

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2018**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2018**

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Kevin W. Cobb  
Franklin Parish Sheriff  
Winnsboro, 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 Franklin Parish Sheriff, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Franklin Parish 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 from material misstatement.

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

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

## ***Opinions***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

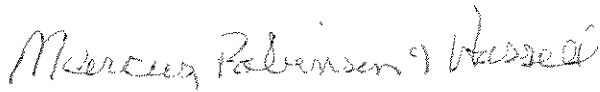
### ***Other Information***

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

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, on our consideration of the Franklin Parish 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Sheriff's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Marcus Robinson & Hassell".

MARCUS, ROBINSON & HASSELL, CPAs

Winnsboro, Louisiana  
December 20, 2018

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART I**



**KEVIN W. COBB**

**FRANKLIN PARISH**

**SHERIFF AND EX-OFFICIO TAX COLLECTOR**

**6556 MAIN STREET . WINNSBORO, LOUISIANA 71295 . TELEPHONE (318) 435-4505 . FACSIMILE (318) 435-5810**

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

Financial Highlights:

- Revenues of the sheriff exceeded expenditures by \$2,547,056.
- Personnel and related benefit costs comprise 61.5% of total expenditures.
- Cash and Cash Equivalents increased by \$1,140,265 from the prior year.
- DOC inmate housing revenue was \$10,118,814 or 74% of total revenues.

Overview of the Financial Statements

This discussion and analysis provides an overview of the sheriff's basic financial statements. The statement of net assets and the statement of activities (Governmental-wide financial statements) provide information about the financial activities as a whole and illustrate a long-term view of the sheriff's finances. The balance sheet and statement of revenues, expenditures and changes in fund balance - Governmental fund tell how these services were financed in the short term as well as what remains for future. The report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditors Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditors Report should be used to judge the level of assurances provided for each portion in the financial section.

Government - wide Financial Statements:

These financial statements are used to present a general overall look at the finances of the Franklin Parish Sheriff's Department similar to a private sector business.

Statement of Net Positions. By determining the difference between the assets and the liabilities of the Franklin Parish Sheriff's Department, "Net Position" is determined. By comparing statements of Net Position over a period of time, the overall financial trend of the sheriff can be monitored.



Statement of Activities. This statement shows changes in the sheriff's net positions during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net positions as soon as the event affecting net positions occurs.

**Fund Financial Statements** - To comply with finance related legal requirements, the Franklin Parish Sheriff's Department groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

Government Funds. Information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds. These funds are used to manage monies and resources held by the sheriff on behalf of others, such as inmate trust deposits, taxes, fines, and bonds. Since these resources do not belong to the sheriff and are not available to support the operations of the sheriff, they are not reflected on the government-wide financial statements.

**Notes to the Financial Statements** - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

**Other Information** - This report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Franklin Parish Sheriff's Department.

## Financial Analysis of the Sheriff as a Whole

The Sheriff's net position as of June 30, 2018 was \$13,944,601, an increase of \$2,458,709 from the previous :

	<u>Sheriff's Net Position</u>	
	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017 (Restated)</u>
Current & Other Assets	15,044,743	12,552,562
Capital Assets	<u>4,462,767</u>	<u>4,737,632</u>
<b>Total Assets</b>	19,507,510	17,290,194
Deferred Outflows of Resources	<u>1,154,323</u>	<u>1,744,157</u>
<b>Total Assets and Deferred Outflows of Resources</b>	20,661,833	19,034,351
Current Liabilities	584,567	616,458
Long-Term Liabilities	<u>5,638,809</u>	<u>6,535,493</u>
<b>Total Liabilities</b>	6,223,376	7,151,951
Deferred Inflows of Resources	<u>493,856</u>	<u>396,508</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>6,717,232</u>	<u>7,548,459</u>
Net Position		
Net Investment in Capital Assets	4,462,767	4,737,632
Unrestricted	<u>9,481,834</u>	<u>6,748,260</u>
<b>Total Net Position</b>	<u><u>13,944,601</u></u>	<u><u>11,485,892</u></u>

**Governmental Activities**

Revenues for the Sheriff's governmental activities increased 22.8757% to approximately \$13.6 million while expenses increased 6.5228% to approximately \$11.2 million for the reasons mentioned previously.

**Changes in Sheriff's Net Position**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Program Revenues		
Fees, Charges and Commissions	10,311,392	8,044,288
Operating Grants and Contributions	<u>176,143</u>	<u>64,157</u>
Total Program Revenues	10,487,535	8,108,445
General Revenues		
Ad Valorem Taxes	950,558	913,234
Sales Taxes	1,423,129	1,232,491
Other General Revenues	<u>799,475</u>	<u>863,321</u>
Total General Revenues	<u>3,173,162</u>	<u>3,009,046</u>
Total Revenues	13,660,697	11,117,491
General Governmental Expenses	<u>11,201,988</u>	<u>10,516,047</u>
Change in Net Position	<u><u>2,458,709</u></u>	<u><u>601,444</u></u>

## Financial Analysis of the Government's Funds

Fund accounting is used by the Franklin Parish Sheriff's Department to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Franklin Parish Sheriff's Department's combined governmental fund balances as of June 30, 2018 is \$14,608,059. The June 30, 2017 combined governmental fund balance was \$12,061,003. This is an increase of \$2,547,056. Of the June 30, 2018 balances, \$14,527,806 is unassigned.

## General Fund Budgetary Highlights

While expenditures reported on the final budget are more than projected expenditures at the beginning of the year, the final adopted budget for June 30, 2018 also reflects an increase in revenue over the original budget for the fiscal year. This is the result of slight increase in most revenue generating resources but primarily from an increase in revenue from housing inmates.

## Capital Assets and Debt Administration:

**Capital Assets** - The Franklin Parish Sheriff's Department's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$4,462,767 (net of accumulated depreciation). Fixed assets decreased by \$274,865 for the year.

