

RAPIDES PARISH SHERIFF

Alexandria, Louisiana

Financial Report

Year Ended June 30, 2018

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements (GWFS)	
Statement of net position	6
Statement of activities	7
Fund Financial Statements (FFS)	
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances - governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of the governmental funds to the statement of activities	13
Statement of fiduciary assets and liabilities	14
Notes to basic financial statements	15-39
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule -	
General Fund	41
Special Revenue Fund	42
Schedule of changes in net OPEB liability and related ratios	43
Schedule of employer OPEB contributions	44
Schedule of employer's share of net pension liability	45
Schedule of employer contributions	46
Notes to the required supplementary information	47
OTHER SUPPLEMENTARY INFORMATION	
Comparative statement of net position	49
General Fund and Drug Enforcement Fund:	
Comparative balance sheet	50
General Fund:	
Budgetary comparison schedule - revenues, expenditures, and changes in fund balance	51
Budgetary comparison schedule - expenditures	52
Schedule of departmental expenditures	53
Special Revenue Fund:	
Budgetary comparison schedule - compared to actual for prior year	54

(continued)

TABLE OF CONTENTS (continued)

	<u>Page</u>
Agency Funds:	
Combining balance sheet	56
Combining statement of changes in assets and liabilities	57
Affidavit - Tax Collector Fund	58
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60-61
Summary schedule of current and prior year audit findings and corrective action plan	62

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

The Honorable William E. Hilton
Rapides Parish Sheriff
Alexandria, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As described in Note 20 to the basic financial statements, in 2018, the Sheriff adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of employer pension contributions, schedule of net pension liability, and schedule of employer contributions on pages 41 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

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

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rapides Parish Sheriff's basic financial statements. The other supplementary information on pages 49 through 57 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and comparative statements and schedules on pages 49, 50, 56, and 57 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative information on this information has been derived from the Rapides Parish Sheriff's 2017 financial statements, which was subjected to the auditing procedures applied by us 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 and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements as a whole.

The various schedules and affidavit on pages 51 through 54, and page 58 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2018, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and 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 Sheriff's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 21, 2018

BASIC FINANCIAL STATEMENTS

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 770,373
Certificates of deposit	6,000,000
Receivables	3,022,079
Accrued interest receivable	25,678
Inventories	59,943
Prepaid expenses	<u>75,201</u>
Total current assets	9,953,274
Noncurrent assets:	
Capital assets, net	<u>11,627,112</u>
TOTAL ASSETS	<u>21,580,386</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	5,570,943
Deferred outflows related to postemployment benefit obligation	<u>463,767</u>
TOTAL DEFERRED OUTFLOWS	<u>6,034,710</u>
LIABILITIES	
Current liabilities:	
Accounts, salaries, and other payables	143,141
Unearned revenue	<u>11,142</u>
Total current liabilities	<u>154,283</u>
Noncurrent liabilities:	
Compensated absences	1,872,704
Postemployment benefit obligation	39,986,857
Net pension liability	<u>14,457,086</u>
Total noncurrent liabilities	<u>56,316,647</u>
TOTAL LIABILITIES	<u>56,470,930</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>3,519,210</u>
NET POSITION	
Net investment in capital assets	11,627,112
Restricted for drug enforcement	32,251
Unrestricted (deficit)	<u>(44,034,407)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (32,375,044)</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Drug Enforcement Fund

To account for the Edward Byrne Memorial Justice Assistance Grant restricted for the activities and transactions related to the Metro Narcotics Task Force.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Balance Sheet - Governmental Funds
June 30, 2018

	General Fund	Drug Enforcement Fund	Total Governmental Funds
ASSETS			
Cash	\$ 727,080	\$ 43,293	\$ 770,373
Certificates of deposit	6,000,000	-	6,000,000
Receivables	3,022,079	-	3,022,079
Accrued interest receivable	25,678	-	25,678
Inventories	59,943	-	59,943
Total assets	\$ 9,834,780	\$ 43,293	\$ 9,878,073
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 141,351	\$ -	\$ 141,351
Accrued payroll liabilities	1,790	-	1,790
Unearned revenue	100	11,042	11,142
Total liabilities	143,241	11,042	154,283
Fund balances:			
Nonspendable - inventories	59,943	-	59,943
Restricted - drug enforcement	-	32,251	32,251
Unassigned	9,631,596	-	9,631,596
Total fund balances	9,691,539	32,251	9,723,790
Total liabilities and fund balances	\$ 9,834,780	\$ 43,293	\$ 9,878,073

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Total fund balances for governmental funds at June 30, 2018	\$ 9,723,790
Total net position reported for governmental activities in the statement of net position is different because:	
Cost incurred which benefit more than one period are recorded as an expenditure in the governmental funds when paid. The portion relating to the next fiscal year is reported as prepaid expenditures in the statement of net position.	
Prepaid expenses	75,201
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	\$ 819,145
Buildings and improvements other than buildings, net of \$9,872,345 accumulated depreciation	6,764,264
Vehicles, net of \$4,974,295 accumulated depreciation	1,924,017
Radios, net of \$1,828,194 accumulated depreciation	504,088
Office equipment, net of \$2,388,572 accumulated depreciation	677,111
Camera/video, net of \$533,910 accumulated depreciation	136,479
Weapons, net of \$284,502 accumulated depreciation	187,414
Other, net of \$1,665,851 accumulated depreciation	<u>614,594</u>
	11,627,112
The deferred outflows of expenditures for the Sheriff's Pension and Relief Fund are not a use of current resources and, therefore, are not reported in the funds.	
	5,570,943
The deferred outflows of expenditures for post-employment benefit obligation are not a use of current resources and, therefore, are not reported in the funds.	
	463,767
Long-term liabilities at June 30, 2018:	
Compensated absences	(1,872,704)
Postemployment benefit obligation	(39,986,857)
Net pension liability	(14,457,086)
The deferred inflows of contributions for the Sheriff's Pension and Relief Fund are not available resources and, therefore, are not reported in the funds.	
	<u>(3,519,210)</u>
Net position (deficit) at June 30, 2018	<u>\$ (32,375,044)</u>

