

**TENSAS PARISH SHERIFF**  
**St. Joseph, Louisiana**

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

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

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## **Independent Auditor's Report**

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

### **Report on the Financial Statements**

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

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

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

### ***Auditor's Responsibility***

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

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

TENSAS PARISH SHERIFF  
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June 30, 2018

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

*Opinions*

In my 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 fiduciary fund types of the Tensas Parish Sheriff as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison information on pages 46 through 48, the schedule of funding progress for the retiree healthcare plan on page 49, the schedule of the Sheriff's proportionate share of the net pension liability on pages 50 through 51, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tensas Parish Sheriff's office basic financial statements. The combining fiduciary funds statement of fiduciary net positions is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The combining fiduciary funds statement of fiduciary net positions 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. The schedule of compensation, benefits, and other payments to agency head, presented in accordance with Louisiana Revised Statutes (LRS) 24:513(A)(3), is on page 54 and the Sheriff's sworn statement presented on page 53 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,

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June 30, 2018

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued a report dated February 8, 2019, on my consideration of the Tensas Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tensas Parish Sheriff's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated February 8, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana  
February 8, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

**Management's Discussion and Analysis**  
June 30, 2018

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

**Overview of the Financial Statements**

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

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

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

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

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



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

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

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

The Tensas Parish Sheriff maintains 3 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Detention Center special revenue fund, which are considered to be a major funds. The Commissary Fund data for the non-major governmental fund is provided in a separate column for non-major governmental fund.

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

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

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

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Tensas Parish Sheriff exceeded assets by \$1,290,893. The largest portion of the Tensas Parish Sheriff's net position reflects its

investment in capital assets (furniture and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Tensas Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets having been included in the statement of net position.

STATEMENT OF NET POSITION

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$3,383,723	\$1,589,754
Receivables	454,942	738,034
Prepaid expenses	5,876	
Due from other funds	6,865	2,494
Inventory	21,947	26,617
Capital assets (net of accumulated depreciation)	<u>5,335,174</u>	<u>233,398</u>
<b>TOTAL ASSETS</b>	<u>\$9,208,527</u>	<u>\$2,590,297</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>256,735</u>	<u>623,767</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$9,465,262</u>	<u>\$3,214,064</u>
<b>LIABILITIES</b>		
Accounts payable	\$280,850	\$502,808
Salaries payable	87,590	75,949
Interest payable	31,574	
Withholdings payable	12,168	
Due to other funds	811	366
Bank loan payable	990,000	1,256,000
Due to Sheriff	183,881	153,237
Net pension liability	654,525	1,006,142
Net OPEB obligation	2,080,325	1,269,746
Long-term liabilities:		
Due within one year	289,610	25,427
Due in more than one year	<u>5,910,000</u>	<u>9,610</u>
<b>TOTAL LIABILITIES</b>	<u>10,521,334</u>	<u>4,299,285</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension and OPEB related	<u>234,821</u>	<u>173,604</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	(864,436)	198,361
Unrestricted	<u>(426,457)</u>	<u>(1,457,186)</u>
<b>TOTAL NET POSITION</b>	<u>(1,290,893)</u>	<u>(1,258,825)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$9,465,262</u>	<u>\$3,214,064</u>

STATEMENT OF ACTIVITIES

	<u>2018</u>	<u>2017</u>
Public safety:		
Personal services	\$3,167,046	\$3,226,247
Operating services	963,993	872,627
Materials and supplies	1,251,358	1,031,855
Travel	23,689	19,235
Debt service - interest	782,063	303,280
Depreciation expense	189,718	56,726
Total Program Expenses	<u>6,377,867</u>	<u>5,509,970</u>
Program revenues:		
Commissions on license and taxes	1,355	1,393
Civil and criminal fees	143,379	73,814
Court attendance	1,428	1,870
Feeding prisoners	3,956,574	3,460,442
Other revenues	498,499	480,476
Total program revenues	<u>4,601,235</u>	<u>4,017,995</u>
Net Program Expenses	<u>(1,776,632)</u>	<u>(1,491,975)</u>
General revenues:		
Taxes		
Ad valorem	1,937,446	1,384,395
Sales tax	115,454	120,630
Grants and contributions not restricted to specific programs:		
Federal sources	20,936	64,688
State sources:		
State revenue sharing (net)	33,347	33,336
State supplemental pay	85,141	72,091
Other state grants	112,393	104,864
Local sources	98,494	89,982
Use of money and property	200,335	155,174
Special items - gain on disposal of assets		45,000
Change in Net Position	<u>826,914</u>	<u>578,185</u>
Net Position - Beginning of year as restated	<u>(2,117,807)</u>	<u>(1,837,010)</u>
Net Position - End of year	<u>(\$1,290,893)</u>	<u>(\$1,258,825)</u>

**Financial Analysis of the Government's Funds**

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

As of June 30, 2018, combined governmental fund balance of \$2,318,053 showed an increase in fund balance of \$1,949,514 over June 30, 2017. The General Fund's portion of the unreserved, undesignated fund balance of \$839,609 shows an increase (of approximately \$229,264) from the prior year amount. The Detention Center portion of the unreserved, undesignated fund balance is \$1,147,769, and shows an increase in fund balance (of approximately \$1,529,234) from the prior year amount.

## **General Fund and Major Fund Budgetary Highlights**

Differences between expenditures of the original budget and the final budget for the General Fund were due primarily to an increase in personal services, operating services and materials and supplies and decreases in travel and other charges and debt service. The difference in original and final budgeted revenues in the general fund were due to an increase in ad valorem taxes, sales tax, federal grants, state supplemental pay, other state grants, local funds, civil and criminal fees, and use of money and property and decreases in commissions on licenses and taxes, court attendance, feeding and keeping prisoners and other revenues.

Differences between expenditures of the original budget and the final budget for the Detention Center Fund were due primarily to an increase in personal services, operating services, debt service and capital outlay and decreases in materials and supplies and travel and other charges. The difference in original and final budgeted revenues in the Detention Center Fund were due to increases in ad valorem taxes, feeding and keeping prisoners and proceeds from revenue bonds and a decrease in use of money and property.