The following summarizes Capital assets:	<u>6/30/18</u>	<u>6/30/17</u>
Capital Assets:		
Land	90,000	90,000
Buildings	8,894,508	8,894,508
Equipment	<u>2,221,878</u>	<u>2,062,922</u>
	11,206,386	11,047,430
Accumulated Depreciaton	<u>6,743,619</u>	<u>6,309,798</u>
Capital Assets, net	<u>4,462,767</u>	<u>4,737,632</u>

## **Long-Term Debt**

At June 30, 2018, the Sheriff had the following long-term debt outstanding at year end.

	<b><u>Governmental Activities</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Other Post-Employment Benefits	3,119,906	2,944,268
Net Pension Liability	<u>2,518,903</u>	<u>3,591,225</u>
Total	<u>5,638,809</u>	<u>6,535,493</u>

## **Economic Factors and Next Year's Budget**

The Franklin Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

1. Taxes
2. Intergovernmental Revenues
3. Fees, Charges, and Commissions for Services

The Franklin Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

## **Request for Information**

This report may be used by all persons with an interest in the financial status of the Franklin Parish Sheriff's Office. It is designed to help the reader gain a general overall view of the sheriff's finances. Any question or request for additional information should be addressed to the Franklin Parish Sheriff's Office, 6556 Main Street, Winnsboro, Louisiana 71295.

**BASIC FINANCIAL STATEMENTS**

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

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash and Cash Equivalents	13,440,938
Accounts Receivable	1,523,552
Inventories	80,253
Capital Assets (net of accumulated depreciation)	<u>4,462,767</u>

TOTAL ASSETS 19,507,510

DEFERRED OUTFLOWS OF RESOURCES

Other Post Employment Benefits Related	79,408
Pension Related	<u>1,074,915</u>

Total Deferred Outflows of Resources 1,154,323

TOTAL ASSETS AND DEFERRED OUTFLOWS OF  
RESOURCES 20,661,833

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accounts Payable	436,684
Long-Term Liabilities	
Due Within One Year	147,883
Net Post Employment Benefit Obligation	3,119,906
Net Pension Liability	<u>2,518,903</u>

TOTAL LIABILITIES 6,223,376

DEFERRED INFLOWS OF RESOURCES

Pension Related	<u>493,856</u>
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Total Deferred Inflows of Resources 493,856

NET POSITION

Net Investment in Capital Assets	4,462,767
Unrestricted	<u>9,481,834</u>

TOTAL NET POSITION 13,944,601

TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND NET POSITION 20,661,833

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF ACTIVITIES  
JUNE 30, 2018**

		<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE)</u>
	<u>EXPENSES</u>	<u>OPERATING GRANTS</u>	<u>CAPITAL GRANTS</u>	<u>REVENUE AND CHANGES IN NET ASSETS</u>
<u>FUNCTIONS/PROGRAMS:</u>				
Public Safety:				
Personal Services	6,651,172	141,605	0	(6,509,567)
Operating Services	1,037,122	20,200	0	(1,016,922)
Materials and Supplies	2,938,129	13,860	0	(2,924,269)
Travel and Other Charges	94,638	478	0	(94,160)
Depreciation	465,179	0	0	(465,179)
Capital Outlay	15,748	0	0	(15,748)
Total Government Activities	11,201,988	176,143	0	(11,025,845)
<u>PROGRAM REVENUES:</u>				
Commissions				19,591
Civil & Criminal Fees				172,987
Housing Prisoners				10,118,814
Total Program Revenues				10,311,392
Net Program Expenses				(714,453)
<u>GENERAL REVENUES:</u>				
Taxes - Ad Valorem				950,558
Taxes - Sales Tax				1,423,129
Taxes - State Revenue Sharing				71,062
Interest				69,842
State Supplemental Pay				437,979
Book Value of Disposed Assets				(496)
Other				221,088
Total General Revenues				3,173,162
<u>CHANGES IN NET POSITION</u>				2,458,709
<u>NET POSITION AT BEGINNING OF YEAR - AS RESTATED</u>				11,485,892
<u>NET POSITION AT END OF YEAR</u>				13,944,601

See Notes to Financial Statements



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

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2018

	<u>GENERAL</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	13,440,938
Accounts Receivable	1,523,552
Inventories	<u>80,253</u>
 TOTAL ASSETS	 <u><u>15,044,743</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts Payable	<u>436,684</u>
 Total Liabilities	 436,684
 Fund Balances:	
Nonspendable	80,253
Unassigned	<u>14,527,806</u>
 Total Fund Balance	 <u>14,608,059</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>15,044,743</u></u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

Total Fund Balances at June 30, 2018 - Governmental Funds		14,608,059
Deferred Outflows - Pension Related		1,074,915
Deferred Outflows - Other Post Employment Benefits Related		79,408
Cost of Capital Assets at June 30, 2018	11,206,386	
Less: Accumulated Depreciation at June 30, 2018	<u>(6,743,619)</u>	4,462,767
Long-Term Liabilities at June 30, 2018		
Deferred Compensation Payable	147,883	
Net Post Employment Benefit Obligation	3,119,906	
Net Pension Liability	<u>2,518,903</u>	(5,786,692)
Deferred Inflows - Pension Related		<u>(493,856)</u>
<u>NET POSITION AT JUNE 30, 2018</u>		<u>13,944,601</u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>GENERAL</u>
<u>REVENUES</u>	
Ad Valorem Taxes	950,558
Sales Taxes	1,423,129
Intergovernmental Revenues:	
Federal Grants	129,266
State and Local Grants	46,877
State Revenue Sharing	71,062
Fees, Charges & Services:	
Commissions	19,591
Civil & Criminal Fees	172,987
Housing Prisoners	10,118,814
State Supplemental Pay	437,979
Interest	69,842
Other	<u>221,088</u>
 <u>TOTAL REVENUE</u>	 13,661,193
 <u>EXPENDITURES</u>	
<u>Public Safety:</u>	
Personal Services & Related Benefits	6,837,690
Operating Services	1,037,122
Materials and Supplies	2,938,129
Travel and Other Charges	94,638
<u>Capital Outlay:</u>	
General Fund	<u>206,558</u>
 <u>TOTAL EXPENDITURES</u>	 <u>11,114,137</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	 2,547,056