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2018

	<u>General Fund</u>	<u>Drug Enforcement Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes			
Ad valorem	\$ 13,834,748	\$ -	\$ 13,834,748
Sales	12,759,173	-	12,759,173
Intergovernmental	5,269,455	55,050	5,324,505
Fees, commissions, etc.	11,790,240	23,926	11,814,166
Interest earned	55,127	-	55,127
Other	<u>223,229</u>	<u>-</u>	<u>223,229</u>
Total revenues	<u>43,931,972</u>	<u>78,976</u>	<u>44,010,948</u>
Expenditures:			
Current -			
Public safety:			
Personal services and related benefits	28,739,320	38,348	28,777,668
Operating services	6,678,441	-	6,678,441
Operations and maintenance	7,561,753	33,194	7,594,947
Travel and other charges	147,203	-	147,203
Capital outlay	<u>2,076,042</u>	<u>-</u>	<u>2,076,042</u>
Total expenditures	<u>45,202,759</u>	<u>71,542</u>	<u>45,274,301</u>
Excess (deficiency) of revenues over expenditures	<u>(1,270,787)</u>	<u>7,434</u>	<u>(1,263,353)</u>
Other financing sources (uses):			
Sale of capital assets	<u>20,990</u>	<u>-</u>	<u>20,990</u>
Total other financing sources (uses)	<u>20,990</u>	<u>-</u>	<u>20,990</u>
Net change in fund balances	(1,249,797)	7,434	(1,242,363)
Fund balance, beginning	<u>10,941,336</u>	<u>24,817</u>	<u>10,966,153</u>
Fund balance, ending	<u>\$ 9,691,539</u>	<u>\$ 32,251</u>	<u>\$ 9,723,790</u>

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
Year Ended June 30, 2018

Total net changes in fund balances for the year ended June 30, 2018 per statement of revenues, expenditures and changes in fund balances		\$(1,242,363)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$2,076,042	
Depreciation expense for the year ended June 30, 2018	(1,906,868)	
Current period dispositions of capital assets, net of accumulated depreciation	<u>(38,911)</u>	130,263
Prepaid cost are recognized as an expenditure when paid in the governmental funds. In the statement of activities; however, prepaid expenditures are allocated over the period for which the expenditure is related.		
		4,933
Compensated absences at June 30, 2018 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		
		18,326
Post employment benefit obligation at June 30, 2018 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		
		(993,112)
Pension expense at June 30, 2018 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.		
		529,833
Non-employer contributions to the Sheriff's Pension and Relief Fund		
		<u>1,326,526</u>
Total net changes in net position for the year ended June 30, 2018 per statement of activities		<u>\$ (225,594)</u>

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Statement of Fiduciary Assets and Liabilities
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 1,141,066
Due from inmates	<u>6,275</u>
Total assets	<u>\$ 1,147,341</u>
LIABILITIES	
Due to taxing bodies, inmates, and others	<u>\$ 1,147,341</u>

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Rapides Parish Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council (government) as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

The statement of activities presents a comparison between direct expenses and program revenues for the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund and Drug Enforcement Fund of the Sheriff are considered to be the major funds. The funds of the Sheriff are described below:

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Funds –

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

Drug Enforcement Fund – This fund is used to account for the Edward Byrne Memorial Justice Assistance Grant restricted for the activities and transactions related to the Metro Narcotics Task Force.

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. Fiduciary funds are presented on an economic resources measurement focus and the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

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

The amounts reflected in the governmental 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 fund uses the following practices in recording revenues and expenditures:

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. The taxes are generally 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 on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Sales Taxes

On October 5, 2002, the voters of Rapides Parish elected to allow the Rapides Parish Law Enforcement District to levy and collect an additional 0.5% sales and use tax. This tax was levied effective January 1, 2003, in perpetuity, for the purposes of funding salaries and related benefits, as well as the purchase, lease, operation, and maintenance of vehicles, furniture and fixtures, and equipment of the Rapides Parish Sheriff's Office as defined in Sections 301-317 of Title 47 of Louisiana Revised Statutes of 1950 (R.S. 47:301-47:317).

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Unearned Revenues

Unearned revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

E. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent 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 United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

F. Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all receivables at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

G. Internal Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. These internal balances are eliminated for reporting in the statement of position.

H. Inventories

Inventories consist of (1) supplies for the detention centers, (2) office supplies, and (3) shop tire inventory. Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method.

I. Prepaid Expenses

In the Government-Wide Financial Statements, insurance premiums and maintenance agreements paid prior to year-end for coverage included in the next fiscal year are reported as prepaid expenses since the expense benefits the next fiscal year. In the Fund Financial Statements, these premiums are recorded as expenditures when paid.

J. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$500 or more for capitalizing capital assets.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	5-30 years
Vehicles	5-15 years
Radios	7-10 years
Boats	5-10 years
Office equipment and software	5-15 years
Camera/video	4-10 years
Weapons	5-10 years
Other	3-30 years

K. Compensated Absences

Employees of the Sheriff's office earn from 120 to 180 hours of annual leave each year, depending on their length of service. Those employees who do not take all of their annual leave prior to December 31st may carry over no more than 40 hours to the next calendar year. Employees earn from 84 to 120 hours of sick leave per year, depending on length of service. Unused sick leave may be carried forward each year; however, it is not compensable upon termination of employment. At June 30, 2018, employees have accumulated and vested \$1,872,704 of benefits. This amount is included in noncurrent liabilities in the statement of net position.

L. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2018, the Sheriff's deferred outflows of resources and deferred inflows of resources are attributable to pension plans and postemployment benefit obligations.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

M. Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets” and is available for general use by the Sheriff.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by the Sheriff.
- e. Unassigned – all other spendable amounts.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

N. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$7,911,439, as follows:

	Governmental Activities	Fiduciary Funds	Total
Noninterest-bearing deposits	\$ 770,373	\$ 438,761	\$ 1,209,134
Interest-bearing deposits	6,000,000	702,305	6,702,305
	\$6,770,373	\$1,141,066	\$7,911,439

Custodial credit risk is the risk that, in the event of a bank failure, the Sheriff's deposits might not be recovered. The Sheriff does not have a policy for custodial credit risk; however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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. These deposits are stated at cost, which approximates market.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Deposit balances (bank balances) at June 30, 2018 are secured as follows:

Bank balances	\$ 9,213,981
Federal deposit insurance	\$ 1,114,247
Pledged securities	8,099,734
Total	\$ 9,213,981

Deposits in the amount of \$8,099,734 were exposed to custodial credit risk. The securities pledged for these deposits are held by the bank, or its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are not held in the name of the Sheriff, 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.

(3) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Rapides Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2018, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 17.46 mills on property with net assessed valuations (after homestead exemption) totaling \$813,097,131.

Total law enforcement taxes levied during 2018 were \$14,196,683.

