

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2016
With Supplemental Information Schedules

LINCOLN PARISH SHERIFF
Ruston, Louisiana

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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, 2016, 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, 2016

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, 2016, 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 42 through 43, and the schedule of funding progress for the retiree healthcare plan on page 44, and the schedule of the Sheriff's proportionate share of the net pension liability on pages 45 through 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements'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 48 and the schedule of compensation, benefits, and other payments to agency head on page 49 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, 2016

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated October 25, 2016, 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 25, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Management's Discussion and Analysis
June 30, 2016

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, 2016. 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 \$7,779,128. 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

	2016	2015
ASSETS		
Cash and cash equivalents	\$5,110,478	\$3,766,451
Investments	2,231,099	2,226,099
Receivables	403,998	614,008
Capital assets (net of accumulated depreciation)	<u>7,617,066</u>	<u>7,582,187</u>
TOTAL ASSETS	<u>15,362,641</u>	<u>14,188,745</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>1,201,648</u>	<u>1,330,360</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$16,564,289</u>	<u>\$15,519,105</u>
LIABILITIES		
Accounts payable	138,153	\$39,982
Salaries payable	176,705	132,855
Compensated absences payable	188,683	190,342
Long-term liabilities		
Net pension liability	3,537,125	2,919,329
Net OPEB Obligation	<u>4,642,542</u>	<u>4,399,868</u>
TOTAL LIABILITIES	<u>8,683,208</u>	<u>7,682,376</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	101,953	1,510,610
NET POSITION		
Invested in capital assets	7,617,066	7,582,187
Unrestricted	<u>162,062</u>	<u>(1,256,068)</u>
TOTAL NET POSITION	<u>\$7,779,128</u>	<u>\$6,326,119</u>

STATEMENT OF ACTIVITIES

	2016	2015
Public safety:		
Personal services and related benefits	\$6,642,847	\$5,792,397
Operating services	878,429	757,205
Materials and supplies	354,455	421,537
Travel and other charges	71,413	38,297
Intergovernmental	1,655,674	2,165,836
Depreciation expense	<u>575,805</u>	<u>547,077</u>
Total Program Expenses	<u>10,178,623</u>	<u>9,722,349</u>
Program revenues:		
Commissions on licenses and taxes	219,860	215,055
Civil and criminal fees	397,854	306,865
Court attendance	11,254	83,461
Transportation of prisoners	266,964	10,962
Bond forfeiture	<u>1,220</u>	<u>12,689</u>
Total program revenues	<u>897,152</u>	<u>629,032</u>
Net Program Expenses	<u>(9,281,471)</u>	<u>(9,093,317)</u>
General revenues:		
Taxes:		
Ad valorem	4,725,925	4,679,325
Sales	<u>2,706,573</u>	<u>2,706,659</u>
Grants and contributions not restricted to specific programs:		
Federal sources	49,113	85,771
State sources	620,783	1,073,874
Local sources	207,040	197,378
Interest earned	45,911	27,189
Intergovernmental	1,468,602	1,545,269
Miscellaneous	339,479	318,873
Special item - gain on disposal of assets	<u>9,882</u>	
Change in Net Position	<u>891,837</u>	<u>1,541,021</u>

Net Position - Beginning of year
Net Position - End of year

<u>\$6,887,291</u>	<u>\$4,785,098</u>
<u>\$7,779,128</u>	<u>\$6,326,119</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, 2016, combined governmental fund balances of \$7,430,717 showed an increase of \$996,996 over June 30, 2015. The General Fund's portion of the unassigned fund balance of \$7,412,210 shows an increase (of approximately \$1,078,596) from the prior year amount.

General Fund Budgetary Highlights

Differences between the original budget and the final budget for revenues were due primarily to an increase in sales tax, federal revenues, local grants, commissions on licenses and taxes, civil and criminal fees, transportation of prisoners, use of money and property, intergovernmental, and other revenues and decreases in state supplemental pay, other state grants, and bond forfeitures. The differences in expenditures between the original budget and the final budget were an increase in personal services and benefits, operating services, capital outlay, and intergovernmental and a decrease in materials and supplies.

