

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

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

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

Annual Financial Statements
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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 and major fund of the Tensas Parish Sheriff, a component unit of the Tensas Parish Police Jury, as of June 30, 2016, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
Independent Auditor's Report,
June 30, 2016

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Tensas Parish Sheriff as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11, the budgetary comparison information on pages 44 through 46, and the schedule of funding progress for the retiree healthcare plan on page 47, and the schedule of the Sheriff's proportionate share of the net pension liability on pages 48 through 49, 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 supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The supplemental information schedules listed in the table of contents 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 on page 52 and the Sheriff's sworn statement presented on page 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
Independent Auditor's Report,
June 30, 2016

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated December 26, 2016, 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.



West Monroe, Louisiana
December 26, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

Management's Discussion and Analysis
June 30, 2016

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, 2016. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the 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 \$1,827,010. 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>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$1,489,557	\$1,009,168
Receivables	479,729	377,933
Prepaid expenses	1,666	1,666
Due from other funds	4,069	6,554
Inventory	26,617	40,229
Capital assets (net of accumulated depreciation)	<u>193,943</u>	<u>215,734</u>
TOTAL ASSETS	<u>\$2,195,581</u>	<u>\$1,651,284</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>293,827</u>	<u>41,796</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$2,489,408</u>	<u>\$1,693,080</u>
LIABILITIES		
Accounts payable	\$652,000	\$428,102
Salaries payable	85,758	67,448
Withholdings payable	62,626	9,109
Bank loan payable	1,311,000	965,000
Due to Sheriff	123,391	73,222
Net pension liability	721,467	755,558
Net OPEB obligation	1,096,561	927,358
Long-term liabilities:		
Due within one year	55,030	53,356
Due in more than one year	<u>16,022</u>	<u>71,052</u>
TOTAL LIABILITIES	<u>4,123,855</u>	<u>3,350,205</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	<u>192,563</u>	<u>341,949</u>
NET POSITION		
Invested in capital assets, net of related debt	158,890	162,325
Unrestricted	<u>(1,985,900)</u>	<u>(2,161,399)</u>
TOTAL NET POSITION	<u>(1,827,010)</u>	<u>(1,999,074)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$2,489,408</u>	<u>\$1,693,080</u>

STATEMENT OF ACTIVITIES

	<u>2016</u>	<u>2015</u>
Public safety:		
Personal services	\$3,559,079	\$3,607,664
Operating services	1,112,167	1,571,939

Materials and supplies	\$799,131	\$968,461
Travel	19,361	16,539
Debt service - interest	54,582	58,903
Depreciation expense	46,344	50,098
Total Program Expenses	<u>\$5,590,664</u>	<u>\$6,273,604</u>
Program revenues:		
Commissions on license and taxes	1,278	56,839
Civil and criminal fees	63,821	68,455
Court attendance	1,870	2,040
Feeding prisoners	3,232,272	3,519,774
Other revenues	312,950	330,921
Total program revenues	<u>3,612,191</u>	<u>3,978,029</u>
Net Program Expenses	<u>(1,978,473)</u>	<u>(2,295,575)</u>
General revenues:		
Taxes		
Ad valorem	1,329,793	1,293,440
Sales tax	103,992	131,369
Grants and contributions not restricted to specific programs:		
Federal sources	11,510	46,985
State sources:		
State revenue sharing (net)	32,032	33,403
State supplemental pay	78,805	79,329
Other state grants	114,655	111,389
Local sources	56,235	2,111
Use of money and property	70,252	20,487
Other	60,603	60,905
Change in Net Position	(120,596)	(516,157)
Net Position - Beginning of year	<u>(1,706,414)</u>	<u>(507,764)</u>
Net Position - End of year	<u>(\$1,827,010)</u>	<u>(\$1,023,921)</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, 2016, combined governmental fund deficit of (\$233,137) showed a decrease in fund balance of \$101,563 over June 30, 2015. The General Fund's portion of the unreserved, undesignated fund balance of \$362,931 shows a decrease (of approximately \$35,340) from the prior year amount. The Detention Center portion of the unreserved, undesignated fund deficit is (\$633,331), and shows a decrease in fund balance (of approximately \$4,237) 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 and operating services. The difference in original and final budgeted revenues in the general fund were due to an increase in ad valorem taxes, other revenues,

and operating transfers in, and decreases in sales tax, federal grants, supplemental pay, commissions on licenses and taxes, civil and criminal fees, and feeding and keeping prisoners.