(4) Receivables and Due From Other Governmental Agencies

Receivables and amounts due from other governmental agencies at June 30, 2018 consist of the following:

	Governmental Activities	Fiduciary Funds
Fees, charges, and commissions for services	\$ 1,754,645	\$ -
Sales taxes	1,155,371	-
Ad valorem taxes	23,724	-
Grants	77,632	-
Other	10,707	-
	\$ 3,022,079	\$ -

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Inventories

Inventories at June 30, 2018 consist of the following:

Auto parts	\$ 39,370
Office supplies	<u>20,573</u>
Total	<u>\$ 59,943</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 819,145	\$ -	\$ -	\$ 819,145
Construction in progress	301,530	363,511	665,041	-
Other capital assets:				
Buildings and improvements	15,332,858	1,304,176	425	16,636,609
Vehicles	6,786,572	674,150	562,410	6,898,312
Radios	2,324,675	7,607	-	2,332,282
Boats	164,195	-	-	164,195
Office equipment and software	2,914,189	228,368	76,874	3,065,683
Camera/video	652,304	42,313	24,228	670,389
Weapons	484,945	59,487	72,516	471,916
Other	<u>2,273,667</u>	<u>61,471</u>	<u>54,693</u>	<u>2,280,445</u>
Totals	<u>32,054,080</u>	<u>2,741,083</u>	<u>1,456,187</u>	<u>33,338,976</u>
Less: accumulated depreciation				
Buildings and improvements	9,351,951	520,653	259	9,872,345
Vehicles	4,789,463	717,171	532,339	4,974,295
Radios	1,730,183	98,011	-	1,828,194
Boats	161,104	3,091	-	164,195
Office equipment and software	2,131,052	331,638	74,118	2,388,572
Camera/video	512,154	41,915	20,159	533,910
Weapons	310,766	44,836	71,100	284,502
Other	<u>1,570,558</u>	<u>149,553</u>	<u>54,260</u>	<u>1,665,851</u>
Total accumulated depreciation	<u>20,557,231</u>	<u>1,906,868</u>	<u>752,235</u>	<u>21,711,864</u>
Governmental activities, capital assets, net	<u>\$ 11,496,849</u>	<u>\$ 834,215</u>	<u>\$ 703,952</u>	<u>\$ 11,627,112</u>

Construction in progress consisted of renovations to the work release facilities at June 30, 2018.

Depreciation expense in the amount of \$1,906,868 was charged to public safety.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Payables and Due to Other Governmental Agencies

Payables and amounts due to other governmental agencies at June 30, 2018 consist of the following:

Accounts payable	\$ 141,351
Payroll withholdings	<u>1,790</u>
Total	<u>\$ 143,141</u>

(8) Compensated Absences

The Sheriff's compensated absences are attributable to governmental activities. The following is a summary of the compensated absences transactions during the year, which are due after one year.

	Compensated Absences
Balance July 1, 2017	\$ 1,891,030
Additions	129,273
Reductions	<u>(147,599)</u>
Balance June 30, 2018	<u>\$ 1,872,704</u>

(9) Postemployment Healthcare and Life Insurance Benefits

Plan Description: The Rapides Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Rapides Parish Sheriff's OPEB Plan (the OPEB Plan) is an agent multiple-employer defined benefit plan administered by the Louisiana Sheriff's Association Office of Group Benefits. The plan does not issue a publicly available financial report. LRS 42:8201-883 assigns the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay the related benefits.

Benefits Provided: Medical, dental and life insurance benefits are provided to employees upon actual retirement based on at least the following provisions: 30 years of service at any age; age 55 and 15 years of service; or, age 50 and 20 years of service (with an actuarially reduced pension). Although employees may retire after age 55 and 12 years of service, medical/dental and life insurance benefits are not provided until at least 15 years of service at retirement. Employees hired on and after January 1, 2012 have the same retirement eligibility requirements except that they must be at least age 55 with 30 years of service or age 62 with 12 years of service.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Life insurance coverage is continued to retirees by election and is based on the blended rate for active employees and retirees.. The employer pays for the first \$10,000 of life insurance after retirement with the retiree paying the remainder, but both "costs" are based on the blended rate. Since GASB 75 requires the use of "unblended" rates, we have used the 94GAR mortality table 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. Thus, the implicit subsidy by the employer has been determined by applying the unblended rate to the full coverage, and subtracting the retiree's premium of the blended rate applied to the excess over \$10,000. Based on historical patterns, we have assumed that 20% of retirees decline the option of paying for the coverage beyond \$10,000. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Employees covered by benefit terms: At July 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	135
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>510</u>
Total	<u>645</u>

During the year ended June 30, 2018, the Sheriff adopted the requirements of GASB Statement No. 75, recognizing the cost of postemployment healthcare and life insurance benefits in the year when the employee services are received and recognizing the liability for OPEB obligations, known as the net OPEB liability, on the statement of net position. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Total OPEB Liability

The Sheriff's total OPEB liability of \$38,529,978 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases, including inflation	4.0%
Discount rate, net of OPEB plan investment expense, including inflation	3.5%
Healthcare cost trend rates, flat annually	5.5%

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates. There was no change in the discount rate from the prior measurement date.

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in Total OPEB Liability

Balance at June 30, 2017	\$ 38,529,978
Changes for the year:	
Service cost	724,199
Interest	1,329,411
Differences between expected and actual experience	496,893
Benefit payments and net transfers	<u>(1,093,624)</u>
Net changes	1,456,879
Balance at June 30, 2018	<u>\$ 39,986,857</u>

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
	2.5%	3.5%	4.5%
Total OPEB Liability	\$46,185,942	\$39,986,857	\$ 35,025,955

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability to the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using the healthcare cost trend rates that are one percentage-point lower (4.5%) or one percentage-point higher (6.5%) than the current healthcare trend rates:

	<u>1.0% Decrease</u>	<u>Current Healthcare Trend Rate</u>	<u>1.0% Increase</u>
	4.5%	5.5%	6.5%
Total OPEB Liability	\$34,962,628	\$ 39,986,857	\$ 46,178,985

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

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

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$2,086,736. At June 30, 2018, the Sheriff reported deferred outflows of resources related to OPEB for the differences between expected and actual experience in the amount of \$463,767.

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

<u>Year Ended June 30,</u>	
2019	\$ 33,126
2020	33,126
2021	33,126
2022	33,126
2023	33,126
Thereafter	<u>298,137</u>
Total	<u>\$ 463,767</u>

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 as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 18.5%.

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 payments of benefits (that is, for 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% 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 rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been 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.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Method of Determining Value of Benefits: The "value of benefits" was 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.

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.

At June 30, 2018, the Sheriff did not have any amounts owed to the OPEB plan.

(10) Pension Plan

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

Plan Description: Employees of the Sheriff are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issues a publicly available financial report that may be accessed on their website as follows:

LSPRF - <http://lsprf.com>

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

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

Deferred Retirement 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.

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.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

Contributions: Contributions for all members are established by the Board of Trustees. The employee contribution rate for the year ended June 30, 2017 was 10.25%. Contributions are deducted from the member's salary and remitted monthly. Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For the year ended June 30, 2017, the employers contributed 12.75% of the members' salaries with an additional 0.0% allocated from the Funding Deposit Account. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$1,326,526 and excluded from pension expense for the year ended June 30, 2017.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2018, the Sheriff reported a liability of \$14,457,086 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the Net Pension Liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Sheriff's proportion was 3.338608%, which was a decrease of 0.076269% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$2,470,302 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$2,227.