Capital Asset and Debt Administration

Capital assets. The Lincoln Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$7,617,066 (net of accumulated depreciation). This investment includes furniture, vehicles and equipment. The increase in capital assets for the year was \$634,802. There were decreases of \$43,346 for the year.

Long-term debt. At the end of the fiscal year, Lincoln Parish Sheriff had debt outstanding of \$8,368,350. Of this amount, \$188,683 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, 2016 is \$4,642,542. Net Pension obligation associated with the Pension Plan at June 30, 2016 is 3,537,125.

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, 2016

ASSETS

Cash and cash equivalents	\$5,110,478
Investments	2,231,099
Receivables	403,998
Capital assets (net of accumulated depreciation)	<u>7,617,066</u>
TOTAL ASSETS	<u>15,362,641</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>1,201,648</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$16,564,289</u></u>

LIABILITIES

Accounts payable	\$138,153
Salaries payable	176,705
Compensated absences payable	188,683
Long term liabilities:	
Net pension liability	3,537,125
Net OPEB obligation	<u>4,642,542</u>
TOTAL LIABILITIES	<u>8,683,208</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	101,953
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NET POSITION

Invested in capital assets	7,617,066
Unrestricted	<u>162,062</u>
TOTAL NET POSITION	<u>7,779,128</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$16,564,289</u></u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2016

Public Safety:	
Personal services and related benefits	\$6,642,847
Operating services	878,429
Materials and supplies	354,455
Travel and other charges	71,413
Intergovernmental	1,655,674
Depreciation expense	575,805
Total Program Expenses	<u>10,178,623</u>
Program revenues:	
Commissions on licenses and taxes	219,860
Civil and criminal fees	397,854
Court attendance	11,254
Transportation of prisoners	266,964
Bond Forfeiture	1,220
Total program revenues	<u>897,152</u>
Net Program Expenses	<u>(9,281,471)</u>
General revenues:	
Taxes:	
Ad valorem	4,725,925
Sales	2,706,573
Grants and contributions not restricted to specific programs:	
Federal sources	49,113
State sources	620,783
Local sources	207,040
Interest earned	45,911
Intergovernmental	1,468,602
Miscellaneous	339,479
Special item - gain on disposal of assets	9,882
Change in Net Position	<u>891,837</u>
NET POSITION	
Beginning of year - as restated	<u>6,887,291</u>
End of year	<u><u>\$7,779,128</u></u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2016

	MAJOR FUND	NON MAJOR FUND	TOTAL (MEMORANDUM) ONLY
	GENERAL FUND	DRUG TASK FORCE	
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$5,090,527	\$19,951	\$5,110,478
Investments	2,231,099		2,231,099
Receivables	399,243	4,755	403,998
Due from other funds	6,000		6,000
	<u>6,000</u>	<u> </u>	<u>6,000</u>
TOTAL ASSETS	<u><u>\$7,726,869</u></u>	<u><u>\$24,706</u></u>	<u><u>\$7,751,575</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$137,954	\$199	\$138,153
Due to other funds		6,000	6,000
Salaries payable	176,705		176,705
Total Liabilities	<u>314,659</u>	<u>6,199</u>	<u>320,858</u>
Fund Equity:			
Committed		18,507	18,507
Unassigned	7,412,210		7,412,210
Total Fund Equity	<u>7,412,210</u>	<u>18,507</u>	<u>7,430,717</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$7,726,869</u></u>	<u><u>\$24,706</u></u>	<u><u>\$7,751,575</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, 2016

Total Fund Balances at June 30, 2016 - Governmental Funds (Statement C)		<u>\$7,430,717</u>
Deferred outflows - pension related		1,201,648
Cost of capital assets at June 30, 2016	\$11,103,060	
Less: Accumulated depreciation as of June 30, 2016	<u>(3,485,994)</u>	<u>7,617,066</u>
Compensated absences	(188,683)	
Net pension liability	(3,537,125)	
Net OPEB obligation	<u>(4,642,542)</u>	<u>(8,368,350)</u>
Deferred inflows		<u>(101,953)</u>
Net Position at June 30, 2016 (Statement A)		<u><u>\$7,779,128</u></u>

The accompanying notes are an integral part of this statement.

