided by the employer. See the section below for details on Life Insurance benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 12 years of service (age 55 and 20 years of service for employees hired on and after September 1, 2013).

Life insurance coverage is provided to retirees by election and based on a blended rate for active employees and retirees. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the volume in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 75 requires the use of “unblended” rates, we have used the 94GAR mortality table described below to “unblend” the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Inactive employees or beneficiaries currently receiving benefit	34
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>80</u>
Total employees	<u><u>114</u></u>

Total OPEB Liability

The Sheriff’s total OPEB liability of \$11,038,199 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

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

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.5%, 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 1994 Group Annuity Reservind (95GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates.

The actuarial assumptions used in the July 1, 2017 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	\$10,986,540
Changes for the year:	
Service cost	176,576
Interest	384,529
Differences between expected and actual	<u>(509,446)</u>
Net Changes	<u>51,659</u>
Balance at June 30, 2018	<u><u>\$11,038,199</u></u>

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

	1.0% Decrease (2.5%)	Current Discount Rate (3.5%)	1.0% Increase (4.5%)
<u>Total OPEB liability</u>	<u>\$13,217,153</u>	<u>\$11,038,199</u>	<u>\$9,410,720</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

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:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$9,388,189	\$11,038,199	\$13,215,469

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 \$527,142. 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	\$475,483

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	(\$33,963)
2020	(33,963)
2021	(33,963)
2022	(33,963)
2023	(33,963)
Thereafter	(305,667)

7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	Compensated Absences
Long-term obligations at July 1, 2017	\$219,362
Additions	92,968
Deductions	(75,262)

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

Adjustments	<u>Compensated Absences</u>
	\$11,234
Long-term obligations at June 30, 2018	<u>\$248,302</u>

Adjustment to compensated absences balance at June 30, 2018, was made to reflect differences due to changes in beginning and ending pay rates.

8. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others for the year ended June 30, 2018, follows:

	Tax Collector Fund	Civil Fund	Criminal Fund	Total
Balance at June 30, 2017	\$24,694	\$69,548	\$224,283	\$318,525
Additions	36,731,999	1,053,840	1,565,861	39,351,700
Reductions	<u>(36,741,462)</u>	<u>(1,011,190)</u>	<u>(1,663,740)</u>	<u>(39,416,392)</u>
Balance at June 30, 2018	<u>\$15,231</u>	<u>\$112,198</u>	<u>\$126,404</u>	<u>\$253,833</u>

9. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2018, the tax collector has cash and equivalents (book balances) totaling \$15,251 as follows:

Protest taxes	\$15,231
Interest on protest taxes	<u>20</u>
Total	<u>\$15,251</u>

10. 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	\$18,041
Louisiana Tax Commission	23,495
Lincoln Parish Assessor	907,978
Lincoln Parish Police Jury	6,790,238

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
 Notes to the Financial Statements (Continued)

Lincoln Parish School Board	\$18,794,605
Lincoln Parish Sheriff	4,909,089
Fire Protection District #1	626,175
City of Ruston	1,636,437
Squire Creek	<u>615,787</u>
Total	<u>\$34,321,845</u>

11. 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:

Lincoln Parish Assessor	\$915
Lincoln Parish Police Jury	7,231
Lincoln Parish School Board	19,312
Lincoln Parish Sheriff	5,037
Fire Protection District #1	4,176
City of Ruston	<u>980</u>
Total	<u>\$37,651</u>

The majority of uncollected taxes consist of bankruptcy, adjudications, moveable and immovable property. The Sheriff has hired an outside firm to collect outstanding taxes.

12. COLLECTIONS FOR OTHERS

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

	<u>Total</u>	<u>Collection</u>	<u>Final</u>
Occupational Licenses			
Lincoln Parish Police Jury	\$177,884	\$26,683	\$151,201
Ad Valorem Taxes:			
City of Ruston	1,668,808	27,000	1,641,808
Squire Creek	631,047	15,000	616,047
Fire District No.1	666,144	39,969	626,175
Total Collection for Others	<u>\$3,143,88</u>	<u>\$108,652</u>	<u>\$3,035,231</u>

13. LITIGATION AND CLAIMS

At June 30, 2018, the Lincoln Parish Sheriff is involved in several lawsuits which are fully covered by the sheriff's liability insurance.

