

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2010
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/23/11

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2010
With Supplemental Information Schedules

CONTENTS

		<u>Page No.</u>
Independent Auditor's Report		3
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		6
Basic Financial Statements		
	<u>Statement</u>	<u>Page No.</u>
Government-Wide Financial Statements:		
Statement of Net Assets	A	12
Statement of Activities	B	13
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	14
Reconciliation of the Governmental Funds Balance Sheet to the Financial Statement of Net Assets		15
Statement of Revenues, Expenditures, and Changes in Fund Balances	D	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities		18
Fiduciary - Agency Funds:		
Statement of Fiduciary Net Assets	E	19
Notes to the Financial Statements		20

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
Required Supplemental Information (Part II):		
Budget Comparison Schedules:	1	37
Note to Budgetary Comparison Schedule		39
Employee Health Care Plan - Schedule of Funding Progress	2	40
Other Supplemental Schedules (Part III):		
Non Major Fund Types:		
Combining Balance Sheet	3	43
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	4	44
Fiduciary Fund Type - Agency Funds- Combining Schedule of Changes in Unsettled Deposits	5	46
Independent Auditor's Report Required by Government Auditing Standards (Part IV):		
Report on Compliance and Internal Control over Financial Reporting		49
Schedule of Findings and Questioned Costs	6	51
Summary Schedule of Prior Audit Findings	7	52
Corrective Action Plan		53

Independent Auditor's Report

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

I have audited the accompanying financial statements of the governmental activities and major fund of the Tensas Parish Sheriff, a component unit of Tensas Parish Police Jury, as of June 30, 2010, and for the year then ended, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tensas Parish Sheriff's management. My responsibility is to express an opinion 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 audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Tensas Parish Sheriff as of June 30, 2010, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

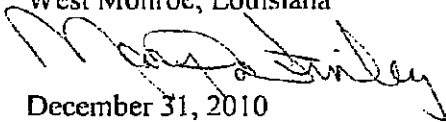
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 10, the budgetary comparison information on pages 37 through 39, and the schedule of funding progress for the retiree healthcare plan on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
Independent Auditor's Report,
June 30, 2010

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 as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Tensas Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 31, 2010, on my consideration of the Tensas Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

West Monroe, Louisiana



December 31, 2010

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

Management's Discussion and Analysis
June 30, 2010

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, 2010. 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 Assets 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 assets* presents information on all of the Tensas Parish Sheriff's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 4 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 and Construction Fund data for the non-major governmental funds is provided in a separate column for non-major governmental funds.

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 assets 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

\$161,307. The largest portion of the Tensas Parish Sheriff's net assets 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 assets 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 assets.

STATEMENT OF NET ASSETS

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$829,095	\$877,005
Investments	459,806	
Receivables	564,299	147,421
Prepaid expenses	36,789	21,900
Due from other funds	7,762	1,389
Due from others	38,234	
Inventory	15,712	
Capital assets (net of accumulated depreciation)	<u>540,357</u>	<u>64,687</u>
TOTAL ASSETS	<u>\$2,492,054</u>	<u>\$1,112,402</u>
LIABILITIES		
Accounts payable	\$192,100	\$42,661
Salaries payable	166,084	41,484
Withholdings payable	149,383	11,530
Bank loan payable	1,475,000	342,299
Due to Marketing Group	6,060	47,759
Due to Sheriff	10,393	23,389
Due to other funds		31
Net OPEB obligation	194,506	
Long-term liabilities:		
Due within one year	127,978	38,140
Due in more than one year	<u>331,857</u>	<u>237,380</u>
TOTAL LIABILITIES	<u>2,653,361</u>	<u>784,673</u>
NET ASSETS		
Invested in capital assets, net of related debt	303,522	39,167
Unrestricted	<u>(464,829)</u>	<u>288,562</u>
TOTAL NET ASSETS	<u>(\$161,307)</u>	<u>\$327,729</u>

STATEMENT OF ACTIVITIES

	<u>2010</u>	<u>2009</u>
Public safety:		
Personal services	\$4,264,868	\$1,229,146
Operating services	1,645,778	298,991
Materials and supplies	754,981	235,680
Travel	26,291	27,374
Debt service - interest	1,087,781	38,499
Depreciation expense	<u>68,944</u>	<u>44,009</u>
Total Program Expenses	<u>\$7,848,643</u>	<u>\$1,873,699</u>