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, 2016

	MAJOR FUND <u>GENERAL FUND</u>	NON MAJOR FUND <u>DRUG TASK FORCE</u>	<u>TOTAL</u>
REVENUES			
Taxes:			
Ad valorem taxes	\$4,725,925		\$4,725,925
Sales taxes	2,706,573		2,706,573
Intergovernmental revenues:			
Federal grants	23,150	\$25,963	49,113
State grants:			
State revenue sharing (net)	150,945		150,945
State supplemental pay	339,882		339,882
Other	129,956		129,956
Local grants	112,547	94,493	207,040
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	219,860		219,860
Civil and criminal fees	397,854		397,854
Court attendance	11,254		11,254
Transportation of prisoners	266,964		266,964
Bond forfeiture	1,220		1,220
Use of money and property	45,911		45,911
Intergovernmental	1,468,602		1,468,602
Other	30,329	12,034	42,363
Total revenues	<u>10,630,972</u>	<u>132,490</u>	<u>10,763,462</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	6,205,693		6,205,693
Operating services	763,951	114,478	878,429
Materials and supplies	309,681	44,774	354,455
Travel and other charges	71,413		71,413
Capital outlay	579,964	54,838	634,802
Intergovernmental	1,655,674		1,655,674
Total expenditures	<u>9,586,376</u>	<u>214,090</u>	<u>9,800,466</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1,044,596	(81,600)	962,996
OTHER FINANCING SOURCE:			
Proceeds from insurance	34,000		34,000
Total Other Financing Source	34,000		34,000
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>1,078,596</u>	<u>(81,600)</u>	<u>996,996</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>6,333,614</u>	<u>100,107</u>	<u>6,433,721</u>
FUND BALANCE AT END OF YEAR	<u>\$7,412,210</u>	<u>\$18,507</u>	<u>\$7,430,717</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, 2016

Total net change in fund balances - governmental funds (Statement D)	\$996,996
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.	(242,674)
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).	1,659
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.	58,997
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.	(24,118)
Non-employer contributions to cost-sharing pension plan.	297,116
Pension expense	<u>(196,139)</u>
Change in net position of governmental activities (Statement B)	<u>\$891,837</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, 2016

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
ASSETS				
Cash and equivalents	<u>\$1,214</u>	<u>\$72,069</u>	<u>\$341,378</u>	<u>\$414,661</u>
LIABILITIES				
Due to others			\$237	\$237
Unsettled deposits due to others	<u>\$1,214</u>	<u>\$72,069</u>	<u>341,141</u>	<u>414,424</u>
TOTAL	<u>\$1,214</u>	<u>\$72,069</u>	<u>\$341,378</u>	<u>\$414,661</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, 2016

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:

LINCOLN PARISH SHERIFF
Ruston, Louisiana
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.

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.

1. Accrual:

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

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and 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, 2016, the sheriff has cash and cash equivalents (book balances) totaling \$5,525,139 as follows:

Demand deposits	\$5,266,714
Time deposits	250,000
Petty cash	<u>8,425</u>
Total	<u><u>\$5,525,139</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent 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, 2016, are secured as follows:

Bank balances	<u>\$5,814,631</u>
Federal deposit insurance	\$1,092,730
Pledged securities	<u>6,713,832</u>
Total	<u><u>\$7,806,562</u></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

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Notes to the Financial Statements (Continued)

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 \$2,231,099, which is also fair market value. There is an unrealized gain of \$21,066.

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 2016 tax roll, the district levied 12.85 mills (8.5 and 4.0).