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 and decreases in operating services, materials and supplies, and debt service. The difference in original and final budgeted revenues in the Detention Center Fund were due to decreases in feeding and keeping prisoners and an increase 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, 2016, amounts to \$193,943 (net of accumulated depreciation). This investment includes furniture, equipment, and weapons. There were increases of \$24,553 in capital assets for the year. 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 \$35,052, which will be paid in full within three years and certificates of indebtedness of \$36,000. During the year ended June 30, 2016, \$53,356 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, 2016 is \$1,096,561. Net Pension obligation associated with the Pension Plan at June 30, 2016 is \$721,467.

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 26, 2016

BASIC FINANCIAL STATEMENTS

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

STATEMENT OF NET POSITION
June 30, 2016

ASSETS	
Cash and cash equivalents	\$1,489,557
Receivables	479,729
Prepaid expenses	1,666
Due from other funds	4,069
Inventory	26,617
Capital assets (net of accumulated depreciation)	193,943
TOTAL ASSETS	<u>2,195,581</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	293,827
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$2,489,408</u>
LIABILITIES	
Accounts payable	\$652,000
Salaries payable	85,758
Withholdings payable	62,626
Bank loan payable	1,311,000
Due to Sheriff	123,391
Net pension liability	721,467
Net OPEB obligation	1,096,561
Long-term liabilities:	
Due within one year	55,030
Due in more than one year	16,022
TOTAL LIABILITIES	<u>4,123,855</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	192,563
NET POSITION	
Invested in capital assets, net of related debt	158,890
Unrestricted	(1,985,900)
TOTAL NET POSITION	<u>(1,827,010)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$2,489,408</u>

The accompanying notes are an integral part of this statement.

Statement B

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2016

Public safety:	
Personal services	\$3,559,079
Operating services	1,112,167
Materials and supplies	799,131
Travel and other	19,361
Interest expense	54,582
Depreciation expense	46,344
Total Program Expenses	<u>5,590,664</u>
Program revenues:	
Commissions on licenses and taxes	1,278
Civil and criminal fees	63,821
Court attendance	1,870
Feeding and keeping prisoners	3,232,272
Other revenues	312,950
Total program revenues	<u>3,612,191</u>
Net Program Expenses	<u>(1,978,473)</u>
General revenues:	
Taxes:	
Ad valorem	1,329,793
Sales tax	103,992
Grants and contributions not restricted to specific programs:	
Federal sources	11,510
State sources:	
State revenue sharing (net)	32,032
State supplemental pay	78,805
Other	114,655
Local sources	56,235
Use of money and property	70,252
Other	60,603
Change in Net Position	<u>(120,596)</u>
NET POSITION	
Beginning of year - as restated	<u>(1,706,414)</u>
End of year	<u><u>(\$1,827,010)</u></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, 2016

MAJOR FUNDS.....		OTHER GOVERNMENTAL FUND COMMISSARY	TOTAL
	GENERAL FUND	DETENTION CENTER FUND		
ASSETS				
Cash and cash equivalents	\$491,482	\$968,776	\$29,299	\$1,489,557
Receivables	59,155	413,935	6,639	479,729
Prepaid expenses	1,666			1,666
Due from other funds	599,074			599,074
Inventory			26,617	26,617
TOTAL ASSETS	\$1,151,377	\$1,382,711	\$62,555	\$2,596,643
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$123,046	\$503,662	\$25,292	\$652,000
Salaries payable	29,383	56,375		85,758
Withholdings payable	62,626			62,626
Bank Loan payable	450,000	861,000		1,311,000
Due to Sheriff	123,391			123,391
Due to other funds		595,005		595,005
Total Liabilities	<u>788,446</u>	<u>2,016,042</u>	<u>25,292</u>	<u>2,829,780</u>
Fund equity (deficit):				
Restricted public safety		(633,331)	37,263	(596,068)
Unassigned	362,931			362,931
Total fund equity (deficits)	<u>362,931</u>	<u>(633,331)</u>	<u>37,263</u>	<u>(233,137)</u>
TOTAL LIABILITIES AND FUND EQUITY	\$1,151,377	\$1,382,711	\$62,555	\$2,596,643