Program revenues:		
Commissions on license and taxes	\$44,856	\$17,170
Civil and criminal fees	58,923	61,625
Court attendance	2,822	2,282
Feeding prisoners	4,510,736	429,104
Other revenues	365,619	44,784
Total program revenues	<u>4,982,956</u>	<u>554,965</u>
Net Program Expenses	<u>(2,865,687)</u>	<u>(1,318,734)</u>
General revenues:		
Taxes		
Ad valorem	954,901	888,629
Sales tax	97,684	120,999
Grants and contributions not restricted to specific programs:		
Federal sources	115,199	61,763
State sources:		
State revenue sharing (net)	33,614	34,232
State supplemental pay	85,993	66,298
Other state grants	124,309	129,869
Local sources	216,169	43,119
Interest earned	59,020	5,421
Special items:		
Proceeds from insurance	11,488	5,337
Proceeds from sale of assets	3,154	
Residual equity transfer in	675,120	
Change in Net Assets	(489,036)	36,933
Net Assets - Beginning of year	327,729	290,796
Net Assets - End of year	<u>(\$161,307)</u>	<u>\$327,729</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, 2010, combined governmental fund deficit of (\$47,323) showed a decrease in fund balance of \$585,885 over June 30, 2009. The General Fund's portion of the unreserved, undesignated fund balance of \$82,772 shows a decrease (of approximately \$397,889) from the prior year amount. The Detention Center portion of the unreserved, undesignated fund deficit is (\$343,291), and shows a decrease in fund balance (of approximately \$343,291) from the prior year amount. The detention center was being managed by a management company until November, 2009 when the sheriff took over all of the accounting for the detention center.

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 operating services, travel and other charges, capital outlay, and debt service. The difference in original and final budgeted revenues in the general fund were due to an increase

in ad valorem taxes, federal grants, feeding and keeping prisoners, other revenues, and other financing sources and a decrease in operating transfers in.

Differences between expenditures of the original budget and the final budget for the Detention Center Fund were due primarily to an increase in operating services and a decrease in personal services, materials and supplies, and capital outlay. The difference in original and final budgeted revenues in the general fund were due to an increase in local grants and a decrease in feeding and keeping prisoners.

Capital Asset and Debt Administration

Capital assets. The Tensas Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$540,357 (net of accumulated depreciation). This investment includes furniture, equipment, and weapons. The increase in capital assets for the year was \$544,614, the majority of which was attributable to the purchase of a law enforcement vehicles through leases. 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 \$236,834, which will be paid in full within three years and certificates of indebtedness of \$223,000. During the year ended June 30, 2010, \$95,648 of debt was 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, 2010 is \$194,506.

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.

December 31, 2010

BASIC FINANCIAL STATEMENTS

Statement A**TENSAS PARISH SHERIFF
St. Joseph, Louisiana****STATEMENT OF NET ASSETS
June 30, 2010****ASSETS**

Cash and cash equivalents	\$829,095
Investments	459,806
Receivables	564,299
Prepaid expenses	36,789
Due from other funds	7,762
Due from others	38,234
Inventory	15,712
Capital assets (net of accumulated depreciation)	<u>540,357</u>
TOTAL ASSETS	<u>\$2,492,054</u>

LIABILITIES

Accounts payable	\$192,100
Salaries payable	166,084
Withholdings payable	149,383
Bank loan payable	1,475,000
Due to Marketing Group	6,060
Due to Sheriff	10,393
Net OPEB obligation	194,506
Long-term liabilities:	
Due within one year	127,978
Due in more than one year	<u>331,857</u>
TOTAL LIABILITIES	<u>2,653,361</u>

NET ASSETS

Invested in capital assets, net of related debt	303,522
Unrestricted	<u>(464,829)</u>
TOTAL NET ASSETS	<u>(\$161,307)</u>

The accompanying notes are an integral part of this statement.