## **Capital Asset and Debt Administration**

**Capital assets.** The Tensas Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$5,335,174 (net of accumulated depreciation). This investment includes furniture, equipment, and weapons. There were increases of \$5,291,494 in capital assets for the year. The major increase was the lease purchase of the detention center. There were no deletions for the year.

**Long-term debt.** At the end of the fiscal year, Tensas Parish Sheriff had total debt outstanding, in the form of leases, of \$9,610, which will be paid in full within the next year. During the year ended June 30, 2018, \$25,427 of debt was paid in accordance with the debt agreement. The Tensas Parish Sheriff has outstanding revenue bonds of \$6,190,000, \$150,000 of these bonds were paid in accordance with the debt agreement. The Tensas Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2018 is \$2,080,325. Net Pension obligation associated with the Pension Plan at June 30, 2018 is \$654,525.

## **Requests for Information**

This financial report is designed to provide a general overview of the Tensas Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tensas Parish Sheriff, Courthouse Building, St. Joseph LA 71282.

February 8, 2019

**BASIC FINANCIAL STATEMENTS**

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

STATEMENT OF NET POSITION  
June 30, 2018

<b>ASSETS</b>	
Cash and cash equivalents	\$3,383,723
Receivables	454,942
Prepays	5,876
Due from other funds	6,865
Inventory	21,947
Capital assets (net of accumulated depreciation)	<u>5,335,174</u>
TOTAL ASSETS	<u>9,208,527</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	<u>256,735</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$9,465,262</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$280,850
Salaries payable	87,590
Interest payable	31,574
Withholdings payable	12,168
Due to other funds	811
Bank loan payable	990,000
Due to Sheriff	183,881
Net pension liability	654,525
Net OPEB obligation	2,080,325
Long-term liabilities:	
Due within one year	289,610
Due in more than one year	<u>5,910,000</u>
TOTAL LIABILITIES	<u>10,521,334</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension and OPEB related	<u>234,821</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	(864,436)
Unrestricted	<u>(426,457)</u>
<b>TOTAL NET POSITION</b>	<u>(1,290,893)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$9,465,262</u></u>

The accompanying notes are an integral part of this statement.

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
STATEMENT OF ACTIVITIES  
June 30, 2018

Public safety:	
Personal services	\$3,167,046
Operating services	963,993
Materials and supplies	1,251,358
Travel and other	23,689
Interest expense	782,063
Depreciation expense	189,718
Total Program Expenses	<u>6,377,867</u>
Program revenues:	
Commissions on licenses and taxes	1,355
Civil and criminal fees	143,379
Court attendance	1,428
Feeding and keeping prisoners	3,956,574
Other revenues	498,499
Total program revenues	<u>4,601,235</u>
Net Program Expenses	<u>(1,776,632)</u>
General revenues:	
Taxes:	
Ad valorem	1,937,446
Sales tax	115,454
Grants and contributions not restricted to specific programs:	
Federal sources	20,936
State sources:	
State revenue sharing (net)	33,347
State supplemental pay	85,141
Other	112,393
Local sources	98,494
Use of money and property	200,335
Change in Net Position	<u>826,914</u>
<b>NET POSITION</b>	
Beginning of year - as restated	<u>(2,117,807)</u>
End of year	<u>(\$1,290,893)</u>

The accompanying notes are an integral part of this statement.

**Statement C**

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2018

	.....MAJOR FUNDS.....		OTHER GOVERNMENTAL FUND COMMISSARY	TOTAL
	GENERAL FUND	DETENTION CENTER FUND		
<b>ASSETS</b>				
Cash and cash equivalents	\$1,109,985	\$2,004,944	\$268,794	\$3,383,723
Receivables	33,906	378,905	42,131	454,942
Prepays		5,876		5,876
Due from other funds	353,416	5		353,421
Inventory			21,947	21,947
<b>TOTAL ASSETS</b>	<u>\$1,497,307</u>	<u>\$2,389,730</u>	<u>\$332,872</u>	<u>\$4,219,909</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	\$80,656	\$198,009	\$2,185	\$280,850
Salaries payable	30,182	57,408		87,590
Payroll deducts payable	12,168			12,168
Bank Loan payable	350,000	640,000		990,000
Due to Sheriff	183,881			183,881
Due to other funds	811	346,544	12	347,367
<b>Total Liabilities</b>	<u>657,698</u>	<u>1,241,961</u>	<u>2,197</u>	<u>1,901,856</u>
Fund equity:				
Restricted public safety		1,147,769	330,675	1,478,444
Unassigned	839,609			839,609
<b>Total fund equity</b>	<u>839,609</u>	<u>1,147,769</u>	<u>330,675</u>	<u>2,318,053</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$1,497,307</u>	<u>\$2,389,730</u>	<u>\$332,872</u>	<u>\$4,219,909</u>

The accompanying notes are an integral part of this statement.



TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

For the Year Ended June 30, 2018

Total Fund Balances at June 30, 2018 - Governmental Funds (Statement C)		\$2,318,053
Deferred outflows of resources		256,735
Cost of capital assets at June 30, 2018	\$6,419,834	
Less: Accumulated depreciation as of June 30, 2018	<u>(1,084,660)</u>	5,335,174
Long-term liabilities:		
Leases payable	(9,610)	
Revenue Bonds payable	(6,190,000)	
Interest payable	(31,574)	
Net pension liability	(654,525)	
Net OPEB obligation	<u>(2,080,325)</u>	(8,966,034)
Elimination of interfund assets and liabilities:		
Due from other funds	346,556	
Due to other funds	<u>(346,556)</u>	
Deferred inflow of resources		<u>(234,821)</u>
Net Position at June 30, 2018 (Statement A)		<u><u>(\$1,290,893)</u></u>

The accompanying notes are an integral part of this statement.