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, 2016

Total Fund Balances at June 30, 2016 - Governmental Funds (Statement C)		(\$233,137)
Deferred outflows of resources		293,827
Cost of capital assets at June 30, 2016	\$1,259,792	
Less: Accumulated depreciation as of June 30, 2016	<u>(1,065,849)</u>	193,943
Long-term liabilities:		
Certificate of indebtedness payable	(36,000)	
Leases payable	(35,052)	
Net pension liability	(721,467)	
Net OPEB obligation	<u>(1,096,561)</u>	(1,889,080)
Elimination of interfund assets and liabilities:		
Due from other funds	595,005	
Due to other funds	<u>(595,005)</u>	
Deferred inflow of resources		<u>(192,563)</u>
Net Position at June 30, 2016 (Statement A)		<u><u>(\$1,827,010)</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, 2016

MAJOR FUNDS.....		OTHER GOVERNMENTAL FUND - COMMISSARY	TOTAL
	GENERAL FUND	DETENTION CENTER		
REVENUES				
Taxes				
Ad valorem	\$1,329,793			\$1,329,793
Sales tax	103,992			103,992
Intergovernmental revenues:				
Federal grants	11,510			11,510
State grants:				
State revenue sharing (net)	32,032			32,032
State supplemental pay	78,805			78,805
Other	114,655			114,655
Local grants	55,645	\$590		56,235
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	1,278			1,278
Civil and criminal fees	63,821			63,821
Court attendance	1,870			1,870
Feeding and keeping of prisoners	12,086	3,220,186		3,232,272
Use of money and property	719	69,533		70,252
Other	12,962	1,259	\$298,729	312,950
Total revenues	<u>1,819,168</u>	<u>3,291,568</u>	<u>298,729</u>	<u>5,409,465</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and related benefits	1,376,933	2,070,945		3,447,878
Operating services	310,652	798,913	2,602	1,112,167
Materials and supplies	119,162	495,349	184,620	799,131
Travel and other charges	18,537	824		19,361
Debt service	80,067	27,871		107,938
Capital outlay		24,553		24,553
Total expenditures	<u>1,905,351</u>	<u>3,418,455</u>	<u>187,222</u>	<u>5,511,028</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	(86,183)	(126,887)	111,507	(101,563)
OTHER FINANCING SOURCES (USE):				
Transfer in	50,843	122,650		173,493
Transfer out			(173,493)	(173,493)
Total Other Financing Sources	50,843	122,650	(173,493)	NONE

(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	TOTAL
	FUND	CENTER	FUNDS	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	(\$35,340)	(\$4,237)	(\$61,986)	(\$101,563)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	398,271	(629,094)	99,249	(131,574)
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$362,931</u>	<u>(\$633,331)</u>	<u>\$37,263</u>	<u>(\$233,137)</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, 2016

Total net change in fund balances - governmental funds (Statement D)	(\$101,563)
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.	18,356
The 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 carried to the statement of net position.	35,000
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.	(169,203)
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.	(21,791)
Non-employer contributions to cost-sharing pension plan	60,603
Pension expense	<u>58,002</u>
Change in net position of governmental activities (Statement B)	<u><u>(\$120,596)</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, 2016

	TAX COLLECTOR FUND	CRIMINAL FUND	INMATE FUND	TOTAL
ASSETS				
Cash and cash equivalents	\$558	\$67,374	\$26,135	\$94,067
	<u>\$558</u>	<u>\$67,374</u>	<u>\$26,135</u>	<u>\$94,067</u>
LIABILITIES				
Unsettled deposits due to:				
Other funds		\$1,134	\$2,935	\$4,069
Accounts payable		22		22
Others	\$558	66,218	23,200	89,976
Total Liabilities	<u>\$558</u>	<u>\$67,374</u>	<u>\$26,135</u>	<u>\$94,067</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, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying financial statements of the 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:

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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

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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.