Statement B

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2010

Public safety:	
Personal services	\$4,264,868
Operating services	1,645,778
Materials and supplies	754,981
Travel and other	26,291
Interest expense	1,087,781
Depreciation expense	68,944
Total Program Expenses	<u>7,848,643</u>
Program revenues:	
Commissions on licenses and taxes	44,856
Civil and criminal fees	58,923
Court attendance	2,822
Feeding and keeping prisoners	4,510,736
Other revenues	365,619
Total program revenues	<u>4,982,956</u>
Net Program Expenses	<u>(2,865,687)</u>
General revenues:	
Taxes:	
Ad valorem	954,901
Sales tax	97,684
Grants and contributions not restricted to specific programs:	
Federal sources	115,199
State sources:	
State revenue sharing (net)	33,614
State supplemental pay	85,993
Other	124,309
Local sources	216,169
Interest earned	59,020
Special items:	
Proceeds from insurance	11,488
Proceeds from sale of assets	3,154
Residual equity transfer in	675,120
Change in Net Assets	<u>(489,036)</u>
NET ASSETS	
Beginning of year	<u>327,729</u>
End of year	<u>(\$161,307)</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, 2010

MAJOR FUNDS.....			
	GENERAL FUND	DETENTION CENTER	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and cash equivalents	\$329,320	\$295,608	\$204,167	\$829,095
Investments		459,806		459,806
Receivables	114,366	445,855	4,078	564,299
Prepaid expenses	36,789			36,789
Due from other funds	334,752	43,807	4,217	382,776
Due from others	38,234			38,234
Inventory			15,712	15,712
TOTAL ASSETS	<u>\$853,461</u>	<u>\$1,245,076</u>	<u>\$228,174</u>	<u>\$2,326,711</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$39,439	\$137,683	\$14,978	\$192,100
Salaries payable	48,715	117,369		166,084
Withholdings payable	149,383			149,383
Bank Loan payable	475,000	1,000,000		1,475,000
Due to Sheriff	10,393			10,393
Due to Management Company	6,060			6,060
Due to other funds	41,699	333,315		375,014
Total Liabilities	<u>770,689</u>	<u>1,588,367</u>	<u>14,978</u>	<u>2,374,034</u>
Fund balance (deficit) - unreserved undesignated	<u>82,772</u>	<u>(343,291)</u>	<u>213,196</u>	<u>(47,323)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$853,461</u>	<u>\$1,245,076</u>	<u>\$228,174</u>	<u>\$2,326,711</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 Assets

For the Year Ended June 30, 2010

Total Fund Balances at June 30, 2010 - Governmental Funds (Statement C)		(\$47,323)
Cost of capital assets at June 30, 2010	\$1,048,323	
Less: Accumulated depreciation as of June 30, 2010	<u>(507,966)</u>	540,357
Long-term liabilities:		
Lease payable	(236,835)	
Certificate of indebtedness payable	(223,000)	
Net OPEB obligation	<u>(194,506)</u>	(654,341)
Elimination of interfund assets and liabilities:		
Due from other funds	375,014	
Due to other funds	<u>(375,014)</u>	
Net Assets at June 30, 2010 (Statement A)		<u><u>(\$161,307)</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, 2010

MAJOR FUNDS.....		OTHER GOVERNMENTAL FUNDS	TOTAL
	GENERAL FUND	DETENTION CENTER		
REVENUES				
Taxes				
Ad valorem	\$954,901			\$954,901
Sales tax	97,684			97,684
Intergovernmental revenues:				
Federal grants	115,199			115,199
State grants:				
State revenue sharing (net)	33,614			33,614
State supplemental pay	85,993			85,993
Other	124,309			124,309
Local grants		\$216,169		216,169
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	44,856			44,856
Civil and criminal fees	58,923			58,923
Court attendance	2,822			2,822
Feeding and keeping of prisoners	41,207	4,469,529		4,510,736
Use of money and property	1,078	57,942		59,020
Other	35,182		\$330,437	365,619
Total revenues	<u>1,595,768</u>	<u>4,743,640</u>	<u>330,437</u>	<u>6,669,845</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and related benefits	1,298,013	2,772,349		4,070,362
Operating services	363,992	1,278,266	3,520	1,645,778
Materials and supplies	133,670	449,689	171,622	754,981
Travel and other charges	20,254	6,037		26,291
Capital outlay	149,024	395,590		544,614
Debt service	43,346	1,140,082		1,183,428
Total expenditures	<u>2,008,299</u>	<u>6,042,013</u>	<u>175,142</u>	<u>8,225,454</u>

(Continued)

Statement D

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	TOTAL
	FUND	CENTER	FUNDS	
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$412,531)	(\$1,298,373)	\$155,295	(\$1,555,609)
OTHER FINANCING SOURCES:				
Proceeds from insurance	11,488			11,488
Proceeds from sale of assets	3,154			3,154
Proceeds from lease		279,962		279,962
Residual equity transfer in		675,120		675,120
Total Other Financing Sources	14,642	955,082	NONE	969,724
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(397,889)	(343,291)	155,295	(585,885)
FUND BALANCE AT BEGINNING OF YEAR	480,661	NONE	57,901	538,562
FUND BALANCE (DEFICIT) AT END OF YEAR	\$82,772	(\$343,291)	\$213,196	(\$47,323)