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>GENERAL</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>12,061,003</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>14,608,059</u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Total Net Change in Fund Balances - Governmental Funds	2,547,056
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Amounts reported for governmental activities in the  
Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful life as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the period:

Capital Outlays	190,810	
Depreciation	<u>(465,179)</u>	(274,369)

In the statement of activities, the gain or loss on the retirement of assets is reported, whereas in the governmental funds it is not. The change in net assets differs from the change in fund balance by the cost of the assets retired net of accumulated depreciation.	(496)
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In the Statement of Activities, certain operating expenses - K-time - are measured by the amounts earned or used during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (actually paid).	(22,984)
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Net Post Employment Benefit Obligation Expense	(96,230)
--	----------

Non-Employer Contributions to Cost-Sharing Pension Plan	230,905
Pension Expense	<u>74,827</u>

Changes in Net Position of Governmental Activities	<u>2,458,709</u>
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See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF FIDICIARY ASSETS AND LIABILITIES  
JUNE 30, 2018**

	LICENSE FUND	CRIMINAL FUND	CIVIL FUND	WORK RELEASE PROGRAM FUND
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	36	382,586	16,456	30,050
Due From Others	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u><u>36</u></u>	<u><u>382,586</u></u>	<u><u>16,456</u></u>	<u><u>30,050</u></u>
<b><u>LIABILITIES</u></b>				
Due to Taxing Bodies And Others	<u>36</u>	<u>382,586</u>	<u>16,456</u>	<u>30,050</u>
<b>TOTAL LIABILITIES</b>	<u><u>36</u></u>	<u><u>382,586</u></u>	<u><u>16,456</u></u>	<u><u>30,050</u></u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2018**

<u>TAX COLLECTION FUND</u>	<u>INMATE TRUST FUND</u>	<u>TOTAL</u>
16,995	128,460	574,583
<u>1,714</u>	<u>0</u>	<u>1,714</u>
<u>18,709</u>	<u>128,460</u>	<u>576,297</u>
 <u>18,709</u>	 <u>128,460</u>	 <u>576,297</u>
 <u>18,709</u>	 <u>128,460</u>	 <u>576,297</u>

See Notes to Financial Statements



**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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 establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within Franklin and surrounding parishes.

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, sporting licenses, and fines, costs and bond forfeitures imposed by the district court.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Franklin Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all the Sheriff's activities.

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification 2100, the sheriff includes all funds, account groups, activities, etc. that are controlled by the sheriff as an independently elected parish official. As an independently elected parish official, the sheriff is solely responsible for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff's office that are paid by the parish police jury 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 police jury, 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 parish sheriff.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

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

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**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS, Continued**

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

**Government Fund Types**

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

**Fiduciary Fund Type - Agency Funds**

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

**E. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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**2. Modified Accrual, Continued**

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

**Revenues**

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

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds. Interest income on time and demand deposits is recorded when the time deposits have matured and the income is available. Substantially all other revenues are recognized when received by the sheriff. Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

**Expenditures**

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

**F. SALES AND USE TAX**

The Franklin Parish Sheriff is authorized to collect a one percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collecting and administering the tax, are dedicated to constructing, maintaining and operating a jail facility and offices for the Franklin Parish Sheriff, including the payment of salaries for the operation of the jail facilities. The tax was approved for an indefinite time period; however, on March 10, 1993, the voters approved a referendum changing the indefinite expiration date to June 1, 2010. On July 21, 2007, the voters approved a one-half percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collection and administering the tax, are dedicated for general operations. This tax has been renewed for five years starting January 1, 2018 and expiring on December 31, 2022.

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**G. ENCUMBRANCES**

Encumbrance accounting is not used in the sheriff's operations.

**H. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**I. INVENTORY**

Inventory at June 30, 2018, consists of commissary items purchased during preceding months. Inventory items are valued at unit prices established by purchase prices paid for purchased items. Amounts are recorded as expenditures under the consumption method using the First-In, First-Out (FIFO) cost flow assumption.

**J. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

**K. RISK MANAGEMENT**

The sheriff's office is exposed to risks of loss in areas of health care, general and auto liability, property hazards, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

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**L. COMPENSATORY TIME (K-TIME)**

Compensatory Time (K-time) represents a one and one-half credit for each hour of overtime worked. The maximum for law enforcement personnel (deputies, detectives and guards) is 480 K-time hours which represent not more than 320 hours of actual overtime worked. The maximum for non-law enforcement personnel is 240 K-time hours which represents 160 hours of actual overtime worked. Employees may take K-time as compensated time-off.

An employee shall upon termination be paid for the unused K-time at a rate of compensation not less than: a) the average regular rate received by such employee during the last three years of employment or b) the final regular rate, whichever is higher. All overtime work in excess of K-time limits must be paid in the period earned.

**M. BAD DEBTS**

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectible and no allowance for bad debts is necessary.

**N. ESTIMATES**

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

**O. BUDGET PRACTICES**

The proposed budget for the fiscal year ended June 30, 2018, was made available for public inspection on June 16, 2017. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal as required prior to the public hearing, which was held at the Franklin Parish Sheriff's office June 16, 2017, for comments from taxpayers. The budget was legally amended June 14, 2018, by the sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balances.

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**P. INVESTMENTS**

Under state law, the sheriff may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The sheriff reports United States Treasury bills and notes as investments.