Contributions – Proportionate Share: Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2010 through June 30, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

Discount Rate: The discount rate used to measure the total pension liability was 7.4%, which was a decrease of 0.1% from the prior year valuation. 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 which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and adding expected inflation.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target allocation as of June 30, 2017 were as follows:

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.4%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.4%) or one percentage-point higher (8.4%) than the current rate:

	1.0% Decrease 6.4%	Current Discount Rate 7.4%	1.0% Increase 8.4%
Employer's proportionate share of the net pension liability	\$29,785,410	\$14,457,086	\$1,560,390

At June 30, 2018, 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
Difference between expected and actual experience	\$ -	\$2,516,644
Change of assumptions	2,543,799	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	27,009	795,063
Net differences between projected and actual earnings on plan investments	-	207,503
Contributions subsequent to the measurement date	<u>3,000,135</u>	-
Total	<u>\$ 5,570,943</u>	<u>\$3,519,210</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$3,000,135 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2018	\$ (746,931)
2019	798,891
2020	137,894
2021	(1,169,384)
2022	25,371
2023	5,757
Total	\$ (948,402)

At June 30, 2018, the Sheriff had no payables to the pension plan for contractually required contributions for the month of June 2018.

(11) Deferred Compensation Plan

Certain employees of the Sheriff participate in the Rapides Parish Sheriff's Office Deferred Compensation Plan (Plan) adopted under the provisions of Internal Revenue Code Section 457, which is administered by the Hartford Life Insurance Company. The Sheriff does not have managerial or financial responsibility for the plan assets. As of June 30, 2018, the plan assets totaled \$2,601,151, which is owned by the Plan participants.

(12) Changes in Agency Fund Balances

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

	Sheriff's Civil Fund	Tax Collector Fund	Cash Bond Fund	Fines and Costs Fund	Jail Inmate Fund	Work Release Inmate Fund
June 30, 2017	\$ 193,632	\$ 76,097	\$218,318	\$ 169,051	\$ 64,545	\$ 267,744
Additions	3,260,624	97,778,556	130,049	2,335,135	1,171,464	3,006,194
Reductions	(3,254,648)	(97,747,262)	(46,629)	(2,320,627)	(1,180,813)	(2,974,089)
June 30, 2018	\$ 199,608	\$ 107,391	\$301,738	\$ 183,559	\$ 55,196	\$ 299,849

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2018 include \$25,348 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

(14) Litigation and Claims

At June 30, 2018, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

(15) Ex-officio Tax Collector

The amount of cash on hand at year end was \$107,391. The unsettled balances of the Tax Collector Fund at June 30, 2018 consist of the following:

Ad valorem taxes	\$ 49,138
Settlements on prior year taxes	-
Protest taxes	25,583
Undistributed interest	28,577
Due from General Fund	(5,373)
Redemptions and refunds to taxpayers	-
Tax Notices and costs	7,480
Interest on current year taxes	<u>1,986</u>
Total	<u>\$ 107,391</u>

The amount of taxes collected for the current year by taxing authority was as follows:

Rapides Parish School Board	\$39,135,467
Rapides Parish Police Jury	27,121,963
Rapides Parish Sheriff	14,049,904
Rapides Parish Library	5,697,384
Red River Levee District	2,058,192
Red River Waterway Commission	1,882,971
Rapides Parish Assessor	1,689,853
Ward 9 Recreation District	737,335
Ward 10 Recreation District	601,017
Gravity Drainage District	341,652
Water District 11A	150,921
Fire District 12	305,476
LA Forestry Commission	33,700
LA Tax Commission	<u>66,580</u>
Total	<u>\$93,872,415</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

For the fiscal year ended June 30, 2018, the taxes assessed and uncollected were due to movable property and the amounts are as follows:

	Louisiana Tax Commission			
	<u>Decreases</u>	<u>Adjudications</u>	<u>Bankruptcies</u>	<u>Unpaid</u>
Rapides Parish School Board	\$ 267,930	\$ 54,475	\$ 21,361	\$ 80,701
Rapides Parish Police Jury	208,196	31,642	11,101	56,025
Rapides Parish Sheriff	91,856	20,209	5,619	28,954
Rapides Parish Library	37,248	8,195	2,279	11,741
Red River Levee District	11,434	3,816	-	4,239
Red River Waterway Commission	12,310	2,708	753	3,880
Rapides Parish Assessor	11,048	2,431	676	3,482
Ward 9 Recreation District	3,714	1,059	3,081	1,522
Ward 10 Recreation District	4,095	312	-	1,236
Gravity Drainage District	1,902	646		703
Water District 11A	2,233	93	2,785	320
Fire District 12	730	72	-	628
LA Forestry Commission	165	-	-	64
LA Tax Commission	-	-	-	136
Total	<u>\$ 652,861</u>	<u>\$ 125,658</u>	<u>\$ 47,655</u>	<u>\$ 193,631</u>

(16) Operating Leases

The Sheriff is committed for more than a single year under leases for office equipment and building or office space. The leases are considered for accounting purposes to be operating leases.

Lease expenditures for the year ended June 30, 2018 amounted to \$238,618, and consisted solely of minimum lease payments.

Future minimum lease payments for non-cancellable leases are as follows:

Fiscal year ending	
<u>June 30,</u>	
2019	\$ 260,565
2020	216,345
2021	150,205
2022	<u>149,665</u>
Total	<u>\$ 776,780</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

(17) Risk Management

The Sheriff is exposed to risks of loss in the areas of vehicle liability, professional law enforcement liability, group health and workers' compensation. These risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

(18) Compensation, Benefits, and Other Payments to Agency Head

In accordance with Act 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits, and other payments to William E. Hilton, Sheriff, for the year ended June 30, 2018 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 160,338
Benefits - insurance	9,808
Benefits - retirement	40,455
Benefits - Medicare	2,507
Travel reimbursements	<u>2,016</u>
Total	<u>\$ 215,124</u>

(19) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which time the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Sheriff's financial statements to record the exempt amounts. At June 30, 2018, the Sheriff's ad valorem revenues were reduced by \$3,947,723, as a result of these abatements.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Basic Financial Statements (Continued)

(20) New Accounting Pronouncement

In June 2015, the GASB approved Statement No. 75, *Accounting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 addresses accounting and financial reporting for postemployment benefits other than pensions that are provided to the employees of state and local government employers. The provisions of GASB Statement No. 75 were implemented by the Sheriff during the year ending June 30, 2018. The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. This resulted in a restatement of net position as follows:

July 1, 2017 net position, as previously reported	\$ (8,921,370)
Change in accounting principle:	
Net effect of implementation of GASB 75	<u>(23,228,080)</u>
July 1, 2017 net position, as restated	<u>\$ (32,149,450)</u>