(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, 2010

Total net change in fund balances - governmental funds (Statement D)	(\$585,885)
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 Assets.	68,648
The issuance of long term debt (lease) and payments on the leases 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 carries to the statement of net assets.	(279,962)
The issuance of long term debt (certificate of indebtedness) and payments on the certificates 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 carries to the statement of net assets.	27,000
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 Assets and are not reflected in the Statement of Activities.	(194,506)
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.	<u>475,669</u>
Change in net assets of governmental activities (Statement B)	<u><u>(\$489,036)</u></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, 2010

	<u>TAX COLLECTOR FUND</u>	<u>CRIMINAL FUND</u>	<u>INMATE FUND</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$8,254	\$31,317	\$33,181	\$72,752
	<u>\$8,254</u>	<u>\$31,317</u>	<u>\$33,181</u>	<u>\$72,752</u>
LIABILITIES				
Unsettled deposits due to:				
Other funds		\$1,437	\$6,325	\$7,762
Others	\$8,254	29,880	26,856	64,990
Total Liabilities	<u>\$8,254</u>	<u>\$31,317</u>	<u>\$33,181</u>	<u>\$72,752</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, 2010

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues,

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

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 end.

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

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, 2010, the sheriff has cash and equivalents, net of cash overdrafts (book balances) totaling \$901,847 as follows:

Demand deposits	\$901,547
Petty cash	<u>300</u>
Total	<u><u>\$901,847</u></u>

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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, 2010, are secured as follows:

Bank balances	<u>\$1,077,473</u>
Federal deposit insurance	\$439,776
Pledged securities (uncollateralized)	<u>1,028,545</u>
Total	<u>\$1,468,321</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:

	Estimated
Furniture and fixtures	<u>5 - 10 years</u>
Vehicles	5 - 15 years
Equipment	5 - 20 years

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

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, 2010.

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 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.

2. RECEIVABLES

The receivables of \$564,299 at June 30, 2010, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Other Govern- mental</u>	<u>Total</u>
Taxes:				
Sales and use	\$7,318			\$7,318
Intergovernmental revenues:				
Federal grants	26,648			26,648
Other state grants	67,086			67,086
Local grants		\$3,128		3,128
Fees, charges, and commissions for services:				

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>
Civil and criminal fees	\$884			\$884
Commissions on licenses and taxes	972			972
Court attendance	136			136
Feeding and keeping prisoners	7,973	\$442,727		450,700
Miscellaneous	3,349		\$4,078	7,427
Total	<u>\$114,366</u>	<u>\$445,855</u>	<u>\$4,078</u>	<u>\$564,299</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2010, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General Fund				
Vehicles	\$450,701	\$149,024		\$599,725
Weapons	9,387			9,387
Equipment	43,621			43,621
Sub-total General Fund	<u>503,709</u>	<u>149,024</u>	<u>NONE</u>	<u>652,733</u>
Detention Center Vehicles				
Buildings	NONE	80,000		80,000
Vehicles	NONE	315,590		315,590
Sub-total Detention Center	<u>NONE</u>	<u>395,590</u>	<u>NONE</u>	<u>395,590</u>
Total assets	<u>503,709</u>	<u>544,614</u>	<u>NONE</u>	<u>1,048,323</u>
Less accumulated depreciation	<u>439,022</u>	<u>68,944</u>		<u>507,966</u>
Net capital assets	<u>\$64,687</u>	<u>\$475,670</u>	<u>NONE</u>	<u>\$540,357</u>

4. PENSION PLAN

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.

All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 4, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed after January 1, 2000 are required to participate in the System. Employees are eligible to retire at or after age 55 with at least

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

12 years of credited service and receive a benefit, payable monthly for life, 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. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Tensas Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11 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, 2010, 2009, and 2008 were \$317,395, \$115,872, and \$222,560, respectively, equal to the required contributions for each year.

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Tensas Parish Sheriffs Office's medical and life insurance benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). See the sections below for details on Life Insurance and dental benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, attainment of age 55 and completion of 15 years of service. See the section below entitled "Expected Time of Commencement of Benefits" for the assumption as to time of actual retirement.