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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

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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, 2016, the sheriff has cash and equivalents, net of cash overdrafts (book balances) totaling \$1,583,624 as follows:

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 Notes to the Financial Statements (Continued)

Demand deposits	\$1,573,324
Time deposits	10,000
Petty cash	<u>300</u>
Total	<u>\$1,583,624</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2016, are secured as follows:

Bank balances	<u>\$1,673,952</u>
Federal deposit insurance	\$1,024,658
Pledged securities (uncollateralized)	<u>1,050,357</u>
Total	<u>\$2,075,015</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, 2016.

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.

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

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Notes to the Financial Statements (Continued)

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

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

Total Net Position, June 30, 2015, as previously stated	(\$1,999,074)
Net Pension Liability at June 30, 2015	<u>(95,507)</u>
Total Net Position, June 30, 2015, Restated	<u><u>(\$2,094,581)</u></u>

2. RECEIVABLES

The receivables of \$479,729 at June 30, 2016, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes - Sales and use	\$8,764			\$8,764
Intergovernmental revenues -				
DOTD trash grants	43,300			43,300
Other state grants	2,370			2,370
Fees, charges, and commissions for services:				
Civil and criminal fees	754			754
Feeding and keeping prisoners	3,967	\$391,252		395,219
Miscellaneous		<u>22,683</u>	<u>\$6,639</u>	<u>29,322</u>
Total	<u><u>\$59,155</u></u>	<u><u>\$413,935</u></u>	<u><u>\$6,639</u></u>	<u><u>\$479,729</u></u>

3. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2016, are as follows:

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

	<u>Due To</u>	<u>Due From</u>
General Fund:		
Detention Center Fund		\$498,324
Detention Center Fund - Payroll		96,681
Criminal Fund		1,134
Inmate Fund		2,935
Detention Center Fund:		
General Fund	\$498,324	
General Fund - Payroll	96,681	
Criminal Fund - General Fund	1,134	
Inmate Fund - General Fund	2,935	
Total	<u>\$599,074</u>	<u>\$599,074</u>

4. CHANGES IN CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General Fund				
Vehicles	\$782,199			\$782,199
Weapons	9,387			9,387
Equipment	48,062			48,062
Sub-total General Fund	<u>839,648</u>	<u>NONE</u>	<u>NONE</u>	<u>839,648</u>
Detention Center Vehicles				
Buildings	80,000	\$24,553		104,553
Vehicles	315,590			315,590
Sub-total Detention Center	<u>395,590</u>	<u>24,553</u>	<u>NONE</u>	<u>420,143</u>
Total assets	1,235,238	24,553	NONE	1,259,791
Less accumulated depreciation	1,019,505	46,343		1,065,848
Net capital assets	<u>\$215,733</u>	<u>(\$21,790)</u>	<u>NONE</u>	<u>\$193,943</u>

5. 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

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Notes to the Financial Statements (Continued)

on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability.

Summary of Significant Accounting Policies.

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

The Sheriffs' Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2014.

Plan Description.

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

Substantially all employees of the 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 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.

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Notes to the Financial Statements (Continued)

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 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.

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Notes to the Financial Statements (Continued)

Disability Benefits

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

Survivor Benefits

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the members' final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits:

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

Back Deferred Retirement Option Plan (Back-DROP)

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the

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Notes to the Financial Statements (Continued)

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 13.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the 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, 2016, 2015, and 2014 were \$149,056, \$152,919, and \$151,687, respectively, equal to the required contributions for each year.