REQUIRED SUPPLEMENTARY INFORMATION

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budget		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
Revenues:				
Taxes				
Ad valorem	\$ 13,800,000	\$13,800,000	\$ 13,834,748	\$ 34,748
Sales	12,800,000	12,700,000	12,759,173	59,173
Intergovernmental revenues -				
Federal	360,600	476,200	465,386	(10,814)
State	2,890,800	3,000,100	2,996,453	(3,647)
Local	1,791,900	1,806,700	1,807,616	916
Fees charges and commissions for services -				
Fees	812,500	746,300	800,333	54,033
Feeding and maintaining prisoners	9,977,300	9,799,000	9,847,509	48,509
Commissions	1,191,200	1,149,000	1,142,398	(6,602)
Interest income	15,400	47,710	55,127	7,417
Other income	146,000	230,700	223,229	(7,471)
Total revenues	<u>43,785,700</u>	<u>43,755,710</u>	<u>43,931,972</u>	<u>176,262</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	28,526,531	28,751,608	28,739,320	12,288
Operating services	6,653,998	6,682,622	6,678,441	4,181
Operations and maintenance	7,347,300	7,562,100	7,561,753	347
Travel and other charges	118,500	147,700	147,203	497
Capital outlay	1,154,371	1,957,670	2,076,042	(118,372)
Total expenditures	<u>43,800,700</u>	<u>45,101,700</u>	<u>45,202,759</u>	<u>(101,059)</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>	<u>(1,345,990)</u>	<u>(1,270,787)</u>	<u>75,203</u>
Other financing sources (uses):				
Sales of capital assets	15,000	20,990	20,990	-
Total other financing sources (uses)	<u>15,000</u>	<u>20,990</u>	<u>20,990</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	-	(1,325,000)	(1,249,797)	75,203
Fund balance, beginning	10,941,336	10,941,336	10,941,336	-
Fund balance, ending	<u>\$ 10,941,336</u>	<u>\$ 9,616,336</u>	<u>\$ 9,691,539</u>	<u>\$ 75,203</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Special Revenue Fund - Drug Enforcement Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental				
Federal	\$ 61,525	\$ 66,100	\$ 55,050	\$ (11,050)
Commission on forfeited assets	1,000	23,925	23,926	1
Total revenues	<u>62,525</u>	<u>90,025</u>	<u>78,976</u>	<u>(11,049)</u>
Expenditures:				
Current -				
Salaries and related benefits	36,550	38,400	38,348	52
Utilities	1,200	700	3,072	(2,372)
Telephone	900	4,400	4,308	92
Informants and undercover operations	36,000	22,500	18,000	4,500
Supplies	1,000	7,750	7,814	(64)
Total expenditures	<u>75,650</u>	<u>73,750</u>	<u>71,542</u>	<u>2,208</u>
Excess (deficiency) of revenues over expenditures	(13,125)	16,275	7,434	(8,841)
Fund balance, beginning	<u>24,817</u>	<u>24,817</u>	<u>24,817</u>	<u>-</u>
Fund balance, ending	<u>\$ 11,692</u>	<u>\$ 41,092</u>	<u>\$ 32,251</u>	<u>\$ (8,841)</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018

Total OPEB Liability

Service Cost	\$ 724,199
Interest	1,329,411
Changes in benefit terms	-
Differences between expected and actual experience	496,893
Changes of assumptions	-
Benefit payments and net transfers	<u>(1,093,624)</u>
Net changes	1,456,879
Total OPEB Liability - beginning	<u>38,529,978</u>
Total OPEB liability - ending	39,986,857
Plan Fiduciary Net Position	-
Net OPEB liability	<u>\$ 39,986,857</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
Covered employee payroll	\$ 22,364,300
Net OPEB liability as a percentage of covered-employee payroll	178.80%

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

RAPIDES PARISH SHERIFF
 Alexandria, Louisiana

Schedule of Employer OPEB Contributions
For the Year Ended June 30, 2018

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	\$ 923,583	\$ 923,583	\$ -	\$ 22,364,300	4.13%

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2018*

Year ended June 30,	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
2018	3.338608%	\$ 14,457,086	\$ 22,283,948	64.9%	88.49%
2017	3.414877%	\$ 21,673,866	\$ 23,321,971	92.9%	82.10%
2016	3.446158%	\$ 15,361,309	\$ 22,848,582	67.2%	86.61%
2015	3.564519%	\$ 14,115,514	\$ 22,885,270	61.8%	87.34%

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

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Schedule of Employer Contributions
For the Year Ended June 30, 2018

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	\$ 3,000,135	\$ 3,000,135	\$ -	\$ 23,530,470	12.75%
2017	\$ 3,064,043	\$ 3,064,043	\$ -	\$ 23,124,853	13.25%
2016	\$ 3,206,771	\$ 3,206,771	\$ -	\$ 23,321,971	13.75%
2015	\$ 3,255,923	\$ 3,255,923	\$ -	\$ 22,848,582	14.25%

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

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Notes to Required Supplementary Information

(1) Budgets and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The chief administrative deputy prepares a proposed budget for the General and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

(2) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

(3) Postemployment Healthcare and Life Insurance Benefits

- a. Benefit Changes – There were no changes of benefit terms
- b. Changes of Assumptions – There were no changes of assumptions.

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2018, the Sheriff had actual expenditures over appropriations at the functional level, as follows:

	Original Budget	Final Budget	Actual	Variance
General Fund:				
Capital outlay	\$ 1,154,371	\$ 1,957,670	\$ 2,076,042	\$ (118,372)

OTHER SUPPLEMENTARY INFORMATION

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Comparative Statement of Net Position
June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 770,373	\$ 2,129,567
Certificates of deposit	6,000,000	6,000,000
Receivables	3,022,079	3,080,264
Accrued interest receivable	25,678	4,843
Inventories	59,943	64,649
Prepaid expenses	75,201	70,268
Total current assets	9,953,274	11,349,591
Noncurrent assets:		
Capital assets, net	11,627,112	11,496,849
TOTAL ASSETS	21,580,386	22,846,440
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	5,570,943	10,302,704
Deferred outflows related to postemployment benefit obligation	463,767	-
TOTAL DEFERRED OUTFLOWS	6,034,710	10,302,704
LIABILITIES		
Current liabilities:		
Accounts, salaries, and other payables	143,141	289,639
Unearned revenue	11,142	23,531
Total current liabilities	154,283	313,170
Noncurrent liabilities:		
Compensated absences	1,872,704	1,891,030
Postemployment benefit obligation	39,986,857	15,301,898
Net pension liability	14,457,086	21,673,866
Total noncurrent liabilities	56,316,647	38,866,794
TOTAL LIABILITIES	56,470,930	39,179,964
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	3,519,210	2,890,550
NET POSITION		
Net investment in capital assets	11,627,112	11,496,849
Restricted for drug enforcement	32,251	24,817
Unrestricted (deficit)	(44,034,407)	(20,443,036)
TOTAL NET POSITION (DEFICIT)	\$ (32,375,044)	\$ (8,921,370)