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance

For the Year Ended June 30, 2018

	.....MAJOR FUNDS.....		OTHER GOVERNMENTAL FUND - COMMISSARY	TOTAL
	GENERAL FUND	DETENTION CENTER		
<b>REVENUES</b>				
Taxes				
Ad valorem	\$1,399,838	537,608		\$1,937,446
Sales tax	115,454			115,454
Intergovernmental revenues:				
Federal grants	20,936			20,936
State grants:				
State revenue sharing (net)	33,347			33,347
State supplemental pay	85,141			85,141
Other	112,393			112,393
Local grants	98,494			98,494
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	1,355			1,355
Civil and criminal fees	143,379			143,379
Court attendance	1,428			1,428
Feeding and keeping of prisoners	4,577	\$3,951,997		3,956,574
Use of money and property	121,127	79,208		200,335
Other	8,433	730	\$429,336	438,499
Total revenues	<u>2,145,902</u>	<u>4,569,543</u>	<u>429,336</u>	<u>7,144,781</u>
<b>EXPENDITURES</b>				
Public safety:				
Current:				
Personal services and related benefits	1,374,150	1,704,667		3,078,817
Operating services	348,661	611,862	3,470	963,993
Materials and supplies	128,939	887,569	234,850	1,251,358
Travel and other charges	21,811	1,878		23,689
Debt service	43,077	882,839		925,916
Capital outlay		5,291,494		5,291,494
Total expenditures	<u>1,916,638</u>	<u>9,380,309</u>	<u>238,320</u>	<u>11,535,267</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	229,264	(4,810,766)	191,016	(4,390,486)
<b>OTHER FINANCING SOURCE:</b>				
Proceeds from revenue bonds		6,340,000		6,340,000
Total Other Financing Source	NONE	6,340,000	NONE	6,340,000

(Continued)

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 GOVERNMENTAL FUND TYPE - GENERAL FUND  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance

	.....MAJOR FUNDS.....		OTHER	
	GENERAL	DETENTION	GOVERNMENTAL	
	FUND	CENTER	FUND-	TOTAL
			COMMISSARY	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE</b>	\$229,264	\$1,529,234	\$191,016	\$1,949,514
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	610,345	(381,465)	139,659	368,539
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$839,609</u>	<u>\$1,147,769</u>	<u>\$330,675</u>	<u>\$2,318,053</u>

(Concluded)

The accompanying notes are an integral part of this statement.

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds (Statement D)	\$1,949,514
Amounts reported for governmental activities in the Statement of Activities are different because:	
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	25,427
The payments on the revenue bonds are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carried to the statement of net position.	150,000
The issuance of revenue bonds are treated in governmental activities as other financing sources and uses, whereas those transactions are not reported in the government wide statement of activities but are carried to the statement of net position.	(6,340,000)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	(132,596)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(31,574)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period.	5,101,776
Non-employer contributions to cost-sharing pension plan	60,000
Pension expense	<u>44,367</u>
Change in net position of governmental activities (Statement B)	<u>\$826,914</u>

The accompanying notes are an integral part of this statement.

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2018

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	INMATE FUNDS	TOTAL
<b>ASSETS</b>					
Cash and cash equivalents	\$5,773	\$8,354	\$78,684	\$43,433	\$136,244
Accounts receivable			578	237	815
Due from other funds				811	811
	<u>\$5,773</u>	<u>\$8,354</u>	<u>\$79,262</u>	<u>\$44,481</u>	<u>\$137,870</u>
<b>LIABILITIES</b>					
Unsettled deposits due to:					
Other funds	\$892	\$4,510	\$1,458	\$5	\$6,865
Accounts payable			21	9,773	9,794
Others	4,881	3,844	77,783	34,703	121,211
Total Liabilities	<u>\$5,773</u>	<u>\$8,354</u>	<u>\$79,262</u>	<u>\$44,481</u>	<u>\$137,870</u>

The accompanying notes are an integral part of this statement.

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The accompanying financial statements of the Tensas Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

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

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

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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

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

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

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized

## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

### Notes to the Financial Statements (Continued)

when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

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

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

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

#### **Governmental Fund Types**

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



## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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

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

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

## **D. BASIS OF ACCOUNTING**

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

### **1. Accrual:**

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

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

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

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

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

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

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

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

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

**Expenditures**

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

**E. CASH AND CASH EQUIVALENTS**

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2018, the sheriff has cash and equivalents, net of cash overdrafts (book balances) totaling \$3,519,967 as follows:

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

Demand deposits	\$3,359,615
Time deposits	160,052
Petty cash	<u>300</u>
Total	<u>\$3,519,967</u>

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

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2018, are secured as follows:

Bank balances	<u>\$3,722,386</u>
Federal deposit insurance	\$636,803
Pledged securities (uncollateralized)	<u>5,653,490</u>
Total	<u>\$6,290,293</u>

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

**F. 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 \$500 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>Estimated</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

**G. RISK MANAGEMENT**

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

**H. VACATION AND SICK LEAVE**

All employees are granted from 10 days of vacation leave each year, depending on length of service. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

**I. SALES AND USE TAXES**

On October 18, 1997, voters of the parish approved a one-half of one percent (1/2%) sales and use tax to be collected indefinitely. The proceeds of the tax, after paying reasonable and necessary costs of collection, is dedicated to operation of the law enforcement district. The Tensas Parish School Board acts as the collecting agent for the purpose of administration and collection of the tax. For its services, the school board receives reasonable and necessary

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

costs of collection. Every agency that the school board collects a tax for pays a pro-rata share of the collection agency's expenses based on the amount of tax actually collected for them.

**J. PENSION PLANS**

The Tensas Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. 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.

**K. OPEB PLAN**

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

**L. EQUITY CLASSIFICATIONS**

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

- c. Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

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

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

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

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

The General Fund has an unassigned fund balance of \$839,609. If applicable, the Sheriff would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**M. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**N. ESTIMATES**

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

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

The Tensas Parish Sheriffs' Office adopted Government Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45 which resulted in a restatement of Net Position. The net effect of the restatement will be to decrease net position of the Sheriff by \$706,418.

As of July 1, 2014, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions - Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the Sheriff by \$152,564.

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2017, as previously stated	(\$1,258,825)
Net Change at June 30, 2018	<u>(858,982)</u>
Total Net Position, June 30, 2018, Restated	<u><u>(\$2,117,807)</u></u>

**2. RECEIVABLES**

The receivables of \$454,942 at June 30, 2018, are as follows:

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes - Sales and use	\$10,859			\$10,859
Intergovernmental revenues - Other state grants	6,208			6,208
Fees, charges, and commissions for services:				
Civil and criminal fees	4,821			4,821
Feeding and keeping prisoners	185	\$378,905		379,090
Miscellaneous	11,833		\$42,131	53,964
<b>Total</b>	<b>\$33,906</b>	<b>\$378,905</b>	<b>\$42,131</b>	<b>\$454,942</b>

**3. ON-BEHALF PAYMENTS**

Certain employees of the Tensas Parish Sheriff receive supplemental pay from the State. In accordance with GASB Statement No. 24, the Sheriff has recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$85,141.