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 \$188,683 at June 30, 2016.

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

The Webster Parish Sheriff's Office adopted Government Accounting Standards Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2015, as previously stated	6,326,119
Net Pension Liability at June 30, 2015	561,172
Total Net Position, June 30, 2015, Restated	<u><u>\$6,887,291</u></u>

2. RECEIVABLES

The receivables of \$403,998 at June 30, 2016, are as follows:

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 Notes to the Financial Statements (Continued)

Intergovernmental - federal, state and local grants	\$139,356
Fees, charges & commissions	34,495
Ad valorem tax	6,900
Sales tax	219,578
Other	3,669
Total	<u>\$403,998</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2016, follows:

Adjusted balance at June 30, 2015	\$10,511,604
Additions	634,802
Deletions	<u>(43,346)</u>
Balance at June 30, 2016	11,103,060
Less accumulated depreciation	<u>(3,485,994)</u>
Net Capital Assets	<u>\$7,617,066</u>

4. 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. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2014.

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 System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

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.

LINCOLN PARISH SHERIFF

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Notes to the Financial Statements (Continued)

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.

LINCOLN PARISH SHERIFF

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Notes to the Financial Statements (Continued)

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 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.

LINCOLN PARISH SHERIFF

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Notes to the Financial Statements (Continued)

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, 2016, 2015, and 2014 were \$535,136, \$577,737, and \$524,252, 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, 2016, the Sheriff reported a liability of \$3,537,125 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the Sheriffs' proportion was .535 percent, which was a decrease of .0175 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Sheriff recognized pension expense of \$535,136. At June 30, 2015, 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	\$616,512	\$659,446
Change in system deferred outflows and inflows of resources	(36,230)	(923,315)
Changes in proportionate share	86,230	228,131
Differences between Sheriff contributions and proportionate share of contributions		137,691
Sheriff contributions subsequent to the measurement date	535,136	
Total	\$1,201,648	\$101,953

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

\$535,136 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, 2017. 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:	
2016	\$1,340
2017	1,340
2018	1,340
2019	368,750
2020	(13,761)
Total	359,009

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2015
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.7%, net of investment expense
Discount Rate	7.6%
Projected salary increases	5.5% (2.875% inflation, 2.625% merit)
Mortality rates	RP-2000 Employee Table for active members (set back 1 year) RP-2000 Healthy Annuitant Table for healthy annuitants (set back 1 year) RP-2000 Disabled Lives Mortality Table
Expected remaining service lives	6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

LINCOLN PARISH SHERIFF

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Notes to the Financial Statements (Continued)

The morality rate assumptions were set after reviewing an experience study performed over the period July 1, 2004 through June 30, 2015. 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 7.7%. 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 7.6%, 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 (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
Sheriffs' proportionate share of the net pension liability	\$6,783,220	\$3,537,125	\$808,179

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

The employer pays 100% of the medical coverage for the retiree and a portion for dependents for employees hired before July 1, 2010. For employees hired on and after July 1, 2010, only retiree coverage is provided by the employer. 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).

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Ruston, Louisiana

Notes to the Financial Statements (Continued)

Life insurance coverage is continued is 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 Codification Section P50 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.

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

Fund Policy. Until 2009, the Lincoln Parish Sheriff’s Department recognized the cost of providing post-employment medical and life insurance benefits (the Lincoln Parish Sheriff’s Department’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2016 and 2015, the Lincoln Parish Sheriff’s Department’s portion of health care and life insurance funding cost for retired employees totaled \$241,030 and \$270,983, respectively.