Life insurance coverage is continued to retirees and the blended rate (active and retired) is \$0.348 per \$1,000 of insurance. 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.

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

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. Since GASB 45 requires the use of “unblended” rates, we have used the 94GAR mortality table described above to “unblend” the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. We have assumed that 60% of currently active employees will elect to continue the voluntary additional life insurance after retirement.

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

Fund Policy. Until 2009, the Tensas Parish Sheriff’s Office recognized the cost of providing post-employment medical and life benefits (Tensas Parish Sheriff’s Office portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2009/2010, Tensas Parish Sheriff’s Office portion of health care funding cost for retired employees totaled \$17,314.

Effective with the Fiscal Year beginning July 1, 2009, Tensas Parish Sheriff’s Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 15%. The rates for each age are below:

Age	Percent Turnover
18 - 25	20.0%
26 - 40	14.0%
41 - 54	9.0%
55+	7.0%

In addition to the age-specific turnover, an additional turnover of 50% has been applied to employees with less than three years of service.

Post employment Benefit Plan Eligibility Requirements. Historically, most employees have not retired until 25 to 30 years of service. We have therefore assumed that employees retire three years after the earliest of the following: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 15 years of

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

service. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement and continue through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, release in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). See the section below for details on Life Insurance benefits. The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

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

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Tensas Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Tensas Parish Sheriff's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the

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

potential effects of legal or contractual funding limitations on the pattern of cost sharing between Tensas Parish Sheriff's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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

Annual Required Contribution. Tensas Parish Sheriff's Office Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2009 is \$211,820.

Net Post-employment Benefit Obligation OPEB (Asset). The table below shows Tensas Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for the fiscal year ending June 30, 2010:

Annual required contribution	\$211,820
Interest on net OPEB obligation	None
Adjustment to annual required contribution	None
Annual OPEB cost (expense)	211,820
Contributions made	(17,314)
Increase in net OPEB obligation	194,506
Net OPEB obligation at beginning of year	None
Net OPEB obligation at end of year	<u>\$194,506</u>

The following table shows Tensas Parish Sheriff's Office annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical/Dental/Life	June 30, 2010	\$211,820	8.18%	\$194,506

Funded Status and Funding Progress. In the fiscal year ending June 30, 2010, Tensas Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$1,168,265, which is defined as that portion, as determined by

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

a particular actuarial cost method (Tensas Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009/2010, the entire actuarial accrued liability of \$1,168,265 was unfunded.

	<u>Medical/Dental</u>	<u>Life</u>
Actuarial Accrued Liability (AAL)	\$974,752	\$193,513
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	<u>974,752</u>	<u>193,513</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	<u>3,037,939</u>	<u>3,037,939</u>
UAAL as a percentage of covered payroll	32.09%	6.37%

6. LEASE PURCHASE PAYABLE

In November, 2005, the sheriff entered into a lease purchase agreement for a 2005 Chevrolet Tahoe. The lease agreement requires 48 payments of \$625. In February, 2008 the sheriff entered into a lease purchase agreement for a 2008 Chevrolet Tahoe. The lease agreement requires 48 payments of \$751. In September, 2009, the sheriff entered into a lease purchase agreement for two 2009 Mercurys. The lease agreement requires 36 monthly payments of \$1,207. In September, 2009, the sheriff entered into a lease purchase agreement for seven vans and one bus. The lease agreement requires 36 monthly payments of \$7,336. The following is a summary of changes in lease transactions for the year ended June 30, 2010:

Balance at June 30, 2009	\$25,520
Additions	279,962
Reductions	<u>(68,648)</u>
Balance at June 30, 2010	<u>\$236,834</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, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$99,978	\$11,549	\$111,527
2012	103,117	5,404	108,521
2013	<u>33,739</u>	<u>430</u>	<u>34,169</u>
Total	<u>\$236,834</u>	<u>\$17,383</u>	<u>\$254,217</u>

7. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2010:

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

	<u>Certificate of Indebtedness</u>
Long-term debt payable at June 30, 2009	\$250,000
Additions	NONE
Reductions	<u>(27,000)</u>
Long-term debt payable at June 30, 2010	<u>\$223,000</u>

Long-term debt payable at June 30, 2010, is comprised of the following individual issues:

\$300,000 - Certificates of indebtedness issued November 16, 2007, are due in annual installments from \$25,000 to \$36,000 through March 1, 2017, with interest at 4.75 per cent per annum. \$223,000