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

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

	<u>Due To</u>	<u>Due From</u>
General Fund:		
Detention Center Fund		\$256,869
Detention Center Fund - Payroll		89,675
Criminal Fund		1,458
Civil Fund		4,510
Inmate Fund	\$811	
Commissary		12
Tax Collector		892
Detention Center Fund:		
General Fund	256,869	
General Fund - Payroll	89,675	
Work Release		5
Criminal Fund - General Fund	1,458	
Civil Fund - General Fund	4,510	
Commissary - General Fund	12	
Inmate Fund - General Fund		811
Work Release - Detention Center	5	
Tax Collector Fund - General Fund	892	
<b>Total</b>	<b>\$354,232</b>	<b>\$354,232</b>



TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

**5. CHANGES IN CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
General Fund				
Vehicles	\$650,747			\$650,747
Weapons	9,387			9,387
Equipment	72,616	\$41,494		114,110
Sub-total General Fund	<u>732,750</u>	<u>41,494</u>	NONE	<u>774,244</u>
Detention Center Vehicles				
Buildings	80,000	5,250,000		5,330,000
Vehicles	315,590			315,590
Sub-total Detention Center	<u>395,590</u>	<u>5,250,000</u>	NONE	<u>5,645,590</u>
Total assets	1,128,340	5,291,494	NONE	6,419,834
Less accumulated depreciation	894,942	189,718		1,084,660
Net capital assets	<u>\$233,398</u>	<u>\$5,101,776</u>	NONE	<u>\$5,335,174</u>

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

The Sheriffs' Pension and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of the sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability.

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

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

## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

### Notes to the Financial Statements (Continued)

service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Sheriffs' Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

#### *Plan Description.*

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

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

The Sheriffs' Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov).

#### *Plan Benefits*

##### Retirement Benefits

For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For a member whose first employment making him eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual rate times the member's average final

## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

### Notes to the Financial Statements (Continued)

compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

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

#### Disability Benefits

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

#### Survivor Benefits

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the members' final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the

## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

### Notes to the Financial Statements (Continued)

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

#### Deferred Benefits:

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

#### Back Deferred Retirement Option Plan (Back-DROP)

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

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Tensas Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Tensas Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tensas Parish Sheriff's contributions to the System for the years ended June 30, 2018, 2017, and 2016 were \$141,511, \$138,719, and \$149,056, respectively, equal to the required contributions for each year.

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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

At June 30, 2018, the Sheriff reported a liability of \$654,525 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2017, the Sheriffs' proportion was .1512 percent, which was a decrease of .007 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$120,062, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$113,938
Changes in assumptions	115,167	
Net Difference between projected and actual earnings on pension plan		9,394
Changes in employer's proportion of beginning NPL		82,673
Differences between Sheriff contributions and proportionate share of contributions	57	381
Sheriff contributions subsequent to the measurement date	141,511	
Total	\$256,735	\$206,386

\$141,511 reported as deferred outflows of resources related to pensions resulting from the Tensas Parish Sheriffs' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	(\$48,455)
2019	21,530
2020	(1,639)
2021	(57,101)

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

2022	(\$3,010)
2023	(2,487)
Total	(\$91,162)

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

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

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

The discounted rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

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

*Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the participating employers calculated using the discount rate of 7.4%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	<b>1% Decrease (6.4%)</b>	<b>Current Discount Rate (7.4%)</b>	<b>1% Increase (8.4%)</b>
Sheriffs' proportionate share of the net pension liability	\$1,348,494	\$654,525	\$70,645

**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description.* The Tensas Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Tensas 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 15 years of service.

Life insurance coverage is continued to retirees based on a blended rate for active employees and retirees. The employer pays 100% of the cost of the first \$10,000 of life insurance after retirement. The retiree may elect to continue additional voluntary insurance amounts in force at time of retirement, subject to an age-related reduction formula (reducing to 75% at age 65 and 50% at age 70.) The retiree pays for the additional voluntary insurance but both that cost and the employer cost are based on the blended active/retired rate and there is thus an implied subsidy. We have assumed that 60%of currently active employees will elect to continue the voluntary additional life insurance after retirement.

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

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>34</u>
Total employees	<u><u>39</u></u>

**Total OPEB Liability**

The Sheriff's total OPEB liability of \$2,080,325 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	4.0%, 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	\$1,976,164
Changes for the year:	
Service cost	96,206
Interest	75,020
Differences between expected and actual	(30,212)
Benefit payments and net transfers	<u>(36,853)</u>
Net Changes	<u>104,161</u>
Balance at June 30, 2018	<u><u>\$2,080,325</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate* - The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated



TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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>
Total OPEB liability	\$2,449,250	\$2,080,325	\$1,784,531

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

	<b>1.0% Decrease (4.5%)</b>	<b>Current Discount Rate (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$1,772,044	\$2,080,325	\$2,465,682

**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 \$169,449. At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenditures	NONE	(\$28,435)

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

Year ended June 30:	
2019	(\$1,777)
2020	(1,777)
2021	(1,777)
2022	(1,777)
2023	(1,777)
Thereafter	(\$17,772)

**8. LEASE PURCHASE PAYABLE**

In January, 2014, the sheriff entered into a lease purchase agreement for a Chevrolet Tahoe. The lease agreement requires 48 monthly payments of \$891. In June, 2014 the sheriff entered in a lease purchase agreement for a Chevrolet Silverado. The lease agreement requires 48 monthly payments of \$775. In April, 2017 the sheriff entered into a lease purchase agreement for a Ford Explorer. The lease agreement requires 24 monthly payments of \$902. The following is a summary of changes in lease transactions for the year ended June 30, 2018:

Balance at June 30, 2017	\$35,037
Additions	NONE
Reductions	<u>(25,427)</u>
Balance at June 30, 2018	<u>\$9,610</u>

The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of June 30, 2018:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	<u>\$9,610</u>	<u>\$186</u>	<u>\$9,796</u>

**9. LONG-TERM DEBT**

On July 21, 2017, the sheriff issued \$6,340,000 in revenue bonds with interest rates ranging from 5.0 to 5.75 percent. The net proceeds of \$5,971,450 (after payment of underwriting fees and other issuance costs) were used for the purpose of prepaying the obligations of the issuer pursuant to the lease agreement (with option to purchase) and shall be exchanged for outstanding certificates and in full satisfaction thereof. The court has approved and authorized the prior trustee to take such action as is reasonably necessary to effectuate the financial restructuring consistent with the terms set forth in the bond resolution. In accordance with the order of the court, the exchange bonds are being issued for the purpose of prepaying the obligations of the issuer pursuant to the lease and are for an amount less than the original outstanding lease.