**Q. VACATION AND SICK LEAVE**

Employees earn two weeks of noncumulative vacation leave and one week of noncumulative sick leave each year. There are no accumulated or vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

**R. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Sheriff reports three categories of net position, as follows:

- a. Net investment in capital assets - consists of net capital assets 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 increase by balances of deferred outflows of resources related to those assets.
- b. Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Sheriff.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The Sheriff's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

**S. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

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

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

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

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**S. FUND EQUITY OF FUND FINANCIAL STATEMENTS, Continued**

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

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

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

**T. PENSION PLANS**

The Franklin Parish Sheriff's Office is participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**U. CHANGE IN ACCOUNTING PRINCIPLE**

During the fiscal year ending June 30, 2018, the Sheriff adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The statement's objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". This resulted in a restatement of previously reported net position as follows:

Governmental funds net position as previously reported at June 30, 2017	13,030,747
Prior period adjustment:	
Net effect of recording total OPEB liability	<u>(1,544,855)</u>
Governmental funds net position as restated, June 30, 2017	<u>11,485,892</u>

**V. OTHER POSTEMPLOYMENT BENEFITS**

The Sheriff follows GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which requires the accrual of other postemployment benefits for retired employees. The sheriff has recorded a liability for other postemployment benefits (see Note 7). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.



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**NOTE 2 - LEVIED TAXES**

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Expiration</u>	<u>Levied Millage</u>	<u>Millage</u>
Constitutional	Indefinite	9.23	9.23

**NOTE 3 - CASH AND CASH EQUIVALENTS**

For the purpose of these financial statements, the sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2018 the sheriff had cash and cash equivalents (book balances) totaling \$14,015,521 as follows:

	<u>Statement of Net Position</u>	<u>Statement of Fiduciary Net Position</u>	<u>Total</u>
Petty Cash	1,800	-0-	1,800
Demand Deposits	<u>13,439,138</u>	<u>574,583</u>	<u>14,013,721</u>
<b><u>TOTAL</u></b>	<b><u>13,440,938</u></b>	<b><u>574,583</u></b>	<b><u>14,015,521</u></b>

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

At June 30, 2018, the sheriff has \$14,774,484 in deposits (collected bank balances). These deposits are secured from risk by \$802,557 of federal deposit insurance and \$13,971,927 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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.

The sheriff was adequately collateralized at June 30, 2018.

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**NOTE 4 - RECEIVABLES**

The receivables at June 30, 2018, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Fees, Charges, and Commissions for Services	410,675	1,714	412,389
Feeding and Keeping of Prisoners	1,112,877	-0-	1,112,877
<u>TOTAL</u>	<u>1,523,552</u>	<u>1,714</u>	<u>1,525,266</u>

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2018 follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<u>Capital Assets</u>				
Equipment	2,062,922	190,810	31,854	2,221,878
Buildings	8,894,508	-0-	-0-	8,894,508
Land	90,000	-0-	-0-	90,000
	<u>11,047,430</u>	<u>190,810</u>	<u>31,854</u>	<u>11,206,386</u>
<u>Accumulated Depreciation</u>				
Equipment	1,469,155	242,817	31,358	1,680,614
Buildings	4,840,643	222,362	-0-	5,063,005
	<u>6,309,798</u>	<u>465,179</u>	<u>31,358</u>	<u>6,743,619</u>
<u>Net Capital Assets</u>	<u>4,737,632</u>	<u>(274,369)</u>	<u>(496)</u>	<u>4,462,767</u>

**NOTE 6 - PENSION PLAN**

Substantially all employees of the Franklin Parish Sheriff's office are members of the Louisiana Sheriffs' Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least 800 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. For an employee whose first employment making him eligible began on or after July 1, 2006, the employee's average monthly salary shall be the 60 highest successive months of employment, or the highest 60 successive joined months of employment where interruption of service occurred. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55.

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**NOTE 6 - PENSION PLAN, Continued**

The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Plan members are required by state statute to contribute 10.25% of their annual covered salary and the Franklin Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Franklin Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Sheriff's contributions to the System for the years ending June 30, 2018, 2017 and 2016 were \$546,529, \$533,853 and \$531,940, respectively, equal to the required contributions for each year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2018, the Sheriff reported a liability of \$2,518,908 for its proportionate share of the net pension liability of the System. 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 0.581696% which was an increase of 0.015872% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$(74,827) representing its proportionate share of the System's net expense, including amortization of deferred amounts.

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

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	-0-	(438,483)
Changes of assumptions	443,214	-0-
Net difference between projected and actual earnings on pension plan investments	-0-	36,514
Changes in proportion and differences between Employer contributions and proportionate share of contributions	85,172	(18,859)
Employer contributions subsequent to the measurement date	<u>546,529</u>	<u>-0-</u>
Total	<u>1,074,915</u>	<u>(493,856)</u>

**FRANKLIN PARISH SHERIFF**  
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**NOTE 6 - PENSION PLAN, Continued**

**Pension Plan** - The Sheriff reported a total of \$546,529 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows and resources related to pensions will be recognized in pension expense as follows:

Year	
2018	(88,627)
2019	180,705
2020	74,433
2021	(178,217)
2022	29,948
2023	<u>22,288</u>
	<u>40,530</u>

**Actuarial Assumptions** - A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.4%
Projected Salary Increases	5.5% (2.775% Inflation, 2.725% Merit)
Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries
	RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	2017 - 7 years 2016 - 7 years 2015 - 6 years 2014 - 6 years

**FRANKLIN PARISH SHERIFF  
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**NOTE 6 - PENSION PLAN, Continued**

**Cost of Living Adjustments**

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments 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.

**Changes in Valuation Methods and Assumptions**

The discount rate was lowered from 7.5% to 7.4% for the year ended June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the pension plan'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.

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 - PENSION PLAN, Continued**

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the Sheriff's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Sheriff's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.4%	7.4%	8.4%
FPSO Share of NPL	\$5,189,604	\$2,518,903	\$271,872

**Change in Net Pension Liability** - The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the pension liability, changes of assumptions about future economic or demographic factors, and changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date 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 pensions through the pension plan.

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

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

*Benefits Provided* - Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 12 years of service. Effective for retirements on or after December 31, 2012, the following schedule applies based on age and years of service at actual retirement for a retiree to receive employer paid retiree medical coverage: 100% for thirty or more years of service; 75% for attainment of age 55 and completion of twenty-seven years of service; or, 50% for attainment of age 55 and completion of twenty-three years of service.