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

The Lincoln Parish Sheriff's office is located in the parish courthouse and they have just completed a new building. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Lincoln Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

LINCOLN PARISH SHERIFF
Ruston, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2018

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem tax	\$5,032,000	\$4,927,015	(\$104,985)
Sales tax	2,300,000	2,458,578	158,578
Intergovernmental revenues:			
Federal grants	63,000	32,168	(30,832)
State grants:			
State revenue sharing (net)	160,000	155,405	(4,595)
State supplemental pay	378,000	374,065	(3,935)
Other	219,000	275,359	56,359
Local grants	151,500	150,000	(1,500)
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	110,300	236,567	126,267
Civil and criminal fees	478,000	347,639	(130,361)
Court attendance	11,500	11,390	(110)
Transportation of prisoners	168,000	177,489	9,489
Bond forfeitures	16,000	1,015	(14,985)
Use of money and property	55,000	11,426	(43,574)
Intergovernmental	1,800,000	1,929,339	129,339
Other revenue	18,000	5,167	(12,833)
Total revenues	<u>10,960,300</u>	<u>11,092,622</u>	<u>132,322</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and benefits	7,521,900	7,773,876	(251,976)
Operating services	957,900	1,007,005	(49,105)
Materials and supplies	373,000	629,862	(256,862)
Travel and other charges	60,000	87,705	(27,705)
Capital outlay	495,000	138,651	356,349
Intergovernmental	1,942,000	2,014,567	(72,567)
Total expenditures	<u>11,349,800</u>	<u>11,651,666</u>	<u>(301,866)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES			
	(389,500)	(559,044)	(169,544)
OTHER FINANCING SOURCE:			
Proceeds from disposal of assets	3,000	17,698	14,698
Total Other Financing Source	3,000	17,698	14,698
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES			
	(386,500)	(541,346)	(154,846)
FUND BALANCES AT BEGINNING OF YEAR			
	<u>6,793,301</u>	<u>6,974,459</u>	<u>181,158</u>
FUND BALANCES AT END OF YEAR			
	<u>\$6,406,801</u>	<u>\$6,433,113</u>	<u>\$26,312</u>

LINCOLN PARISH SHERIFF
Ruston, 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 Lincoln 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.

Lincoln 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	\$176,576
Interest	384,529
Changes of benefits terms	NONE
Differences between expected and actual experience	(509,446)
Changes of assumptions	NONE
Benefit payments	<u>NONE</u>
Net change in total OPEB liability	51,659
Total OPEB liability - beginning	<u>10,986,540</u>
Total OPEB liability - ending	<u>\$11,038,199</u>
Covered employee payroll	\$4,973,433
Net OPEB liability as a percentage of covered-employee payroll	221.94%

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.

Lincoln 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	0.776062%	\$3,073,210	\$3,774,311	81.42%	87.34%
June 30, 2016	0.793519%	\$3,537,125	\$4,054,295	87.24%	86.16%
June 30, 2017	0.753087%	\$4,779,764	\$3,891,897	122.81%	82.09%
June 30, 2018	0.916088%	\$3,966,912	\$4,862,195	82.09%	88.49%

Note: - Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.

Lincoln 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	\$524,252	\$524,252	\$0	\$3,774,311	13.89%
June 30, 2016	\$577,737	\$577,737	\$0	\$4,054,295	14.25%
June 30, 2017	\$535,136	\$535,136	\$0	\$3,891,897	13.75%
June 30, 2018	\$644,241	\$644,241	\$0	\$4,862,185	13.25%

Note: - Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

PART III

STATE OF LOUISIANA

PARISH OF LINCOLN

**AFFIDAVIT
MIKE STONE, SHERIFF OF LINCOLN PARISH**

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

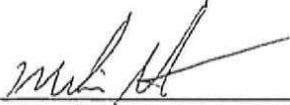
The following information is true and correct:

\$15,251 is the amount of cash on hand in the tax collector account on June, 30, 2018.

He further deposed and said:

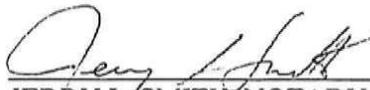
All itemized statements of the amount of taxes collected for the tax year, 2017, by taxing authority, are true and correct.

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.



MIKE STONE, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 31st day of October, 2018, in my office in Ruston, Louisiana.



JERRY L. SMITH, NOTARY PUBLIC #43294
LINCOLN PARISH, LOUISIANA

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2018

MIKE STONE, SHERIFF

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$145,762
Expense allowance	14,576
Benefits-insurance	14,846
Benefits-retirement	42,450
Benefits-deferred compensation	7,050
Benefits-medicare	2,728
Meals	795
Registration fees	335
Conference travel	524
Other - cellphone	880
Housing and lodging	2,844
Membership dues-other	115
Membership dues-Sheriffs Association	13,361

LINCOLN PARISH SHERIFF
Ruston, 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, occupational licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CIVIL FUND

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

CRIMINAL FUND

The Criminal Fund accounts for bonds, fines and costs, and payment of these collections to recipients in accordance with applicable laws.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