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

General Fund and Drug Enforcement Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	General Fund		Drug Enforcement Fund	
	2018	2017	2018	2017
ASSETS				
Cash and cash equivalents	\$ 727,080	\$ 2,113,803	\$ 43,293	\$ 15,764
Certificates of deposit	6,000,000	6,000,000	-	-
Receivables	3,022,079	3,042,534	-	37,730
Accrued interest receivable	25,678	4,843	-	-
Due from other funds	-	5,246	-	-
Inventories	59,943	64,649	-	-
Total assets	<u>\$ 9,834,780</u>	<u>\$ 11,231,075</u>	<u>\$ 43,293</u>	<u>\$ 53,494</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 141,351	\$ 288,984	\$ -	\$ -
Accrued payroll liabilities	1,790	655	-	-
Due to other funds	-	-	-	5,246
Unearned revenue	100	100	11,042	23,431
Total liabilities	<u>143,241</u>	<u>289,739</u>	<u>11,042</u>	<u>28,677</u>
Fund balances:				
Nonspendable - inventories	59,943	64,649	-	-
Restricted - drug enforcement	-	-	32,251	24,817
Unassigned	9,631,596	10,876,687	-	-
Total fund balances	<u>9,691,539</u>	<u>10,941,336</u>	<u>32,251</u>	<u>24,817</u>
Total liabilities and fund balances	<u>\$ 9,834,780</u>	<u>\$ 11,231,075</u>	<u>\$ 43,293</u>	<u>\$ 53,494</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

General Fund
Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Year Ended June 30, 2018
With Comparative Actual Balances for Year Ended June 30, 2017

	2018			Variance - Favorable (Unfavorable)	2017 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes					
Ad valorem	\$ 13,800,000	\$ 13,800,000	\$ 13,834,748	\$ 34,748	\$ 13,508,283
Sales	12,800,000	12,700,000	12,759,173	59,173	12,890,653
Intergovernmental revenues -					
Federal	360,600	476,200	465,386	(10,814)	481,188
State	2,890,800	3,000,100	2,996,453	(3,647)	2,989,697
Local	1,791,900	1,806,700	1,807,616	916	1,769,298
Fees charges and commissions for services -					
Fees	812,500	746,300	800,333	54,033	852,304
Feeding and maintaining prisoners	9,977,300	9,799,000	9,847,509	48,509	9,974,670
Commissions	1,191,200	1,149,000	1,142,398	(6,602)	1,302,086
Interest income	15,400	47,710	55,127	7,417	15,292
Other income	146,000	230,700	223,229	(7,471)	200,679
Total revenues	<u>43,785,700</u>	<u>43,755,710</u>	<u>43,931,972</u>	<u>176,262</u>	<u>43,984,150</u>
Expenditures:					
Current -					
Public safety:					
Personal services and related benefits	28,526,531	28,751,608	28,739,320	12,288	28,018,853
Operating services	6,653,998	6,682,622	6,678,441	4,181	6,293,116
Operations and maintenance	7,347,300	7,562,100	7,561,753	347	7,271,350
Travel and other charges	118,500	147,700	147,203	497	112,463
Capital outlay	1,154,371	1,957,670	2,076,042	(118,372)	1,566,453
Total expenditures	<u>43,800,700</u>	<u>45,101,700</u>	<u>45,202,759</u>	<u>(101,059)</u>	<u>43,262,235</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>	<u>(1,345,990)</u>	<u>(1,270,787)</u>	<u>75,203</u>	<u>721,915</u>
Other financing sources (uses):					
Transfer to Drug Enforcement Fund	-	-	-	-	(22,391)
Sale of capital assets	15,000	20,990	20,990	-	15,748
Total other financing sources (uses)	<u>15,000</u>	<u>20,990</u>	<u>20,990</u>	<u>-</u>	<u>(6,643)</u>
Net change in fund balance	<u>-</u>	<u>(1,325,000)</u>	<u>(1,249,797)</u>	<u>75,203</u>	<u>715,272</u>
Fund balance, beginning	<u>10,941,336</u>	<u>10,941,336</u>	<u>10,941,336</u>	<u>-</u>	<u>10,226,064</u>
Fund balance, ending	<u>\$ 10,941,336</u>	<u>\$ 9,616,336</u>	<u>\$ 9,691,539</u>	<u>\$ 75,203</u>	<u>\$ 10,941,336</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

General Fund
Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2018
With Comparative Actual Balances for Year Ended June 30, 2017

	2018				
	Budget		Actual	Variance - Favorable (Unfavorable)	2017 Actual
	Original	Final			
Current:					
Public safety -					
Personal services and related benefits:					
Salaries	\$25,088,849	\$25,349,688	\$25,348,303	\$ 1,385	\$24,577,004
Payroll taxes	400,851	393,904	390,882	3,022	377,806
Pension	<u>3,036,831</u>	<u>3,008,016</u>	<u>3,000,135</u>	<u>7,881</u>	<u>3,064,043</u>
Total personal services and related benefits	<u>28,526,531</u>	<u>28,751,608</u>	<u>28,739,320</u>	<u>12,288</u>	<u>28,018,853</u>
Operating services:					
Hospitalization insurance	5,542,977	5,413,669	5,386,760	26,909	5,081,854
Life insurance	385,691	362,784	370,677	(7,893)	307,644
Auto insurance	287,000	317,000	316,997	3	286,653
Deputy liability	432,330	446,169	446,166	3	432,393
Claims expense	-	140,000	156,495	(16,495)	177,636
Other liability insurance	<u>6,000</u>	<u>3,000</u>	<u>1,346</u>	<u>1,654</u>	<u>6,936</u>
Total operating services	<u>6,653,998</u>	<u>6,682,622</u>	<u>6,678,441</u>	<u>4,181</u>	<u>6,293,116</u>
Operations and maintenance:					
Auto fuel and oil	587,800	612,400	634,854	(22,454)	563,776
Auto maintenance	223,700	261,100	293,284	(32,184)	228,957
Deputy uniforms, supplies, etc.	220,500	220,000	207,789	12,211	211,933
Office supplies and expenses	413,000	467,600	478,311	(10,711)	429,972
Telephone and utilities	1,040,200	1,237,000	1,243,984	(6,984)	1,078,847
Maintenance contracts and rentals	1,333,900	1,156,400	1,044,343	112,057	1,184,292
Prisoner feeding and maintenance	2,780,000	2,788,100	2,843,332	(55,232)	2,883,180
Professional fees	174,500	122,400	117,233	5,167	109,361
Other	<u>573,700</u>	<u>697,100</u>	<u>698,623</u>	<u>(1,523)</u>	<u>581,032</u>
Total operations and maintenance	<u>7,347,300</u>	<u>7,562,100</u>	<u>7,561,753</u>	<u>347</u>	<u>7,271,350</u>
Travel and other charges	<u>118,500</u>	<u>147,700</u>	<u>147,203</u>	<u>497</u>	<u>112,463</u>
Capital outlay	<u>1,154,371</u>	<u>1,957,670</u>	<u>2,076,042</u>	<u>(118,372)</u>	<u>1,566,453</u>
Total expenditures	<u>\$43,800,700</u>	<u>\$45,101,700</u>	<u>\$45,202,759</u>	<u>\$(101,059)</u>	<u>\$43,262,235</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana
General Fund