Life insurance coverage is continued to retirees in the same amount as while active. The retiree pays 100% of the "cost" of life insurance after retirement, but it is based on the blended active/retired rate and there is thus an implied subsidy. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, Continued**

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

Inactive employees or beneficiaries currently receiving benefit payments	18
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>96</u>
	<u>114</u>

**Total OPEB Liability**

The Sheriff's total OPEB liability of \$3,119,906 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5 %
Salary increases	3.0%, including inflation
Discount rate	3.62%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

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

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

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

**Changes in the Total OPEB Liability**

Balance at June 30, 2017	<u>2,994,268</u>
Changes for the year:	
Service cost	60,309
Interest	108,766
Differences between expected and actual experience	83,587
Benefit payments and net transfers	<u>(77,024)</u>
Net Changes	<u>175,638</u>
Balance at June 30, 2018	<u>3,119,906</u>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS, Continued**

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

	<b>1.0% Decrease (2.62%)</b>	<b>Current Discount Rate (3.62%)</b>	<b>1.0% Increase (4.62%)</b>
<u>Total OPEB Liability</u>	<u>\$ 3,765,781</u>	<u>\$ 3,119,906</u>	<u>\$ 2,622,170</u>

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

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
<u>Total OPEB Liability</u>	<u>\$ 2,651,951</u>	<u>\$ 3,119,906</u>	<u>\$ 3,725,820</u>

**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 \$173,254. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$ 79,408	\$ -
<u>Total</u>	<u>\$ 79,408</u>	<u>\$ -</u>

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

Years ending June 30:

2019	4,179
2020	4,179
2021	4,179
2022	4,179
2023	4,179
Thereafter	58,511



**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 - CHANGES IN AGENCY FUNDS**

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

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Agency Funds:				
License	78	182,856	182,898	36
Criminal	105,601	720,615	443,630	382,586
Civil	16,527	447,114	447,185	16,456
Work Release Program	22,362	316,475	308,787	30,050
Tax Collection	9,112	11,141,620	11,132,023	18,709
Inmate Trust	121,245	995,504	988,289	128,460
<b><u>TOTAL</u></b>	<b><u>274,925</u></b>	<b><u>13,804,184</u></b>	<b><u>13,502,812</u></b>	<b><u>576,297</u></b>

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

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

	<u>K-Time</u>	<u>TOTAL</u>
Long-term Obligations at July 1, 2017	124,899	124,899
Additions	22,984	22,984
Deductions	-0-	-0-
Long-term Obligations at June 30, 2018	<u>147,883</u>	<u>147,883</u>

**NOTE 10 - FEDERAL FINANCIAL ASSISTANCE**

The sheriff participated in the following federal assistance programs during the year ended June 30, 2018:

<u>Federal Grantor/Pass-Through Grantor/ Program Name</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>Homeland Security and Emergency Preparedness</u>		
Passed through Governor's Office of Homeland Security and Emergency Preparedness		
SHSP GRANT	97.067	32,566
EMPG GRANT	97.042	26,629

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 10 - FEDERAL FINANCIAL ASSISTANCE, Continued**

United States Department of Justice  
Passed through Louisiana Division of  
Administration through Louisiana  
Commission of Law Enforcement and  
Administration: Victims of Crime Act

16.575

63,048

United States Department of Justice  
Passed through Louisiana Division of  
Administration through Louisiana  
Commission on Law Enforcement and  
Administration of Criminal Justice -Street  
Sales Disruption

16.738

7,023

129,266

**NOTE 11 - ON-BEHALF PAYMENTS**

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Franklin Parish Police Jury, except for the jail as set forth in the intergovernmental agreement discussed in Note 13.

**NOTE 12 - LITIGATION AND CLAIMS**

At June 30, 2018, the sheriff has no pending or threatened litigation which would adversely affect the financial status of the Franklin Parish Sheriff's Office.

**NOTE 13- INTERGOVERNMENTAL AGREEMENT**

As provided by Louisiana Revised Statute (LSA-R.S.) 33:1324, the Franklin Parish Sheriff has entered into an intergovernmental agreement with the Franklin Parish Police Jury to assume all liabilities and responsibilities of the jail operations within Franklin Parish effective May 1, 1989, and perpetually thereafter, so long as the Franklin Parish Law Enforcement District sales and use tax remains in force and effect. The liabilities assumed by the sheriff include utilities, maintenance and upkeep, feeding and keeping prisoners, salaries and cost of jail operations, and construction of a new jail. The intergovernmental agreement also states that the parish of Franklin relinquishes, transfers, and assigns to the Franklin Parish Sheriff and the Law Enforcement District of Franklin Parish all jurisdiction, responsibility, and control over the present and any future jail within Franklin Parish.

**NOTE 14- RELATED PARTY TRANSACTIONS**

There were no related party transactions that came to our attention.

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 15 - EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand at year end was \$16,995. The unsettled balances of the Tax Collection Fund at June 30, 2018 consist of:

Collection of current and prior year	
taxes not settled	4,595
Protest Taxes	<u>12,400</u>
	<u>16,995</u>

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

<b><u>TAXING AUTHORITY</u></b>	<b><u>TAXES COLLECTED</u></b>
Franklin Parish Police Jury	3,446,390
Franklin Parish Sheriff	1,020,672
Franklin Parish School Board	2,450,599
Franklin Parish Tax Assessor	730,148
Louisiana Agriculture & Forestry Commission	5,567
Louisiana Tax Commission	9,035
Tensas Basin Levee District	204,430
Fire District I	115,982
Fire District II	144,670
Fire District III	52,131
Fire District IV	81,141
Fire District V	139,282
Other	24
Franklin Parish Library	774,417
Franklin Parish Council on Aging	198,545
Franklin Parish Clerk of Court Retirement	27,706
Franklin Parish District Attorney Retirement	21,217
Municipal Employees Retirement	27,706
Parochial Employees Retirement	27,706
Franklin Parish Registrar of Voters	6,928
Franklin Medical Center	1,246,909
Assessor's Retirement Fund	35,575
Sheriff's Pension and Relief Fund	55,413
Teacher's Retirement Fund	<u>110,823</u>
	<u>10,933,016</u>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