The annual requirements to amortize all outstanding debt at June 30, 2010 is as follows:

<u>Year</u>	<u>Certificates of Indebtedness</u>	<u>Interest</u>	<u>Total</u>
2011	\$28,000	\$10,593	\$38,593
2012	29,000	9,262	38,262
2013	30,000	7,885	37,885
2014	32,000	6,460	38,460
2015	33,000	4,940	37,940
2016-2017	<u>71,000</u>	<u>5,083</u>	<u>76,083</u>
Total	<u>\$223,000</u>	<u>\$44,223</u>	<u>\$267,223</u>

8. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2010, are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund:		
Detention Center Fund	\$41,699	\$248,450
Detention Center Fund - Payroll		84,865
Criminal Fund		1,437
Detention Center Fund:		
General Fund	248,450	41,699
General Fund - Payroll	84,865	
Inmate Fund		2,108
Criminal Fund -		
General Fund	1,437	

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

	<u>Due To</u>	<u>Due From</u>
Commissary Fund - Inmate Fund		\$4,217
Inmate Fund - Detention Center Fund	\$2,108	
Commissary Fund	4,217	
Total	<u>\$382,776</u>	<u>\$382,776</u>

9. CHANGES IN AGENCY FUND BALANCES

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

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Inmate Funds</u>	<u>Total</u>
Balance at June 30, 2009	\$8,233	NONE	\$25,960	NONE	\$34,193
Additions	4,580,731	\$77,569	229,466	\$585,029	5,472,795
Reductions	<u>(4,580,710)</u>	<u>(77,569)</u>	<u>(225,546)</u>	<u>(558,173)</u>	<u>(5,441,998)</u>
Balance at June 30, 2010	<u>\$8,254</u>	<u>NONE</u>	<u>\$29,880</u>	<u>\$26,856</u>	<u>\$64,990</u>

10. LITIGATION AND CLAIMS

At June 30, 2010, the Tensas Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

**11. 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.

12. GRANT PROGRAMS

The Tensas Parish Sheriff participates in various grant programs funded by the state and federal governments. The following schedule provides selected information on various grants for the year ended June 30, 2010.

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS THROUGH GRANT NUMBER	EXPENDITURES
FEDERAL PROGRAMS			
United States Department of the Interior			
Direct program - Payment in Lieu of Taxes	15.000	N/A	\$14,980
United States Department of Justice			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice -			
Criminal Patrols	16.803	B82-8-111	94,879
Criminal Patrols	16.738	B07-2-008	<u>5,340</u>
Total United States Department of Justice			<u>100,219</u>
Total Federal Financial Assistance			<u>\$115,199</u>

13. LOUISIANA STATE POLICE INVESTIGATION

The Louisiana State Police has an on going investigation of the Tensas Parish Sheriff involving possible theft by an employee and the outcome has not been determined.

14. FUND DEFICITS

At June 30, 2010, the Detention Center Fund has a deficit fund balance of \$343,291. The deficit will be eliminated by reducing expenditures and increasing the number of prisoners to increase revenues.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes				
Ad valorem	\$870,000	\$953,000	\$954,901	\$1,901
Sales tax	115,000	100,000	97,684	(2,316)
Intergovernmental revenues:				
Federal grants	27,000	84,607	115,199	30,592
State grants:				
State revenue sharing (net)	31,000	33,600	33,614	14
State supplemental pay	80,000	80,000	85,993	5,993
Other	165,606	162,000	124,309	(37,691)
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	12,000	17,100	44,856	27,756
Civil and criminal fees	55,000	42,000	58,923	16,923
Court attendance	2,400	2,400	2,822	422
Feeding and keeping of prisoners	15,000	45,000	41,207	(3,793)
Use of money and property	5,000	700	1,078	378
Other	10,250	40,977	35,182	(5,795)
Total revenues	<u>1,388,256</u>	<u>1,561,384</u>	<u>1,595,768</u>	<u>34,384</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	1,328,403	1,328,403	1,298,013	30,390
Operating services	299,100	340,000	363,992	(23,992)
Materials and supplies	164,150	166,150	133,670	32,480
Travel and other charges	16,384	25,000	20,254	4,746
Capital outlay		101,672	149,024	(47,352)
Debt service	27,000	60,000	43,346	16,654
Total expenditures	<u>1,835,037</u>	<u>2,021,225</u>	<u>2,008,299</u>	<u>12,926</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>(446,781)</u>	<u>(459,841)</u>	<u>(412,531)</u>	<u>47,310</u>
OTHER FINANCING SOURCES				
Proceeds from insurance		11,488	11,488	
Proceeds from sale of assets		2,125	3,154	1,029
Transfers in	410,000			
Total Other Financing Sources	<u>410,000</u>	<u>13,613</u>	<u>14,642</u>	<u>1,029</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES				
	<u>(36,781)</u>	<u>(446,228)</u>	<u>(397,889)</u>	<u>48,339</u>
FUND BALANCES AT BEGINNING OF YEAR				
	<u>300,000</u>	<u>480,661</u>	<u>480,661</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR				
	<u>\$263,219</u>	<u>\$34,433</u>	<u>\$82,772</u>	<u>\$48,339</u>