Effective July 1, 2009, the Lincoln Parish Sheriff’s Department implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

	<u>2016</u>
Normal cost	\$186,457
30-year UAL amortization amount	<u>375,697</u>
Annual required contribution (ARC)	<u>\$562,154</u>

Net Post-Employment Benefit Obligation (Asset) - The table below shows the Lincoln Parish Sheriff’s Department’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

	2016	2015
Beginning Net OPEB Obligation	\$4,399,868	\$4,099,119
Annual required contribution	562,154	644,820
Interest on net OPEB obligation	175,995	163,965
Adjustment to annual required contribution	(254,445)	(237,053)
Annual OPEB cost (expense)	483,704	571,732
Contributions made	(241,030)	(270,983)
Change in Net OPEB Obligation	242,674	300,749
Net OPEB obligation at end of year	<u>\$4,642,542</u>	<u>\$4,399,868</u>

The following table shows the Lincoln Parish Sheriff's Department's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2016	\$ 483,704	49.83%	\$ 4,642,542
June 30, 2015	\$ 571,732	47.40%	\$ 4,399,868

Funded Status and Funding Progress. In 2016 and 2015, the Lincoln Parish Sheriff's Department made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2016 was \$6,756,480 which is defined as that portion, as determined by a particular actuarial cost method (the Lincoln Parish Sheriff's Department uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$6,756,480
Actuarial Value of Plan Assets (AVP)	NONE
Unfunded Act. Accrued Liability (UAAL)	\$6,756,480
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$4,113,844
UAAL as a percentage of covered payroll	164.24%

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

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

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

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

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 15%.

Post employment Benefit Plan Eligibility Requirements - Historically, employees have entered D.R.O.P. after age 55 and 25 years of service, thirty years of service or age 65 and 12 years of service. We have therefore assumed that employees retire four years after that historical retirement age as just described. The four years is to accommodate the D.R.O.P. period plus one additional year. Medical benefits are provided to employees upon actual retirement.

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

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

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

Method of Determining Value of Benefits - The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are “blended” rates for active and retired prior to Medicare eligibility. We have therefore estimated the “unblended” rates for as required by GASB Codification Section P50 for valuation purposes to be 130% of the blended rate prior to Medicare eligibility. The employer contribution is then the total unblended rate so determined less the retiree contribution, if any.

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

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

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

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2016:

	<u>Compensated Absences</u>
Long-term obligations at July 1, 2015	\$190,342
Additions	73,177
Deductions	(49,869)
Adjustments	<u>(24,967)</u>
Long-term obligations at June 30, 2016	<u><u>\$188,683</u></u>

Adjustment to compensated absences balance at June 30, 2016, was made to reflect differences due to changes in beginning and ending pay rates and removing Detention Center employees from the liability. The Sheriffs office is not responsible for the Detention Center employees liability.

7. 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, 2016, follows:

	Tax Collector Fund	Civil Fund	Criminal Fund	Total
Balance at June 30, 2015	\$1,214	\$72,915	\$269,789	\$343,918
Additions	35,433,642	809,046	1,962,835	38,205,523
Reductions	<u>(35,433,642)</u>	<u>(809,892)</u>	<u>(1,891,483)</u>	<u>(38,135,017)</u>
Balance at June 30, 2016	<u>\$1,214</u>	<u>\$72,069</u>	<u>\$341,141</u>	<u>\$414,424</u>

8. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2016, the tax collector has cash and equivalents (book balances) totaling \$1,214 as follows:

Protest taxes	\$1,213
Interest on protest taxes	<u>1</u>
Total	<u>\$1,214</u>

9. AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2016, by taxing body as follows:

Louisiana Forestry Service	\$18,294
Louisiana Tax Commission	6,460
Lincoln Parish Assessor	870,789
Lincoln Parish Police Jury	6,959,302
Lincoln Parish School Board	17,717,745
Lincoln Parish Sheriff	4,711,103
Fire Protection District #1	607,238
City of Ruston	507,471
Squire Creek	<u>685,919</u>
Total	<u>\$32,084,321</u>

10. TAX UNCOLLECTED AND UNSETTLED

The tax collector has not collected and disbursed the following taxes for the year ended June 30, 2016, by taxing body as follows:

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

Lincoln Parish Assessor	\$489
Lincoln Parish Police Jury	4,114
Lincoln Parish School Board	10,255
Lincoln Parish Sheriff	2,694
Fire Protection District #1	4,738
City of Ruston	<u>611</u>
Total	<u>\$22,901</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.