The bonds are secured by and payable solely from the income, revenues (excluding funds derived from the provision of telephone services and the ownership or operation of commissary facilities), and receipts to be derived from the operation of the Detention Center, including the revenues of a ten (10.00) mills ad valorem tax.

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

	<u>Revenue Bonds</u>
Long-term obligations, June 30, 2017	NONE
Additions	\$6,340,000
Deletions	<u>(150,000)</u>
Long-term obligations, June 30, 2018	<u>\$6,190,000</u>

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

Revenue bonds payable at June 30, 2018, are comprised of the following individual issues:

\$2,100,000 - dated July 21, 2017. Principal is due in semi annual installments of \$50,000 to \$215,000 through December 1, 2031, with interest at 5.00 per cent. Debt retirement payments are made from the Detention Center Fund.	\$2,050,000
\$3,150,000 - dated July 21, 2017. The principal is due in semi annual installments of \$65,000 to \$350,000 through December 1, 2031, with interest at 6.75 per cent. Debt retirement payments are made from the Detention Center Fund.	\$3,085,000
\$180,000 - dated July 21, 2017. The principal is due in semi annual installments of \$5,000 to \$55,000 through December 1, 2031, with interest at 5.00 per cent. Debt retirement payments are made from the Detention Center Fund.	175,000
\$910,000 - dated July 21, 2017. The principal is due in semi annual installments of \$30,000 to \$330,000 through December 1, 2031, with interest at 6.75 per cent. Debt retirement payments are made from the Detention Center Fund.	<u>880,000</u>
Total revenue bonds	<u><u>\$6,190,000</u></u>

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

Year Ended <u>June 30:</u>	<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$280,000	\$375,150
2020	295,000	358,094
2021	315,000	339,819
2022	335,000	320,575
2023	350,000	300,113
2024-2028	2,095,000	1,149,675
2029-2031	2,520,000	384,275
Total	<u><u>\$6,190,000</u></u>	<u><u>\$3,227,701</u></u>

The annual requirements to amortize outstanding bonds by issue at June 30, 2018 are as follows:

TENSAS PARISH SHERIFF  
 St. Joseph, Louisiana  
 Notes to the Financial Statements (Continued)

Year Ended June 30:	Issue of 2017A		Issue of 2017B		Issue of 2017C		Issue of 2017D	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$105,000	\$101,125	\$140,000	\$205,875	\$10,000	\$8,750	\$25,000	\$59,400
2020	110,000	95,875	145,000	196,256	10,000	8,250	30,000	57,713
2021	115,000	90,250	160,000	186,131	10,000	7,750	30,000	55,688
2022	120,000	84,500	175,000	175,163	10,000	7,250	30,000	53,662
2023	125,000	78,375	180,000	163,350	10,000	6,750	35,000	51,637
2024-2028	735,000	289,125	1,095,000	614,588	50,000	26,250	215,000	219,713
2029-2031	740,000	84,250	1,190,000	184,612	75,000	11,125	515,000	104,287
Total	<u>\$2,050,000</u>	<u>\$823,500</u>	<u>\$3,085,000</u>	<u>\$1,725,975</u>	<u>\$175,000</u>	<u>\$76,125</u>	<u>\$880,000</u>	<u>\$602,100</u>

**10. CHANGES IN AGENCY FUND BALANCES**

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

	Tax Collector Fund	Civil Fund	Criminal Fund	Inmate Funds	Total
Balance at June 30, 2017	\$1,460	(\$2,056)	\$77,071	\$15,484	\$91,959
Additions	7,177,122	169,375	360,782	736,639	8,443,918
Reductions	(7,173,701)	(163,475)	(360,070)	(717,420)	(8,414,666)
Balance at June 30, 2018	<u>\$4,881</u>	<u>\$3,844</u>	<u>\$77,783</u>	<u>\$34,703</u>	<u>\$121,211</u>

**11. TAX COLLECTOR ENDING CASH BALANCE**

At June 30, 2018, the tax collector has cash and equivalents (book balances) of \$5,773.

**12. AD VALOREM TAXES COLLECTED**

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

Louisiana Forestry Service	\$9,457
Louisiana Tax Commission	7,578
Tensas Parish Assessor	365,425
Tensas Parish Police Jury	1,572,576
Tensas Parish School Board	2,029,496
Tensas Parish Sheriff	1,913,371
Tensas Parish Communications District (911)	172,209
Tensas Parish Council on Aging	115,347
Fifth District Levee Board	162,140
Fire District No. 1	393,239
Lake Bruin Recreation & Water	21,575
Total	<u>\$6,762,413</u>

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

**13. TAX UNCOLLECTED AND UNSETTLED**

At June 30, 2018, the tax collector has collected all assessed taxes for the year ended June 30, 2017.

**14. LITIGATION AND CLAIMS**

At June 30, 2018, the Tensas Parish Sheriff is not involved in any lawsuits. The Emerald Management Company was operating the detention center and at that time there was an agreement with the sheriff's office to pay the debt payment on the certificates of indebtedness. They did not make the payments for the three years ended 2010, 2011 and 2012. The legal council is in the process of filing a lawsuit for the amount of the debt service payments.