(Continued)

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER
For the Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Local grant	\$120,000	\$207,589	\$216,169	\$8,580
Fees, charges, and commissions for services -				
Feeding and keeping of prisoners	5,501,694	4,410,453	4,469,529	59,076
Use of money and property	60,000	56,000	57,942	1,942
Total revenues	<u>5,681,694</u>	<u>4,674,042</u>	<u>4,743,640</u>	<u>69,598</u>
EXPENDITURES				
Personal services and benefits	3,033,880	2,700,000	2,772,349	(72,349)
Operating services	570,250	1,240,000	1,278,266	(38,266)
Materials and supplies	541,780	500,000	449,689	50,311
Travel and other charges	17,000	9,000	6,037	2,963
Capital outlay	240,000	120,000	395,590	(275,590)
Debt service	1,231,700	1,231,700	1,140,082	91,618
Total expenditures	<u>5,634,610</u>	<u>5,800,700</u>	<u>6,042,013</u>	<u>(241,313)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	47,084	(1,126,658)	(1,298,373)	(171,715)
OTHER FINANCING SOURCES				
Proceeds from lease			279,962	279,962
Residual equity transfer in			675,120	675,120
Total Other Financing Uses	<u>NONE</u>	<u>NONE</u>	<u>955,082</u>	<u>955,082</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	47,084	(1,126,658)	(343,291)	783,367
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>675,120</u>	<u>NONE</u>	<u>(675,120)</u>
FUND BALANCES (Deficit) AT END OF YEAR	<u>\$47,084</u>	<u>(\$451,538)</u>	<u>(\$343,291)</u>	<u>\$108,247</u>

(Concluded)

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2010

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
Retiree Healthcare Plan
June 30, 2010**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$1,168,265	\$1,168,265	0.00%	\$3,037,939	38.46%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2010, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

OTHER SUPPLEMENTARY INFORMATION

PART III

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 2010

NON MAJOR FUNDS

CONSTRUCTION FUND

The Construction Fund consists of remaining balance of loan money used to repair the water system at the detention center.

COMMISSARY FUND

The Commissary Fund accounts for the purchase and resale of personal items to the inmates at the detention center.

MADISON PARISH SHERIFF
Tallulah, Louisiana
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Balance Sheet, June 30, 2010

	CONSTRUCTION FUND	COMMISSARY FUND	TOTAL
ASSETS			
Cash	\$57,901	\$146,266	\$204,167
Receivables		4,078	4,078
Due from other funds		4,217	4,217
Inventory		15,712	15,712
TOTAL ASSETS	<u>\$57,901</u>	<u>\$170,273</u>	<u>\$228,174</u>
LIABILITIES AND FUND EQUITY			
Liabilities -			
Accounts payable		\$14,978	\$14,978
Fund Balance - unreserved			
- undesignated	\$57,901	155,295	213,196
TOTAL LIABILITIES AND FUND EQUITY	<u>\$57,901</u>	<u>\$170,273</u>	<u>\$228,174</u>

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2010

	CONSTRUCTION FUND	COMMISSARY FUND	TOTAL
REVENUES			
Other revenues		\$330,437	\$330,437
Total revenues	NONE	330,437	330,437
EXPENDITURES			
Public safety:			
Current:			
Operating services		3,520	3,520
Materials and supplies		171,622	171,622
Total expenditures	NONE	175,142	175,142
EXCESS OF REVENUES OVER EXPENDITURES	NONE	155,295	155,295
FUND BALANCES AT BEGINNING OF YEAR	\$57,901	NONE	57,901
FUND BALANCES AT END OF YEAR	\$57,901	\$155,295	\$213,196

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2010

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.