11. COLLECTIONS FOR OTHERS

At June 30, 2016, the tax collector has collected and disbursed the following:

	<u>Total</u>	<u>Collection</u>	<u>Final</u>
Occupational Licenses			
Lincoln Parish Police Jury	\$153,858	\$23,079	\$130,779
Ad Valorem Taxes:			
City of Ruston	1,559,528	27,000	1,532,528
Squire Creek	701,032	15,000	686,032
Fire District No.1	649,881	32,300	617,581
Total Collection for Others	<u>\$3,064,299</u>	<u>\$97,379</u>	<u>\$2,966,920</u>

12. LITIGATION AND CLAIMS

At June 30, 2016, the Lincoln Parish Sheriff is involved in several lawsuits which are fully covered by the sheriff's liability insurance.

**13. 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, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes:				
Ad valorem tax	\$4,742,000	\$4,742,000	\$4,725,925	(\$16,075)
Sales tax	2,300,000	2,700,000	2,706,573	6,573
Intergovernmental revenues:				
Federal grants	21,000	24,000	23,150	(850)
State grants:				
State revenue sharing (net)	162,000	160,500	150,945	(9,555)
State supplemental pay	330,000	312,000	339,882	27,882
Other	206,500	134,000	129,956	(4,044)
Local grants	93,000	107,800	112,547	4,747
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	88,000	93,800	219,860	126,060
Civil and criminal fees	410,600	461,300	397,854	(63,446)
Court attendance	9,000	10,000	11,254	1,254
Transportation of prisoners	65,000	213,000	266,964	53,964
Bond forfeitures	11,000	1,500	1,220	(280)
Use of money and property	25,000	38,000	45,911	7,911
Intergovernmental	1,500,000	1,800,000	1,468,602	(331,398)
Other revenue	4,500	7,100	30,329	23,229
Total revenues	<u>9,967,600</u>	<u>10,805,000</u>	<u>10,630,972</u>	<u>(174,028)</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	6,129,900	6,335,020	6,205,693	129,327
Operating services	700,800	739,525	763,951	(24,426)
Materials and supplies	412,000	277,500	309,681	(32,181)
Travel and other charges	50,000	50,000	71,413	(21,413)
Capital outlay	515,000	553,000	579,964	(26,964)
Intergovernmental	<u>1,624,000</u>	<u>1,929,500</u>	<u>1,655,674</u>	<u>273,826</u>
Total expenditures	<u>9,431,700</u>	<u>9,884,545</u>	<u>9,586,376</u>	<u>298,169</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	535,900	920,455	1,044,596	124,141
OTHER FINANCING SOURCE:				
Proceeds from insurance			34,000	34,000
Total Other Financing Source			34,000	34,000
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>535,900</u>	<u>920,455</u>	<u>1,078,596</u>	<u>158,141</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>6,162,935</u>	<u>6,162,935</u>	<u>6,333,614</u>	<u>170,679</u>
FUND BALANCES AT END OF YEAR	<u>\$6,698,835</u>	<u>\$7,083,390</u>	<u>\$7,412,210</u>	<u>\$328,820</u>

LINCOLN PARISH SHERIFF
Ruston, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2016

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
Retiree Healthcare Plan
June 30, 2016**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$8,429,322	\$8,429,322	0.00%	\$3,042,146	277.08%
June 30, 2012	\$0	\$7,114,732	\$7,114,732	0.00%	\$3,460,190	205.62%
June 30, 2015	\$0	\$6,756,480	\$6,756,480	0.00%	\$4,113,844	164.24%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations.