Schedule of Departmental Expenditures
For the Years Ended June 30, 2018 and 2017

	Personal Services and Related Benefits		Operating Services		Operations and Maintenance		Travel and Other Charges		Capital Outlay		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Expenditures:												
Current -												
Executive	\$ 1,759,088	\$ 1,627,563	\$ 1,426,914	\$ 1,313,023	\$ 595,865	\$ 468,340	\$ 18,184	\$ 15,961	\$ 672,427	\$ 138,091	\$ 4,472,478	\$ 3,562,978
Finance	357,690	318,468	63,462	53,120	30,857	21,814	1,994	762	1,099	-	455,102	394,164
Human resources	111,515	102,521	21,048	19,071	51,493	58,461	74	512	-	2,715	184,130	183,280
Support services	452,295	443,465	80,323	75,230	206,800	212,737	12,437	6,335	61,418	127,465	813,273	865,232
Bonds and fines	277,601	219,384	57,474	48,123	37,992	20,123	-	-	3,149	5,200	376,216	292,830
Civil	613,334	599,314	117,738	111,262	74,777	79,557	508	42	19,872	37,203	826,229	827,378
Tax	192,179	188,844	41,653	38,756	205,433	132,653	-	-	-	-	439,265	360,253
Enforcement	6,132,116	6,065,158	1,241,584	1,178,084	1,095,943	1,156,147	38,421	17,669	421,722	513,485	8,929,786	8,930,543
Investigative	2,163,689	2,162,964	408,376	389,056	454,428	246,551	33,756	31,200	249,141	113,921	3,309,390	2,943,692
Drug enforcement	1,083,015	1,062,107	210,555	196,989	190,395	171,413	13,895	10,417	71,327	63,600	1,569,187	1,504,526
School resource officers	3,570,777	3,506,000	660,047	622,891	43,057	33,143	3,127	4,352	24,404	15,189	4,301,412	4,181,575
Courthouse security	676,386	678,338	113,045	108,529	7,473	8,175	244	902	1,165	1,504	798,313	797,448
Corrections administrative	1,370,833	1,102,947	238,134	183,710	285,931	261,060	12,305	2,604	23,730	79,192	1,930,933	1,629,513
Corrections (DC-1)	2,851,642	2,778,523	538,422	511,509	788,111	792,619	4,443	6,613	19,059	28,943	4,201,677	4,118,207
Corrections (DC-3)	2,487,855	2,521,457	525,214	514,010	1,646,786	1,535,186	4,635	9,089	12,515	45,308	4,677,005	4,625,050
House arrest	-	56,743	-	10,564	-	31,221	-	624	-	-	-	99,152
Work release facility	3,890,503	3,856,128	775,334	771,343	1,597,570	1,783,798	3,097	5,381	463,392	367,981	6,729,896	6,784,631
Maintenance/road crew	674,755	650,123	142,906	132,140	216,515	225,200	83	-	31,622	26,656	1,065,881	1,034,119
Warehouse	74,047	78,806	16,212	15,706	32,327	33,152	-	-	-	-	122,586	127,664
Total expenditures	\$ 28,739,320	\$ 28,018,853	\$ 6,678,441	\$ 6,293,116	\$ 7,561,753	\$ 7,271,350	\$ 147,203	\$ 112,463	\$ 2,076,042	\$ 1,566,453	\$ 45,202,759	\$ 43,262,235

RAPIDES PARISH SHERIFF
Alexandria Louisiana

Special Revenue Fund - Drug Enforcement Fund
Budgetary Comparison Schedule -
For the Year Ended June 30, 2018
With Comparative Actual Balances for Year Ended June 30, 2017

	2018		Actual	Variance - Favorable (Unfavorable)	2017 Actual
	Budget				
	Original	Final			
Revenues:					
Intergovernmental					
Federal	\$61,525	\$ 66,100	\$55,050	\$(11,050)	\$ 53,430
Local	-	-	-	-	1,910
Commission on forfeited assets	1,000	23,925	23,926	1	49,623
Total revenues	<u>62,525</u>	<u>90,025</u>	<u>78,976</u>	<u>(11,049)</u>	<u>104,963</u>
Expenditures:					
Current -					
Salaries and related benefits	36,550	38,400	38,348	52	59,980
Utilities	1,200	700	3,072	(2,372)	2,738
Telephone	900	4,400	4,308	92	2,161
Informants and undercover operations	36,000	22,500	18,000	4,500	21,000
Supplies	1,000	7,750	7,814	(64)	6,628
Training	-	-	-	-	4,054
Capital outlay	-	-	-	-	<u>7,300</u>
Total expenditures	<u>75,650</u>	<u>73,750</u>	<u>71,542</u>	<u>2,208</u>	<u>103,861</u>
Excess (deficiency) of revenues over expenditures	(13,125)	16,275	7,434	(8,841)	1,102
Other financing source:					
Transfer from General Fund	-	-	-	-	<u>22,391</u>
Excess of revenues and other sources over expenditures	(13,125)	16,275	7,434	(8,841)	23,493
Fund balance, beginning	<u>24,817</u>	<u>24,817</u>	<u>24,817</u>	-	<u>1,324</u>
Fund balance, ending	<u>\$ 11,692</u>	<u>\$ 41,092</u>	<u>\$ 32,251</u>	<u>\$ (8,841)</u>	<u>\$ 24,817</u>

AGENCY FUNDS

Sheriff's Civil Fund -

To account for cash received from sheriff's sales, garnishment of wages, and services provided to other governmental units. Also, certain amounts are held pursuant to judicial orders pending finalization of legal suits.

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 and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Cash Bond Fund -

To account for cash bonds received for prisoners' release pending trial.

Fines and Costs Fund -

To account for fines and costs on traffic and other legal violations received by the Sheriff to be distributed in accordance with specific laws and regulations.

Jail Inmate Fund -

To account for the receipts and disbursements made to the individual prison inmate accounts.

Work Release Inmate Fund -

To account for cash held for each prisoner in the Work Release Facility.

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Agency Funds
Combining Balance Sheet
June 30, 2018

With Comparative Totals for June 30, 2017

	Sheriff's Civil Fund	Tax Collector Fund	Cash Bond Fund	Fines and Costs Fund	Jail Inmate Fund	Work Release Inmate Fund	Total	
							2018	2017
ASSETS								
Cash	\$ 199,608	\$ 107,391	\$ 301,738	\$ 183,559	\$ 50,252	\$ 298,518	\$ 1,141,066	\$ 981,350
Due from inmates and others	-	-	-	-	4,944	1,331	6,275	8,037
Total assets	<u>\$ 199,608</u>	<u>\$ 107,391</u>	<u>\$ 301,738</u>	<u>\$ 183,559</u>	<u>\$ 55,196</u>	<u>\$ 299,849</u>	<u>\$ 1,147,341</u>	<u>\$ 989,387</u>
LIABILITIES								
Due to taxing bodies and others	\$ -	\$ 107,391	\$ -	\$ -	\$ -	\$ -	\$ 107,391	\$ 76,097
Due to inmates	-	-	-	-	55,196	299,849	355,045	332,289
Due to others	199,608	-	301,738	183,559	-	-	684,905	581,001
Total liabilities	<u>\$ 199,608</u>	<u>\$ 107,391</u>	<u>\$ 301,738</u>	<u>\$ 183,559</u>	<u>\$ 55,196</u>	<u>\$ 299,849</u>	<u>\$ 1,147,341</u>	<u>\$ 989,387</u>