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes				
Ad valorem	\$1,330,000	\$1,395,000	\$1,399,838	\$4,838
Sales tax	100,000	110,000	115,454	5,454
Intergovernmental revenues:				
Federal grants	11,000	23,000	20,936	(2,064)
State grants:				
State revenue sharing (net)	33,000	33,000	33,347	347
State supplemental pay	78,000	85,000	85,141	141
Other	68,300	111,000	112,393	1,393
Local funds	40,000	85,030	98,494	13,464
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	2,750	1,250	1,355	105
Civil and criminal fees	53,000	142,800	143,379	579
Court attendance	2,400	1,500	1,428	(72)
Feeding and keeping of prisoners	18,000		4,577	4,577
Use of money and property	475	109,100	121,127	12,027
Other	24,500	20,300	8,433	(11,867)
Total revenues	<u>1,761,425</u>	<u>2,116,980</u>	<u>2,145,902</u>	<u>28,922</u>
<b>EXPENDITURES</b>				
Public safety:				
Current:				
Personal services and benefits	1,297,903	1,400,500	1,374,150	26,350
Operating services	235,800	310,108	348,661	(38,553)
Materials and supplies	113,000	160,000	128,939	31,061
Travel and other charges	15,540	8,500	21,811	(13,311)
Debt service	125,000	42,500	43,077	(577)
Capital outlay				
Total expenditures	<u>1,787,243</u>	<u>1,921,608</u>	<u>1,916,638</u>	<u>4,970</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>				
	<u>(25,818)</u>	<u>195,372</u>	<u>229,264</u>	<u>33,892</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>				
	<u>325,000</u>	<u>610,345</u>	<u>610,345</u>	<u>NONE</u>
<b>FUND BALANCES AT END OF YEAR</b>				
	<u>\$299,182</u>	<u>\$805,717</u>	<u>\$839,609</u>	<u>\$33,892</u>

(Continued)

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes - ad valorem	\$525,000	\$533,000	\$537,608	\$4,608
Fees, charges, and commissions for services - Feeding and keeping of prisoners	2,850,000	3,875,000	3,951,997	76,997
Use of money and property	170,000	58,600	79,208	20,608
Other revenues			730	730
Total revenues	<u>3,545,000</u>	<u>4,466,600</u>	<u>4,569,543</u>	<u>102,943</u>
<b>EXPENDITURES</b>				
Personal services and benefits	1,627,850	1,660,000	1,704,667	(44,667)
Operating services	628,150	905,000	611,862	293,138
Materials and supplies	627,000	599,000	887,569	(288,569)
Travel and other charges	2,000	1,950	1,878	72
Debt service	660,000	850,000	882,839	(32,839)
Capital outlay		5,250,000	5,291,494	(41,494)
Total expenditures	<u>3,545,000</u>	<u>9,265,950</u>	<u>9,380,309</u>	<u>(114,359)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	NONE	(4,799,350)	(4,810,766)	(11,416)
<b>OTHER FINANCING SOURCE-</b>				
Proceeds from revenue bonds		<u>6,340,000</u>	<u>6,340,000</u>	
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES</b>	NONE	1,540,650	1,529,234	(11,416)
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	<u>1,000</u>	<u>(381,465)</u>	<u>(381,465)</u>	
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$1,000</u>	<u>\$1,159,185</u>	<u>\$1,147,769</u>	<u>(\$11,416)</u>

(Concluded)



TENSAS PARISH SHERIFF  
St. Joseph, 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 Tensas 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.

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

Schedule of Funding Progress

**Total OPEB Liability**

Service cost	\$96,206
Interest	75,020
Changes of benefits terms	NONE
Differences between expected and actual experience	(30,212)
Changes of assumptions	NONE
Benefit payments	<u>(36,853)</u>
Net change in total OPEB liability	104,161
Total OPEB liability - beginning	<u>1,976,164</u>
Total OPEB liability - ending	<u><u>\$2,080,325</u></u>
Covered employee payroll	\$2,237,543
Net OPEB liability as a percentage of covered-employee payroll	92.97%

Note:

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

*Changes of Assumptions.* There were no changes of assumptions for the year ended June 30, 2018.

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

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

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.170980%	\$677,082	\$1,073,118	63.09%	87.34%
June 30, 2016	0.161854%	\$721,467	\$1,084,045	66.55%	99.23%
June 30, 2017	0.158525%	\$1,006,142	\$1,046,938	96.10%	82.10%
June 30, 2018	0.151151%	\$654,525	\$1,109,887	58.97%	88.49%

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

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

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$152,919	\$152,919	\$0	\$1,073,118	14.25%
June 30, 2016	\$149,056	\$149,056	\$0	\$1,084,045	13.75%
June 30, 2017	\$138,719	\$138,719	\$0	\$1,046,938	13.25%
June 30, 2018	\$141,511	\$141,511	\$0	\$1,109,887	12.75%

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

**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

STATE OF LOUISIANA

PARISH OF TENSAS

**AFFIDAVIT**  
**RICKEY A. JONES, SHERIFF OF TENSAS PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, RICKEY A. JONES, SHERIFF OF TENSAS PARISH, State of Louisiana, who after being duly sworn, deposed and said:


The following information is true and correct:

\$5,773 is the amount of cash on hand in the tax collector account on June, 30, 2018.

He further deposed and said:

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

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

  
\_\_\_\_\_  
RICKEY A. JONES, SHERIFF  
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 8<sup>th</sup> day of February, 2019, in my office in St. Joseph, Louisiana.

  
\_\_\_\_\_  
NECCI R. GREGORY, NOTARY PUBLIC #59418  
TENSAS PARISH, LOUISIANA

TENSAS PARISH SHERIFF  
St. Joseph, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2018

RICKEY JONES, SHERIFF

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$129,694
Salary due to sheriff	29,490
Benefits-insurance	12,955
Benefits-retirement	24,642
Other - cellphone	1,800
Membership dues-Sheriffs Association	11,928

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended June 30, 2018

**FIDUCIARY FUND TYPE - AGENCY FUNDS**

**TAX COLLECTOR FUND**

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes, licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

**CIVIL FUND**

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

**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.

**INMATE FUND**

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center. This also includes the inmate balances for work release.