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, 2010

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	INMATE FUNDS	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$8,233</u>	NONE	<u>\$25,960</u>	NONE	<u>\$34,193</u>
ADDITIONS					
Deposits :					
Fines, bond forfeitures and costs			229,466		229,466
Suits and seizures		\$44,992			44,992
Garnishments		25,404			25,404
Taxes, fees, etc. paid to tax collector	4,580,731				4,580,731
Other additions		7,173		\$585,029	592,202
Total additions	<u>4,580,731</u>	<u>77,569</u>	<u>229,466</u>	<u>585,029</u>	<u>5,472,795</u>
Total	<u>4,588,964</u>	<u>77,569</u>	<u>255,426</u>	<u>585,029</u>	<u>5,506,988</u>
REDUCTIONS					
Deposits, taxes, fees, etc. settled to:					
Tensas Parish:					
Sheriff's General Fund	1,006,336	25,076	38,369		1,069,781
Clerk of Court	420	1,200	14,275		15,895
Police jury	1,169,725		70,113		1,239,838
School board	1,557,125				1,557,125
Assessor	266,827				266,827
Louisiana Department of Agriculture	7,289				7,289
Louisiana Tax Commission	1,845				1,845
Levee district	151,067				151,067
District Attorney			43,755		43,755
Indigent defender board			31,329		31,329
Judicial Expense fund			3,570		3,570
Fire district no. 1	272,631				272,631
Attorneys, appraisers, etc.		1,400			1,400
Litigants		30,342			30,342
Northwest Louisiana Crime Lab			15,303		15,303
Commission on Law Enforcement			3,752		3,752
LTHSP			2,390		2,390
CMIS			1,424		1,424
Pension funds	126,464				126,464
Other reductions	20,981	19,551	1,266	558,173	599,971
Total reductions	<u>4,580,710</u>	<u>77,569</u>	<u>225,546</u>	<u>558,173</u>	<u>5,441,998</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>\$8,254</u>	NONE	<u>\$29,880</u>	<u>\$26,856</u>	<u>\$64,990</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.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

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

**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 the basic financial statements of the Tensas Parish Sheriff, a component unit of the Tensas Parish Police Jury, as of and for the year ended June 30, 2010 and have issued my report thereon dated December 31, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Tensas Parish Sheriff's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tensas Parish Sheriff's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Tensas Parish Sheriff's internal control over financial reporting.

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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2010

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tensas Parish Sheriff's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 10-01 in the accompanying schedule of findings and questioned costs..

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



West Monroe, Louisiana
December 31, 2010

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unqualified 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

10-01 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.

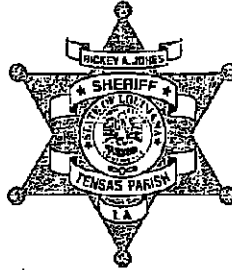
Recommendation: Management must monitor budget amendments to ensure that budget amendments do not cause a deficit ending fund balance.

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

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010**

There were no audit findings reported in the audit for the year ended June 30, 2009.

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

December 31, 2010

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

Dear Mr. Purpera:

When I was elected sheriff of Tensas Parish I inherited a Detention Center built by a previous sheriff with a large indebtedness. Had I been sheriff I would not under any circumstances have built the detention center.

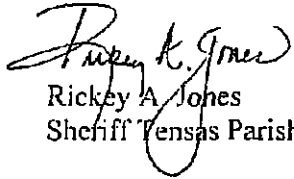
For several years a management company ran the detention center and paid the general fund a flat monthly amount and they paid all expenses. They maintained a large federal inmate population which pays \$46.76 per day. The management company without giving any notice walked out of the management of the Detention Center and left us holding the bag. I could have closed the facility and let the Sheriff's Office default on the bonds and interest and let all the employees of the facility go. Which in Tensas Parish, with a high unemployment rate already, would have been a harsh blow to Tensas Parish.

At the same time the Federal Government changed its policies regarding federal inmates which left us with less 100 federal inmates compared to 400 federal inmates the management company had. DOC changed its policies and made it more difficult to get state inmates.

I knew I had a very difficult situation to overcome. But I cut all expenses I could and did everything I could to get inmates but came up short.

I would appreciate it if someone could tell me how I could have gotten around budgeting a deficit based on actual facts that existed at the detention center. If I had budgeted a positive balance and had the negative balance I would have been criticized for being more than 5% difference to final budget.

Sincerely,


Rickey A. Jones
Sheriff Tensas Parish

RAJ:arg