Lincoln Parish Sheriff
Schedule of Employer's Share of Net Pension Liability
June 30, 2016

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, 2014	0.776062%	\$3,073,210	\$4,054,295	75.80%	87.34%
June 30, 2015	0.793519%	\$3,537,125	\$3,891,897	90.88%	86.16%

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, 2016

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, 2014	\$577,737	\$577,737	\$0	\$4,054,295	14.25%
June 30, 2015	\$535,136	\$535,136	\$0	\$3,891,897	13.75%

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:

\$1,214 is the amount of cash on hand in the tax collector account on June, 30, 2016.

He further deposed and said:

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

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



MIKE STONE, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 25th day of October, 2016, 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, 2016

MIKE STONE, SHERIFF

PURPOSE	AMOUNT
Salary	\$141,926
Expense allowance	14,193
Benefits-insurance	15,516
Benefits-retirement	39,219
Benefits-deferred compensation	4,523
Benefits-medicare	2,656
Meals	1,145
Other - cellphone	881
Travel-per diem	118
Travel-conference	1,339
Housing and lodging	3,613
Membership dues-other	322
Membership dues-Sheriffs Association	13,010
Total	<u>\$238,461</u>

LINCOLN PARISH SHERIFF
Ruston, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2016

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, 2016

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 2015	<u>\$1,214</u>	<u>\$72,915</u>	<u>\$269,789</u>	<u>\$343,918</u>
ADDITIONS				
Deposits:				
Sheriff's sales		\$624,444		\$624,444
Fines, bond forfeitures, and costs			\$1,958,136	1,958,136
Garnishments		99,212		99,212
Other deposits		85,390	4,699	90,089
Taxes, fees, etc. paid to tax collector:				
Ad valorem taxes	\$33,980,126			33,980,126
State revenue sharing	856,406			856,406
Insurance licenses	153,858			153,858
Interest on:				
Now account	2,685			2,685
Delinquent taxes	36,111			36,111
Prior year taxes	12,477			12,477
Tax notices, etc.	10,323			10,323
Redemptions	94,908			94,908
Collection for others	286,748			286,748
Total additions	<u>35,433,642</u>	<u>809,046</u>	<u>1,962,835</u>	<u>38,205,523</u>
Total	<u>35,434,856</u>	<u>881,961</u>	<u>2,232,624</u>	<u>38,549,441</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, 2016

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
REDUCTIONS				
Deposits, taxes, fees, etc. settled to:				
Louisiana Tax Commission	\$6,460			\$6,460
Louisiana Forestry Commission	18,269			18,269
Sheriff's General Fund	4,969,427	\$118,641	\$254,019	5,342,087
Other Sheriffs		93,175		93,175
Police jury	7,378,874		593,058	7,971,932
School board	18,034,151			18,034,151
Assessor	916,806			916,806
Municipalities			14,059	14,059
Law enforcement agencies			4,016	4,016
District Attorney			238,082	238,082
Clerk of Court	2,600	24,442	120,167	147,209
Indigent defender board			277,143	277,143
City of Ruston	1,532,528			1,532,528
Coroner			3,511	3,511
Litigants		560,366		560,366
Attorneys, appraisers, etc.		12,034		12,034
Pension funds	891,699			891,699
Northwest Crime Lab			109,523	109,523
Judicial clerk			159,776	159,776
Fire Protection Service District No. 1	617,581			617,581
Squire Creek CDD	686,032			686,032
Victim's restitution			15,715	15,715
Other settlements		1,234	102,414	103,648
Redemptions	92,308			92,308
Refunds	286,907			286,907
Total reductions	<u>35,433,642</u>	<u>809,892</u>	<u>1,891,483</u>	<u>38,135,017</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, June 30, 2016	<u>\$1,214</u>	<u>\$72,069</u>	<u>\$341,141</u>	<u>\$414,424</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.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**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, 2016 and the related notes to the financial statements, which collectively comprise the Lincoln Parish Sheriff's basic financial statements, and have issued my report thereon dated October 25, 2016.

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, 2016

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 26, 2016

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

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, 2016

There were no audit findings reported in the audit for the year ended June 30, 2015.