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

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	INMATE FUNDS	TOTAL
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR</b>	\$1,460	(\$2,056)	\$77,071	\$15,484	\$91,959
<b>ADDITIONS</b>					
Deposits :					
Fines, bond forfeitures and costs			360,782		360,782
Suits and seizures		148,863			148,863
Garnishments		20,512			20,512
Taxes, fees, etc. paid to tax collector	7,177,122				7,177,122
Other additions				736,639	736,639
Total additions	<u>7,177,122</u>	<u>169,375</u>	<u>360,782</u>	<u>736,639</u>	<u>8,443,918</u>
Total	<u>7,178,582</u>	<u>167,319</u>	<u>437,853</u>	<u>752,123</u>	<u>8,535,877</u>
<b>REDUCTIONS</b>					
Deposits, taxes, fees, etc. settled to:					
Tensas Parish:					
Sheriff's General Fund	1,990,972	79,900	47,024		2,117,896
Clerk of Court	665	3,080	32,206		35,951
Police jury	1,620,122		88,638		1,708,760
School board	2,078,965				2,078,965
Assessor	379,974				379,974
Communications District (911)	172,405				172,405
Council on Aging	115,478				115,478
Louisiana Department of Agriculture	9,461				9,461
Louisiana Tax Commission	7,578				7,578
Levee district	170,681				170,681
District Attorney			69,380		69,380
Indigent defender board			63,359		63,359
Judicial Expense fund			6,385		6,385
Fire district no. 1	399,655				399,655
Attorneys, appraisers, etc.		1,600			1,600
Litigants		78,473			78,473
Northwest Louisiana Crime Lab			39,613		39,613
Commission on Law Enforcement			3,627		3,627
LTHSP			5,210		5,210
CMIS			3,783		3,783
Pension funds	197,171				197,171
Other reductions	30,574	422	845	717,420	749,261
Total reductions	<u>7,173,701</u>	<u>163,475</u>	<u>360,070</u>	<u>717,420</u>	<u>8,414,666</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR</b>	<u>\$4,881</u>	<u>\$3,844</u>	<u>\$77,783</u>	<u>\$34,703</u>	<u>\$121,211</u>

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

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

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

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

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the Tensas Parish Sheriff as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Tensas Parish Sheriff's basic financial statements, and have issued my report thereon dated February 8, 2019.

**Internal Control Over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that I consider to be a significant deficiency.

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2018

**Compliance and Other Matters**

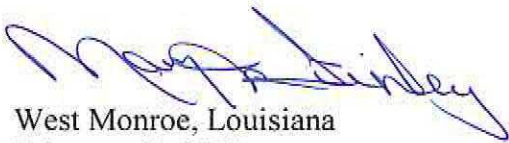
As part of obtaining reasonable assurance about whether Tensas Parish Sheriff's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

**Tensas Parish Sheriff's Response to Findings**

Tensas Parish Sheriff's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Tensas Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

**Purpose of this Report**

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



West Monroe, Louisiana

February 8, 2019

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

**A. SUMMARY OF AUDIT RESULTS**

1. The Auditor's report expresses an unmodified opinion on the basic financial statements of the Tensas Parish Sheriff.
2. One instance of noncompliance material to the financial statements of the Tensas Parish Sheriff was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2018-001 Failing to file Financial Statements Pursuant to R.S. 24:513 B.(3)**

**Condition:** The Tensas Parish Sheriff's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of December 31, 2018.

**Criteria:** State law requires audited financial statements of governments to be submitted within six months of year end.

**Cause of Condition:** Management was unable to provide a complete set of books in time for the external auditor to complete the audit by its due date.

**Effect of Condition:** Material noncompliance relating to the financial statements.

**Recommendation:** Management should have financial records completed in a timely manner.

**Response:** Management will make every effort to make sure that financial statements are submitted when required.

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

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

**17-01 Need to Comply With Budget Act**

**Finding:** The sheriff's office did not comply with the Local Government Budget Act. LSA-R.S. 39:1310(B) requires that in no event shall a budget amendment be adopted proposing expenditures which exceed the total of estimated funds available for the fiscal year. The sheriff's office amended the detention center budget for total expenditures that were greater than estimated funds available which left a deficit fund balance.

**Recommendation:** Management must monitor budget amendments to ensure that budget amendments do not cause a deficit ending fund balance.

**Conclusion:** This finding has been resolved.

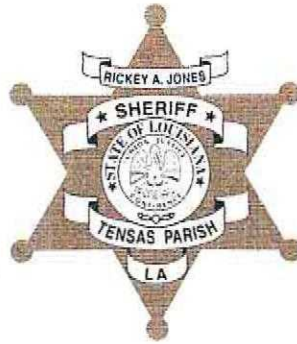
**17-02 Need to Comply With Bid Law**

**Finding:** The sheriff's office did not comply with the bid law. The sheriff's office sold surplus property without advertising the sale of the surplus property.

**Recommendation:** Management must advertise all sale of surplus property.

**Conclusion:** This finding has been resolved.

RICKEY A. JONES  
Sheriff & Tax Collector



NEWELLTON 318-467-5927  
ST. JOSEPH 318-766-3499  
WATERPROOF 318-749-3275

February 8, 2019

TENSAS PARISH SHERIFF'S DEPARTMENT

P. O. Box 138  
St. Joseph, Louisiana 71366

Mr. Daryl Purpera  
Office of the Legislative Auditor  
P O Box 94397  
Baton Rouge, LA 70804

Dear Mr. Purpera:

2018-001

When I was elected sheriff of Tensas Parish I inherited a Detention Center built by a previous sheriff with a large indebtedness. In the original bonds the sheriffs' office was not liable for the debt. The Sheriff's Office struggled to make the payments in turn we refinanced the facility.

Due to a miscommunication the new bonds were issued making the Tensas Parish Sheriffs' Department liable for the debt and now have to be included as part of our audit. Due to this misunderstanding with our attorneys we did not have the required information for our auditor to complete the audit by December 31, 2018.

In the future we will make every effort to make sure that financial statements are submitted when required.

Sincerely,

A handwritten signature in blue ink that reads "Rickey A. Jones".