The amount of taxes assessed and uncollected by the specified taxing authority is presented below:

<b><u>TAXING AUTHORITY</u></b>	<b><u>TAXES UNCOLLECTED</u></b>
Franklin Parish Police Jury	304
Franklin Parish Sheriff	65
Franklin Parish School Board	174
Franklin Parish Tax Assessor	49
Louisiana Agriculture & Forestry Commission	0
Louisiana Tax Commission	0
Tensas Basin Levee District	10
Fire District I	2
Fire District II	0
Fire District III	46
Fire District IV	2
Fire District V	13
Franklin Parish Library	0
Franklin Parish Council on Aging	0
Franklin Medical Center	91
	<u>756</u>

The above amounts represent taxes assessed and uncollected by the specified taxing authority. Failure to collect these taxes is due to bankruptcies or the fact that the property is considered movable, and therefore, it cannot be sold at a property tax sale.

The amount of collection on behalf of other taxing authorities is as follows:

<b><u>TAXING AUTHORITY</u></b>	<b><u>FRANKLIN PARISH POLICY JURY</u></b>	<b><u>COMMISSION TO FRANKLIN PARISH SHERIFF</u></b>	<b><u>FINAL DISTRIBUTION</u></b>
OCCUPATIONAL LICENSE	<u>155,471</u>	<u>27,427</u>	<u>182,898</u>

Franklin Parish Sheriff does not collect sales tax, tax incremental finance district, public utility, insurance premiums, gaming admissions, or any other taxes other than ad valorem tax and occupational licenses for taxing authorities.

**NOTE 16 - SUBSEQUENT EVENTS**

The Sheriff's management has evaluated subsequent events through the date the financial statements were available to be issued, December 20, 2018 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**  
**PART II**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGET COMPARISON SCHEDULES  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
Ad Valorem Taxes	915,000	973,000	950,558	(22,442)
Sales Taxes	1,000,000	1,415,000	1,423,129	8,129
Intergovernmental Revenues:				
Federal Grants	45,100	70,100	129,266	59,166
State and Local Grants	24,250	48,417	46,877	(1,540)
State Revenue Sharing	65,000	70,000	71,062	1,062
Fees, Charges & Services:				
Commissions	24,000	20,000	19,591	(409)
Civil & Criminal Fees	150,000	178,000	172,987	(5,013)
Housing Prisoners	7,666,500	10,069,500	10,118,814	49,314
State Supplemental Pay	444,000	444,000	437,979	(6,021)
Interest	48,000	58,300	69,842	11,542
Other	102,350	186,485	221,088	34,603
<u>TOTAL REVENUES</u>	<u>10,484,200</u>	<u>13,532,802</u>	<u>13,661,193</u>	<u>128,391</u>
<u>EXPENDITURES</u>				
<u>Public Safety:</u>				
Personal Services and Related Benefits	6,729,982	6,856,575	6,837,690	18,885
Operating Services	985,400	1,051,905	1,037,122	14,783
Materials and Supplies	2,602,450	2,800,000	2,938,129	(138,129)
Travel and Other Charges	83,850	95,200	94,638	562
<u>Capital Outlay:</u>				
General Fund	62,500	218,500	206,558	11,942
	<u>10,464,182</u>	<u>11,022,180</u>	<u>11,114,137</u>	<u>(91,957)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>20,018</u>	<u>2,510,622</u>	<u>2,547,056</u>	<u>36,434</u>

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGET COMPARISON SCHEDULES  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>12,450,859</u>	<u>13,030,747</u>	<u>12,061,003</u>	<u>(969,744)</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>12,470,877</u>	<u>15,541,369</u>	<u>14,608,059</u>	<u>(933,310)</u>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2018**

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

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



**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
FOR THE YEAR ENDED  
JUNE 30, 2018**

	<u>2018</u>
Service cost	\$60,309
Interest	108,766
Changes of benefit terms	0
Differences between expected & actual experience	83,587
Changes of assumptions	0
Benefit payments	<u>(77,024)</u>
Net change in total OPEB liability	175,638
Total OPEB liability - beginning	<u>2,944,268</u>
Total OPEB liability - ending	<u><u>\$3,119,906</u></u>
Net OPEB liability	<u><u>\$3,119,906</u></u>
Covered employee payroll	\$3,764,743
Net OPEB liability as a percentage of covered employee payroll	82.87%
Fiduciary Net Position	0
Funded Ratio	0

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

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LA  
SCHEDULE OF THE SHERIFF'S PROPORTIONATE  
SHARE OF THE 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
2015	0.560699%	\$2,220,371	\$3,731,059	59.5104%	87.3447%
2016	0.565756%	\$2,521,867	\$3,868,737	65.1857%	86.6065%
2017	0.565824%	\$3,591,225	\$4,029,123	89.1316%	82.0969%
2018	0.581696%	\$2,518,903	\$4,286,378	58.7653%	88.4876%

\*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.*

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SCHEDULE OF FRANKLIN PARISH SHERIFF'S  
CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2018**

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$531,592	\$531,592	\$0	\$3,731,059	14.25%
2016	\$531,940	\$531,940	\$0	\$3,868,737	13.75%
2017	\$533,853	\$533,853	\$0	\$4,029,123	13.25%
2018	\$546,529	\$546,529	\$0	\$4,286,378	12.75%

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

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTE TO CHANGES TO REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018**

Changes in Valuation  
Methods and Assumptions

The valuation interest rate was lowered from  
7.5% to 7.4% for the year ended June 30, 2018.

**OTHER SUPPLEMENTAL INFORMATION**

**PART III**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2018**

**FIDUCIARY FUND TYPE - AGENCY FUNDS**

These funds account for assets held by the sheriff department in a trust or agency capacity.

**LICENSE FUND**

The License Fund is a depository for occupational licenses. Payments are made from the fund to the Sheriff's General Fund and the Franklin Parish Police Jury.