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

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 2017	<u>\$24,694</u>	<u>\$69,548</u>	<u>\$224,283</u>	<u>\$318,525</u>
ADDITIONS				
Deposits:				
Sheriff's sales		\$805,147		\$805,147
Fines, bond forfeitures, and costs			\$1,559,673	1,559,673
Garnishments		129,666		129,666
Other deposits		119,027	6,188	125,215
Taxes, fees, etc. paid to tax collector:				
Ad valorem taxes	\$35,245,102			35,245,102
State revenue sharing	887,340			887,340
Insurance licenses	177,884			177,884
Protest taxes	6,502			6,502
Interest on:				
Now account	3,802			3,802
Delinquent taxes	34,661			34,661
Prior year taxes	1,496			1,496
Tax notices, etc.	8,095			8,095
Redemptions	51,100			51,100
Collection for others	316,017			316,017
Total additions	<u>36,731,999</u>	<u>1,053,840</u>	<u>1,565,861</u>	<u>39,351,700</u>
Total	<u>36,756,693</u>	<u>1,123,388</u>	<u>1,790,144</u>	<u>39,670,225</u>

(Continued)

LINCOLN PARISH SHERIFF
Ruston, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS
Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 2018

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
REDUCTIONS				
Deposits, taxes, fees, etc. settled to:				
Louisiana Tax Commission	\$23,498			\$23,498
Louisiana Forestry Commission	18,060			18,060
Sheriff's General Fund	5,181,474	\$157,692	\$218,335	5,557,501
Other Sheriffs		122,098		122,098
Police jury	7,251,073		524,476	7,775,549
School board	19,142,278			19,142,278
Assessor	956,311			956,311
Municipalities			13,702	13,702
Law enforcement agencies			3,593	3,593
District Attorney			209,479	209,479
Clerk of Court	5,180	28,621	90,737	124,538
Indigent defender board			218,994	218,994
City of Ruston	1,641,808			1,641,808
Coroner			3,825	3,825
Litigants		672,969		672,969
Attorneys, appraisers, etc.		14,184		14,184
Pension funds	920,678			920,678
Northwest Crime Lab			127,320	127,320
Judicial clerk			132,925	132,925
Fire Protection Service District No. 1	629,408			629,408
Squire Creek CDD	616,047			616,047
Victim's restitution			8,672	8,672
Other settlements	217,156	15,626	34,656	267,438
Redemptions	45,920			45,920
Refunds	92,571		77,026	169,597
Total reductions	<u>36,741,462</u>	<u>1,011,190</u>	<u>1,663,740</u>	<u>39,416,392</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, June 30, 2018				
	<u>\$15,231</u>	<u>\$112,198</u>	<u>\$126,404</u>	<u>\$253,833</u>

(Concluded)

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

LINCOLN PARISH SHERIFF
Ruston, 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, each major fund, and the aggregate remaining fund information of Lincoln Parish Sheriff, a component unit of the Lincoln Parish Police Jury as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Lincoln Parish Sheriffs basic financial statements, and have issued my report thereon dated October 31, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Lincoln Parish Sheriff's internal control over financial reporting 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 Lincoln Parish Sheriff's internal control. Accordingly, I do not express an opinion on the effectiveness of the Lincoln 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.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2018

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln Parish Sheriff's financial statements are free of 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 Lincoln 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 Lincoln Parish Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana

October 31, 2018

LINCOLN PARISH SHERIFF
Ruston, 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 Lincoln Parish Sheriff.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Lincoln Parish Sheriff is reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

LINCOLN PARISH SHERIFF
Ruston, 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.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Lincoln Parish Sheriff
PO Box 2070
Ruston, LA 71270

To the Lincoln Parish Sheriff's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Lincoln 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 Lincoln 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 does not use purchase orders or requisitions. The employees initiate the purchases and command staff approve and make all purchases under the bid law amount. The employee assigned to the designated funds add any new vendors to that particular fund. The policy and procedures outlines any purchases requiring compliance with the bid law.

C. Disbursements, including processing, reviewing, and approving

The purchasing policies and procedures are in compliance with the agree upon procedures guidelines. The accounting deputy initiates all disbursements and the chief civil deputy reviews and approves disbursements when he signs the 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 not in accordance with AUP guidelines. All employees receive money and work out of the same cash drawers. The Sheriff does not have employee theft insurance coverage for the employees. The chief civil deputy has surety bond coverage.

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, compensatory time. The chief civil deputy is responsible for tracking the leave time and other compensatory time. All employees track time worked and leave time taken. Employee leave time is audited every year. 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 polices and procedures addressing credit cards. The cards are in the name of the Sheriff or the chief civil deputy. Fuel cards are assigned to the deputies. The

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 Lincoln 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 14 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 employee responsible for that fund and evidence that the reconciliations were reviewed by the chief civil deputy.

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

For the 5 bank accounts selected above, 1 of the 5 accounts had no outstanding reconciling items over 12 months. Four 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 one cash drawer at the Sheriff's office and one at the complex. Multiple deputies work out of the 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.