Rickey A. Jones  
Sheriff of Tensas Parish



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

## MARY JO FINLEY, CPA, INC.

A PROFESSIONAL ACCOUNTING CORPORATION  
116 Professional Drive - West Monroe, LA 71291  
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Governmental Accounting,  
Auditing and  
Financial Reporting

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

Tensas Parish Sheriff  
PO Box 138  
St. Joseph, LA 71366

To the Tensas Parish Sheriff's Office

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

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

The procedures and associated findings are as follows:

#### **AGREED-UPON PROCEDURES**

#### **WRITTEN POLICIES AND PROCEDURES**

1. The Tensas Parish Sheriff has no written policies and procedures for the test period.

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

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

## BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - 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);
  - 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 agency provided me with a certified list of all bank accounts. September, 2017 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that the all 5 bank reconciliations were performed by an outside accountant and that the reconciliations were not reviewed by the anyone else. 1 of the 5 accounts had outstanding reconciling items over 12 months.

## COLLECTIONS

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

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - A) Employees that are responsible for cash collections do not share cash drawers/registers.
  - B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 2 collection locations with one cash drawer at the Sheriff's office. Multiple deputies work out of the same cash drawer. Inmate and work release funds are collected at the detention center. The money is deposited daily and deposit slips are sent to the sheriff's office to be posted. Bank reconciliations are prepared by an outside consultant. The deposit is made by an employee and an outside accountant reconciles the bank statements. Tax payments are posted to the tax software when collected. The cash drawer is reconciled by a designated deputy and another deputy makes the deposit. A designated deputy posts the deposits to the accounting software.

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

The sheriff's office does not have any insurance policy that covers employee 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 are made on the same day). *Alternately, the practitioner may use a source document other than bank statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- A) Observe that receipts are sequentially pre-numbered.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,
- C) Trace the deposit slip total to the actual deposit per the bank statement.
- D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- E) Trace the actual deposit per the bank statement to the general ledger.

The Sheriff does not use pre-numbered receipts, the system generates receipts when money is collected. Deposit documentation was traced to the cash register information for the daily receipts. The deposit slips selected were traced to the bank statement. The Sheriff's office

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

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

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

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

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

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

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

C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Sheriff does not use a purchase order system or purchase requisitions. The accounts payable deputy initiates purchases and the chief civil deputy approves all purchases. The Sheriff has ultimate approval on all major purchases. The outside accountant adds all new vendors at the direction of the chief civil deputy. The accounts payable deputy initiates all checks and the sheriff or the chief civil deputy signs all the checks. The accounts payable deputy mails all check payments.

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

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

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

All disbursements selected to be tested had the proper support documentation. The accounts payable deputy initiates the disbursements and the sheriff or the chief civil deputy sign all checks. The outside consultant reconciles all bank statements and there is no evidence that anyone else reviews the reconciliations.

## **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS**

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

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

12. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- A) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

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

The account payable deputy reviews all fuel card statements and prepares the checks. If any unusual purchases are noted, they are investigated by the chief civil deputy. For the cards tested, there were interest charges on the credit card statement.

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

All transactions tested had the proper documentation. The chief civil deputy or authorized card holder initiates all purchases and the accounts payable deputy approves all purchases. No meal charges were tested.

## **TRAVEL AND EXPENSE REIMBURSEMENT**

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

## **CONTRACTS**

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

## **PAYROLL AND PERSONNEL**

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

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

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

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

## **ETHICS (EXCLUDING NONPROFITS)**

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

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

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

Agency provided support for ethics training for the five randomly selected employees above. Agency had no documentation to show that the employees have read the agency policy concerning the ethics policy.

## DEBT SERVICE

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

## OTHER

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

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

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

I observed the fraud hotline notice posted on the premises.

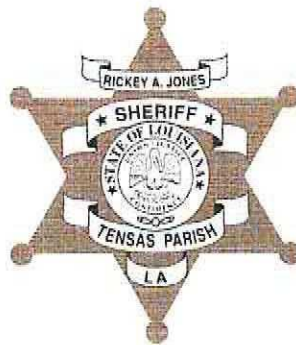
I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures,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

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



Mary Jo Finley, CPA  
February 8, 2019

RICKEY A. JONES  
Sheriff & Tax Collector



NEWELLTON 318-467-5927  
ST. JOSEPH 318-766-3499  
WATERPROOF 318-749-3275

## TENSAS PARISH SHERIFF'S DEPARTMENT

P. O. Box 138  
St. Joseph, Louisiana 71366

February 8, 2019

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

The following is the Tensas Parish Sheriff's Office response to the report of exceptions found during your testing performed in accordance with the LLA's Statewide Agreed-Upon Procedures:

1. We agree that written policies and procedures are needed and we are in the process of committing our policies and procedures to writing.
3. B-C We are changing our procedure to have the Chief Financial Officer review bank reconciliations prepared by other staff and have the Chief Civil Deputy review bank reconciliations prepared by the Chief financial Officer. It is not cost effective to have enough personnel for the reviewing employee to be independent of involvement in all transactions of all bank accounts in which she reviews.  
We are in the process of researching and clearing up any items which have been outstanding for more than 6 months.
5. A; B; C; D While we attempt to have one employee work out of a cash drawer for the most part, it is not possible at all times, such as when employees are on break. Furthermore, we do not have enough space to place a cash drawer/register for each individual employee. The inmate and work release funds are collected at the detention center. The money is deposited daily and deposit slips are sent to the sheriffs' office to be posted. An outside consultant reconciles the bank statements.  
We will make a greater effort to make deposits daily for all funds.
7. A) The Sheriff does not use pre-numbered receipts, the system generates receipts when money is collected.

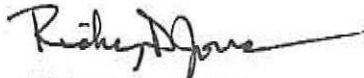


10 .B) The accounts payable deputy initiates the disbursements and the sheriff or the chief civil deputy sign all checks. The outside consultant along with chief civil deputy or deputy accounts payable clerk reviews the reconciliations.

12. B) We have since had the billing and invoices sent to our office. The invoices were being sent to the prison causing us to be late on payments on fuel cards.

20. B) The employees have signed for the policy and procedure of the Tensas Parish Sheriffs' Dept. which does contain some ethics policies. We are in the process of updating the policy and addressing ethics.

Regards,

A handwritten signature in black ink, appearing to read "Rickey Jones", with a long horizontal flourish extending to the right.

Rickey A. Jones,  
Sheriff Tensas Parish.