**CRIMINAL FUND**

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, Police Jury, District Attorney, Clerk of Court, and other recipients in accordance with applicable laws.

**CIVIL FUND**

The Civil Fund is a depository for collection of funds in civil suits, sheriff's sales, and garnishments. Payments of these collections to recipients are made in accordance with applicable laws.

**WORK RELEASE PROGRAM FUND**

The Work Release Program Fund accounts for funds paid to the Sheriff's office for the Work Release Program. The funds are then disbursed to the inmates or the Inmate Trust Fund and the Sheriff's General Fund.

**TAX COLLECTION 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 Collection Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

**INMATE TRUST FUND**

The Inmate Trust Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FIDUCIARY FUND TYPES - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN BALANCES  
DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2018**

	LICENSE FUND	CRIMINAL FUND	CIVIL FUND	WORK RELEASE PROGRAM FUND
<b>BALANCES AT BEGINNING OF YEAR</b>	78	105,601	16,527	22,362
<b>ADDITIONS:</b>				
Deposits:				
Licenses	182,844	0	0	0
Fines and Costs	0	440,286	0	0
Sheriff's Sales	0	0	371,332	0
Garnishments	0	0	61,555	0
Other Deposits	0	280,000	14,181	0
Taxes, Fees, Etc. Paid to				
Tax Collector	0	0	0	0
Interest on Investments	12	329	46	33
Inmate Deposits	0	0	0	0
Work Release Income	0	0	0	316,442
<b>TOTAL ADDITIONS</b>	<b>182,856</b>	<b>720,615</b>	<b>447,114</b>	<b>316,475</b>
<b>TOTAL AVAILABLE</b>	<b>182,934</b>	<b>826,216</b>	<b>463,641</b>	<b>338,837</b>
<b>REDUCTIONS:</b>				
Taxes, Fees, Etc. Distributed to Taxing Bodies and Others	0	0	0	0
Deposits Settled To:				
Sheriff's General Fund	27,427	59,775	59,416	237,499
Police Jury	155,471	4,548	0	0
District Attorney	0	154,479	0	0
Clerk of Court	0	17,690	24,430	0
Indigent Defender Board	0	39,125	0	0
Attorneys, Appraisers, Etc.	0	0	358,174	0
Other Settlements	0	168,013	5,165	71,288
<b>TOTAL REDUCTIONS</b>	<b>182,898</b>	<b>443,630</b>	<b>447,185</b>	<b>308,787</b>
<b>BALANCES AT END OF YEAR</b>	<b>36</b>	<b>382,586</b>	<b>16,456</b>	<b>30,050</b>

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**FIDUCIARY FUND TYPES - AGENCY FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN BALANCES**  
**DUE TO TAXING BODIES AND OTHERS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

<u>TAX COLLECTION FUND</u>	<u>INMATE TRUST FUND</u>	<u>TOTAL</u>
9,112	121,245	274,925
0	0	182,844
0	0	440,286
0	0	371,332
0	0	61,555
0	0	294,181
11,140,781	0	11,140,781
839	159	1,418
0	995,345	995,345
0	0	316,442
<u>11,141,620</u>	<u>995,504</u>	<u>13,804,184</u>
11,150,732	1,116,749	14,079,109
11,132,023	0	11,132,023
0	988,289	1,372,406
0	0	160,019
0	0	154,479
0	0	42,120
0	0	39,125
0	0	358,174
0	0	244,466
<u>11,132,023</u>	<u>988,289</u>	<u>13,502,812</u>
<u>18,709</u>	<u>128,460</u>	<u>576,297</u>



STATE OF LOUISIANA, PARISH OF FRANKLIN

AFFADAVIT

KEVIN W. COBB, Sheriff of Franklin Parish

BEFORE ME, the undersigned authority, personally came and appeared KEVIN W. COBB, the sheriff of FRANKLIN Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 16,995 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.

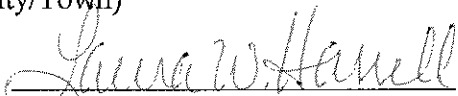
All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

  
\_\_\_\_\_  
Signature

Sheriff of FRANKLIN  
(Parish)

SWORN to and subscribed before me, Notary, this 20th day of December,

20 18, in my office in Winnsboro, Louisiana.  
(City/Town)

  
\_\_\_\_\_  
(Signature)

Laura W. Hassell (Print), # 16163

Notary Public

at death (Commission)

**FRANKLIN PARISH SHERIFF  
SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER  
PAYMENTS TO SHERIFF  
JUNE 30, 2018**

SHERIFF: KEVIN COBB

<u>PURPOSE</u>	<u>AMOUNTS</u>
Salary	160,000
Benefits - Insurance	17,274
Benefits - Retirement	41,712
Benefits - Other	4,496
Car Allowance	0
Vehicle Provided by Entity	0
Per Diem	173
Reimbursements	0
Travel	930
Registration Fees	1,767
Conference Travel	0
Continuing Professional Education Fees	0
Housing	0
Unvouchered Expenses	0
Special Meals	0
	<u>226,352</u>

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

**MARCUS, ROBINSON and HASSELL**

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Honorable Kevin W. Cobb  
Franklin Parish Sheriff  
Winnsboro, Louisiana

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Sheriff as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Franklin Parish Sheriff's basic financial statements and have issued our report thereon dated December 20, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Franklin Parish Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Franklin Parish 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

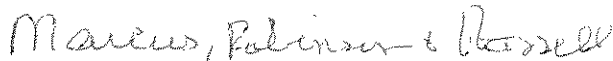
## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Franklin Parish Sheriff's financial statements are free from 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.

This report is intended solely for the information and use of the Franklin Parish Sheriff, management of the Sheriff's office, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.



MARCUS, ROBINSON & HASSELL  
December 20, 2018

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Sheriff as of and for the year ended June 30, 2018, which collectively comprise the Franklin Parish Sheriff's basic financial statements and have issued our report thereon dated December 20, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2018, resulted in an unmodified opinion.