RAPIDES PARISH SHERIFF
Alexandria, Louisiana

Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2018
With Comparative Totals for Year Ended June 30, 2017

	Sheriff's Civil Fund	Tax Collector Fund	Cash Bond Fund	Fines and Costs Fund	Jail Inmate Fund	Work Release Inmate Fund	Total	
							2018	2017
Balances, beginning of year	\$ 193,632	\$ 76,097	\$ 218,318	\$ 169,051	\$ 64,545	\$ 267,744	\$ 989,387	\$ 1,198,800
Additions:								
Deposits -								
Sheriff's sales, etc.	3,260,624	-	-	-	-	-	3,260,624	4,451,335
Bonds, fines, and costs	-	-	129,945	2,335,135	-	-	2,465,080	2,308,433
Other deposits	-	-	-	-	1,082,250	3,004,519	4,086,769	4,222,414
Taxes, fees, etc. paid to tax collector	-	97,778,556	-	-	-	-	97,778,556	95,897,266
Other additions	-	-	104	-	89,214	1,675	90,993	185,899
Total additions	<u>3,260,624</u>	<u>97,778,556</u>	<u>130,049</u>	<u>2,335,135</u>	<u>1,171,464</u>	<u>3,006,194</u>	<u>107,682,022</u>	<u>107,065,347</u>
Total	<u>3,454,256</u>	<u>97,854,653</u>	<u>348,367</u>	<u>2,504,186</u>	<u>1,236,009</u>	<u>3,273,938</u>	<u>108,671,409</u>	<u>108,264,147</u>
Reductions:								
Taxes, fees, etc. distributed to taxing bodies and others	-	97,747,262	-	-	-	-	97,747,262	95,835,526
Deposits settled to -								
Sheriff's General Fund	813,388	-	-	297,403	895,322	2,058,735	4,064,848	4,229,926
Rapides Parish Police Jury	-	-	-	748,649	-	-	748,649	684,006
District attorney	-	-	-	439,034	-	-	439,034	368,318
Indigent defender	-	-	-	338,647	-	-	338,647	286,781
Clerk of Court	138,847	-	-	-	-	-	138,847	141,152
Litigants	2,152,098	-	-	-	-	-	2,152,098	3,196,147
Other settlements	4,994	-	-	496,894	-	-	501,888	425,991
Other reductions	145,321	-	46,629	-	285,491	915,354	1,392,795	2,106,913
Total reductions	<u>3,254,648</u>	<u>97,747,262</u>	<u>46,629</u>	<u>2,320,627</u>	<u>1,180,813</u>	<u>2,974,089</u>	<u>107,524,068</u>	<u>107,274,760</u>
Balances, end of year	\$ 199,608	\$ 107,391	\$ 301,738	\$ 183,559	\$ 55,196	\$ 299,849	\$ 1,147,341	\$ 989,387

STATE OF LOUISIANA, PARISH OF RAPIDES

AFFIDAVIT

William Earl Hilton, Sheriff of Rapides Parish

BEFORE ME, the undersigned authority, personally came and appeared, William Earl Hilton, the Sheriff of Rapides Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$107,391.67 is the amount of cash on hand in the tax collector account on June 30, 2018;

He further deposed and said:

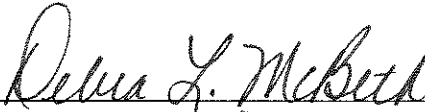
All itemized statements of the amount of taxes collected for tax year 2017, by taxing authority, are true and correct.

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



Sheriff of Rapides Parish

SWORN to and subscribed before me, Notary, this 28th day of August 2018, in my office in Alexandria, Louisiana.

 (Signature)
Debra L. McBeth (Print), # 68553
Notary Public
at death (Commission)

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

* A Professional Accounting Corporation

The Honorable William E. Hilton
Rapides Parish Sheriff
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated November 21, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
November 21, 2018

Rapides Parish Sheriff
 Alexandria, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
 and Corrective Action Plan
 Year Ended June 30, 2018

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (6/30/18) --						
There were no audit findings to report.						
PRIOR YEAR (6/30/17) --						
There were no audit findings to report.						

RAPIDES PARISH SHERIFF

Alexandria, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

Honorable William Hilton
Rapides Parish Sheriff
Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts are sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) We traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. Randomly select 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - a) Observed that the disbursement matched the related original invoice/billing statement.
 - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

(The following procedures were not performed since there were no exceptions in the prior year.)

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

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

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

(The following procedures were not performed since there were no exceptions in the prior year.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. We observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

1. The Sheriff did not have written policies or procedures to address any of the functions above, except for travel and expense reimbursement.

Management's response: The entity will implement written policies and procedures that address budgeting, purchasing, disbursements, receipts, payroll/personnel, contracting, credit cards, ethics, and debt service.

Bank Reconciliations

2. Of the five cash accounts tested, none of them included evidence that a member of management had reviewed each bank reconciliation.

Management's response: The entity will implement a policy to include evidence that a member of management has reviewed each bank reconciliation.

3. Of the five cash accounts tested, two did not have documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's response: The entity will implement a policy to research all reconciling items that have been outstanding for more than 12 months from the statement closing date and to provide evidence on the bank reconciliation that the procedure has been done.

Collections

4. Of the five cash locations selected for testing, the employee who collects cash at one of the locations shares a cash drawer with another person.

Management's response: The entity will implement a policy that employees collecting cash can not share a cash drawer with another person.

5. Of the five cash locations selected for testing, the employee who collects cash at one of the locations is also responsible for preparing/depositing cash in the bank, reconciling the bank statement, and reconciling cash collections to the general ledger or subsidiary ledger.

Management's response: The entity will implement a policy that the employee who collects cash can not be responsible for preparing/depositing cash in the bank, reconciling the bank statement, or reconciling cash collections to the general ledger or subsidiary ledger.

6. Of the five cash locations selected for testing, one of the locations had one deposit that was not made timely.

Management's response: The entity will implement a policy that all deposits should be made within a week of collection.

Non-Payroll Disbursements

7. The entity does not have written documentation that the individual responsible for processing payments is prohibited from adding vendors to the disbursement system.

Management's response: The entity will implement a written policy that the individual responsible for processing payments is prohibited from adding vendors to the disbursement system.

8. The entity does not have written documentation indicating that the individual with signatory authority has no responsibility for initiating or recording purchases.

Management's response: The entity will implement a written policy that the individual with signatory authority has no responsibility for initiating or recording purchases.

Other

9. The entity does not have the required "Fight Fraud" notice posted on its website.

Management's response: The entity will post the required "Fight Fraud" notice on its website.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Rapides Parish Sheriff and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
October 8, 2018