One of the deputies reconciles the cash drawer and another deputy makes the deposit. After the deposit is made, the employee assigned to each fund posts the deposits to the Software

and Services (GFA) accounting system. Bank reconciliations are prepared by the accounting deputy and there was written documentation that the reconciliations are reviewed by the chief civil deputy.

- 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.

The deputies take turns reconciling the cash drawers on a daily basis. The deposit information is given to the employee assigned to each fund who posts the information to the Software and Services (GFA) software.

- 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.

The deputies take turns reconciling the cash drawers on a daily basis. The deputy reconciling the cash drawer also collects money in the cash drawers the Sheriff's office use. Bank reconciliations are prepared by the accounting deputy and there was written documentation that the reconciliations are reviewed by the chief civil deputy.

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

The Sheriff does not have employee theft insurance coverage on the employees. The chief civil deputy has surety bond coverage.

- 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).

The Sheriff's office location makes daily deposits. The complex money is less than \$100 per day and is deposited weekly.

- 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 does not use a purchase order system or purchase requisitions. The employees initiate purchases and command staff approve 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 accounting deputy initiates disbursements for the general fund and the chief civil deputy approves all purchases and signs all checks. The employee assigned to a particular agency fund initiates the checks. The employee that initiates the checks does not sign the checks. The chief civil deputy 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 designated employees add vendors to the fund they are assigned to administer.

- 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 designated employees initiate the checks but do not sign the checks. The designated employee mails all check payments. The chief civil deputy signs all checks.

- 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 employees assigned to the fund initiates the disbursements and the chief civil deputy signs all checks. The accounting deputy reconciles all bank statements and there is evidence that the chief civil deputy 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 accounting deputy reviews all credit card statements and attaches proper support to the statement. The accounting deputy reviews all fuel credit card statements for consistency and approves them for payment. There is no 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 was interest charges on the fuel card, which was refunded in subsequent month.

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 chief civil deputy or authorized card holder initiates all purchases and the accounting deputy approves all purchases. Meal charges tested had no documentation as to who participated or what the purpose of the meal. I was unable to determine all charges were for business purposes.

TRAVEL AND EXPENSE REIMBURSEMENT

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

18. The Lincoln Parish Sheriff had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Lincoln 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 did not have any documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

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

A handwritten signature in blue ink, appearing to read "Mary Jo Finley".

Mary Jo Finley, CPA
October 31, 2018

LINCOLN PARISH SHERIFF'S OFFICE

CIVIL DIVISION

MIKE STONE

Sheriff and Ex-Officio Tax Collector

P.O. Box 2070 • Ruston, Louisiana 71273-2070

100 West Texas Avenue • Ruston, Louisiana 71270

Phone: 318.251.5120 • Fax: 318.251.5171

RESPONSES TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. No response required
 - A. No response required
 - B. No response required
 - C. No response required
 - D. The size of the office is not conducive to multiple cash drawers. A cash register is used to account for each employee's use of the cash drawer.
 - E. No response required
 - F. No response required
 - G. No response required
 - H. No response required
 - I. Effective immediately each employee will receive a copy of the ethics policy and sign that they have read it.
 - J. No response required

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

2. No response required

BANK RECONCILIATIONS

3.
 - A. No response required
 - B. No response required
 - C. Checks outstanding longer than 12 months will be researched and cleared before next audit

COLLECTIONS

4. No response required
5.
 - A. The size of the office is not conducive to multiple cash drawers. A cash register is used to account for each employee's use of the cash drawer
 - B. No response required
 - C. No response required
6. Employee theft insurance coverage is not required. The chief civil deputy does have surety bond coverage
7.
 - A. Sequentially pre-numbered receipts are not used, the accounting software sequentially numbers receipts as they are prepared
 - B. No response required
 - C. No response required
 - D. No response required
 - E. No response required

"Committed to Service"

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. No response required
9. A. No response required
B. No response required
C. No response required
D. No response required
10.
 - A. No response required
 - B. No response required
11. No response required
12. A. Effective immediately the fuel credit card statement will be initialed after review
B. Interest was charged because the month we started receiving online statements we did not receive notice that the statement was ready. The interest charge was reversed on the next statement.
13. At the time employee receives credit card the purpose of travel is noted

TRAVEL AND EXPENSE REIMBURSEMENT

14. No response required

CONTRACTS

15. No response required

PAYROLL AND PERSONNEL

16. No response required
17. No response required
18. No response required
19. No response required

ETHICS (EXCLUDING NONPROFITS)

20. A. No response required
B. Effective immediately each employee will receive a copy of the ethics policy and sign that they have read it

DEBT SERVICE

21. No response required
22. No Response required

Other

23. No response required
23. No response required

Lincoln Parish Sheriff



Mike Stone