**SECTION I - SUMMARY OF THE AUDITOR'S RESULTS**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses    yes   x  no

Significant Deficiency    yes   x  none reported

Compliance

Compliance Material to Financial Statements    yes   x  none reported

B. Federal Awards

Internal Control

Material Weaknesses    yes   x  no

Significant Deficiency    yes   x  none reported

Type of Opinion on Compliance  
For Major Programs

Unmodified     Modified      
Disclaimer     Adverse    

Are their findings required to be reported in accordance with Circular A-133, Section .5109(a)?

No

C. Identification of Major Programs

None Identified

Dollar threshold used to distinguish between Type A and Type B Programs \$300,000

Is the auditee a "low-risk" auditee as defined by OMB Circular 133   x  yes    no

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

SECTION II - FINANCIAL STATEMENT FINDINGS:

NONE

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

SECTION I - Internal Control and Compliance Material to the Financial Statements

FINDINGS

RESPONSE

2017-01 Under-Collateralized Funds

Resolved

SECTION II - Findings and Questioned Costs - Major Federal Awards

Not applicable.

SECTION III - Management Letter

None issued.



**FRANKLIN PARISH SHERIFF**  
**Winnsboro, Louisiana**

**Independent Accountant's Report**  
**On Applying Agreed-Upon Procedures**

**Year Ended June 30, 2018**

**MARCUS, ROBINSON and HASSELL**

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**AGREED-UPON PROCEDURES REPORT**

**Franklin Parish Sheriff**

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

**For the Period of July 1, 2017 - June 30, 2018**

Franklin Parish Sheriff  
Winnsboro, Louisiana

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

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations).

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

*Written policies and procedures were obtained and address the function noted above.*

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Written policies and procedures were obtained and address the function noted above.*

- c) ***Disbursements***, including processing, reviewing and approving

*Written policies and procedures were obtained and address the function noted above.*

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standards terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*Written policies and procedures were obtained and address the function noted above.*

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

*Written policies and procedures were obtained and address the function noted above.*

### **Board or Finance Committee**

---

- 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.

*The Franklin Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and a budget to actual comparison takes place at this meeting.*

- b) For those entities reporting on the governmental accounting model, 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.

*The Franklin Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and a budget to actual comparison takes place at this meeting.*

- c) For governmental entities, 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.

*The Franklin Parish Sheriff is not required to maintain minutes each month; however, we did note that a meeting does take place each month, and a budget to actual comparison takes place at this meeting. There was not a negative unrestricted fund balance.*

### ***Bank Reconciliations***

---

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

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

One account (License Account) was the only exception. It wasn't initialed and dated.

#### **Management's Response:**

*The Sheriff will start having a member of management (with no involvement in the transactions associated with the bank account) review the bank reconciliations and document the review.*

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

One account (License Account) was the only exception. It wasn't initialed and dated.

#### **Management's Response:**

*The Sheriff will start having a member of management (with no involvement in the transactions associated with the bank account) review the bank reconciliations and document the review.*

- 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.

The accounts had no outstanding items that were more than 12 months from the statement closing date.

### ***Collections***

---

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

*Obtained listing of cash collection locations and management's representation that the listing is complete.*

- a. FPDC      Detention Center Front Office (Inmate Intake)*
- b. FPDC      Detention Center Booking (Inmate Intake)*
- c. FPSO      Main Office Fines & Fees*
- d. FPSO      Main Office Taxes*

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

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

*Written documentation was obtained and address the functions noted above. There is an exception. The drawer at the FPSO (C & D) is shared. Each person has a separate login for their specific collections. The computer reports are reconciled everyday to the cash drawer.*

**Management's Response:**

*We feel we have controls in place to offset the fact that more than one employee uses each cash drawer.*

- 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.

*Written documentation was obtained and address the functions noted above. Employees responsible for collecting cash are not responsible for preparing/bank deposits.*

- c) Each employee responsible for collection 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.

*Written documentation was obtained and address the functions noted above. The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledger.*

- 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.

*Written documentation was obtained and address the functions noted above. The employees responsible for reconciling cash collections is not responsible for posting collection entries to the general ledger or subsidiary ledger.*

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

*All employees that have access to cash are covered by a bond or insurance policy for theft.*

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits were made on the same day. Obtain supporting documentation for each of the 10 deposits and:

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

*The receipts are sequentially pre-numbered.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

---

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

*Listing of disbursements and management's representation that the listing is complete was obtained.*

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

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

*Obtained the written policies and procedures. This procedure is in place.*

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

*Obtained the written policies and procedures. This procedure is in place.*

- 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.

*Obtained the written policies and procedures. This procedure is in place.*

- 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.

*Obtained the written policies and procedures. This procedure is in place.*

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

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

*No exceptions noted.*



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

*No exceptions noted.*

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

---

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

*Listing of active credit cards, bank debit cards, fuel cards, and the names of persons who maintained possession of the cards was obtained along with management's representation that the listing was 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported).]

*All monthly statements chosen for testing contained review and approval 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.

*No finance charges and/or late fees were assessed on the selected items.*

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

*All transactions selected are 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)**

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 supporting documentation. For each of the 5 reimbursements selected:

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

*Per diem rate established by State of Louisiana is used. No exceptions noted.*

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

*No exceptions noted.*

- 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).

*No exceptions noted.*

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

*No exceptions noted.*

#### **Contracts**

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

- 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.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

#### **Payroll and Personnel**

---

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No termination payments were paid during the fiscal year.*

- 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.

*All payments were made on time.*

#### **Ethics**

---

- 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

#### **Debt Service**

---

- 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 the State Bond Commission approval was obtained for each bond/note issued.

*Not Applicable. No debt 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.

*Not Applicable. No debt outstanding.*

#### ***Other***

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

*Management has asserted that the entity did not have any misappropriation of public funds or assets.*

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

*The required notices were posted on the entity's premises and website.*

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

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

*Marcus, Robinson & Hassell*  
MARCUS, ROBINSON & HASSELL, CPAs  
December 20, 2018  
Winnsboro, LA 71295