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

At June 30, 2016, the Sheriff reported a liability of \$721,467 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriffs' proportion of the net pension liability was based on a projection of the Sheriffs' long-term share of contributions to the pension plan relative to the projected contributions of all participating sheriffs', actuarially determined. At June 30, 2015, the Sheriffs' proportion was .1619 percent, which was a decrease of .0091 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Sheriff recognized pension expense of \$149,056. At June 30, 2015, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$200,963	\$415,608
Change in system deferred outflows and inflows of resources	(11,112)	(217,010)
Changes in proportionate share	(45,080)	(6,055)
Differences between Sheriff contributions and proportionate share of contributions		\$20
Sheriff contributions subsequent to the measurement date	\$149,056	
Total	\$293,827	\$192,563

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Notes to the Financial Statements (Continued)

\$293,827 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	(\$64,847)
2017	(64,847)
2018	(64,847)
2019	10,093
2020	(15,340)
Total	(199,788)

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

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

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St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

The morality rate assumptions were set after reviewing an experience study performed over the period July 1, 2004 through June 30, 2015. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality.

The discounted rate used to measure the total pension liability was 7.7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the Sheriffs' proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 7.6%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
Sheriffs' proportionate share of the net pension liability	\$1,383,573	\$721,467	\$164,844

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Tensas Parish Sheriffs Office's 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. Since GASB Codification Section P50 requires

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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’s 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 2016 and 2015, the Tensas Parish Sheriff’s Office’s portion of health care and life insurance funding cost for retired employees totaled \$10,757 and \$14,324, respectively.

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

Annual Required Contribution. The Tensas Parish Sheriff’s Office’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2015 is \$196,495.

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:

	2016	2015
Beginning Net OPEB Obligation	\$927,358	\$811,623
Annual required contribution	196,495	144,530
Interest on net OPEB obligation	37,094	32,465
ARC Adjustment	(53,629)	(46,936)
Annual OPEB cost (expense)	179,960	130,059
Contributions made	(10,757)	(14,324)
Increase in net OPEB obligation	169,203	115,735
Net OPEB obligation at end of year	<u>\$1,096,561</u>	<u>\$927,358</u>

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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 for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2016	\$ 179,960	5.98%	\$1,096,561
June 30, 2015	\$ 130,059	11.01%	\$927,358

Funded Status and Funding Progress. In 2016 and 2015, Tensas Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. As of July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2016 was \$1,465,029, which is defined as that portion, as determined by a particular actuarial cost method (the 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.

Actuarial Accrued Liability (AAL)	\$1,465,029
Actuarial Value of Plan Assets (AVP)	NONE
Unfunded Act. Accrued Liability (UAAL)	\$1,465,029
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$2,799,500
UAAL as a percentage of covered payroll	52.33%

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

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Tensas Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the 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 potential effects of legal or contractual funding limitations on the pattern of cost sharing between the 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

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

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

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%. 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 service. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement.

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

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

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). 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 Codification Section P50 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility. The unblended rates applicable after Medicare eligibility have been used.

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

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

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

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

7. LEASE PURCHASE PAYABLE

In January, 2016, the sheriff entered into a lease purchase agreement for a Chevrolet Tahoe. The lease agreement requires 48 monthly payments of \$891. In June, 2016 the sheriff entered in a lease purchase agreement for a Chevrolet Silverado. The lease agreement requires 48 monthly payments of \$775. The following is a summary of changes in lease transactions for the year ended June 30, 2016:

Balance at June 30, 2015	\$53,409
Additions	NONE
Reductions	<u>(18,356)</u>
Balance at June 30, 2016	<u>\$35,053</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, 2016:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$19,030	\$961	\$19,991
2018	15,250	287	15,537
2019	773	2	775
Total	<u>\$35,053</u>	<u>\$1,250</u>	<u>\$36,303</u>

8. LONG-TERM DEBT

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

	<u>Certificate of Indebtedness</u>
Long-term debt payable at June 30, 2015	\$71,000
Additions	NONE
Reductions	<u>(35,000)</u>
Long-term debt payable at June 30, 2016	<u>\$36,000</u>

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

Long-term debt payable at June 30, 2016, 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. \$36,000

The annual requirements to amortize all outstanding debt at June 30, 2016 is as follows:

<u>Year</u>	<u>Certificates of Indebtedness</u>	<u>Interest</u>	<u>Total</u>
2017	<u>\$36,000</u>	<u>\$1,710</u>	<u>\$37,710</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, 2015	\$115	NONE	\$60,345	\$14,445	\$74,905
Additions	6,285,313	\$17,732	289,798	441,684	7,034,527
Reductions	<u>(6,284,870)</u>	<u>(17,732)</u>	<u>(283,925)</u>	<u>(432,929)</u>	<u>(7,019,456)</u>
Balance at June 30, 2016	<u>\$558</u>	<u>NONE</u>	<u>\$66,218</u>	<u>\$23,200</u>	<u>\$89,976</u>

10. TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2016, the tax collector has cash and equivalents (book balances) of \$558.

11. AD VALOREM TAXES COLLECTED

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

Louisiana Forestry Service	\$9,382
Louisiana Tax Commission	2,183
Tensas Parish Assessor	349,264
Tensas Parish Police Jury	1,633,337
Tensas Parish School Board	2,064,772
Tensas Parish Sheriff	1,362,630
Tensas Parish Communications District (911)	175,737
Tensas Parish Council on Aging	117,342
Fifth District Levee Board	159,111

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

Fire District No. 1	\$401,055
Lake Bruin Recreation & Water	<u>12,825</u>
Total	<u><u>\$6,287,638</u></u>

12. TAX UNCOLLECTED AND UNSETTLED

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

Tensas Parish Assessor	\$207
Tensas Parish Police Jury	949
Tensas Parish School Board	1,183
Tensas Parish Sheriff	793
Tensas Parish Communications District (911)	101
Tensas Parish Council on Aging	67
Fifth District Levee Board	122
Fire District No. 1	<u>230</u>
Total	<u><u>\$3,652</u></u>

13. LITIGATION AND CLAIMS

At June 30, 2016, 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.

**14. 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.

15. LOUISIANA STATE POLICE INVESTIGATION

The Louisiana State Police has an on going investigation of the Tensas Parish Sheriff, which started in 2007, involving possible theft by an employee and the outcome has not been determined.

16. FUND DEFICIT

At June 30, 2016, the Detention Center Fund has a deficit fund balance of \$633,331. The deficit will be eliminated by reducing expenditures and the sheriff is working to increase 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, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes				
Ad valorem	\$1,230,000	\$1,329,793	\$1,329,793	
Sales tax	125,000	95,000	103,992	\$8,992
Intergovernmental revenues:				
Federal grants	26,000	6,000	11,510	5,510
State grants:				
State revenue sharing (net)	33,000	32,000	32,032	32
State supplemental pay	78,000	74,000	78,805	4,805
Other	111,600	111,100	114,655	3,555
Local funds	30,000	28,000	55,645	27,645
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	5,000	1,000	1,278	278
Civil and criminal fees	70,000	39,000	63,821	24,821
Court attendance	2,400	1,650	1,870	220
Feeding and keeping of prisoners	25,000	12,100	12,086	(14)
Use of money and property	475	575	719	144
Other	25,250	30,425	12,962	(17,463)
Total revenues	<u>1,761,725</u>	<u>1,760,643</u>	<u>1,819,168</u>	<u>58,525</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	1,259,903	1,359,903	1,376,933	(17,030)
Operating services	279,900	290,000	310,652	(20,652)
Materials and supplies	152,500	152,500	119,162	33,338
Travel and other charges	16,540	16,540	18,537	(1,997)
Debt service	155,000	155,000	80,067	74,933
Total expenditures	<u>1,863,843</u>	<u>1,973,943</u>	<u>1,905,351</u>	<u>68,592</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>(102,118)</u>	<u>(213,300)</u>	<u>(86,183)</u>	<u>127,117</u>
OTHER FINANCING SOURCES				
Transfers in		39,405	50,843	11,438
Total Other Financing Sources	<u>NONE</u>	<u>39,405</u>	<u>50,843</u>	<u>11,438</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES				
	<u>(102,118)</u>	<u>(173,895)</u>	<u>(35,340)</u>	<u>138,555</u>
FUND BALANCES AT BEGINNING OF YEAR				
	<u>300,000</u>	<u>422,514</u>	<u>398,271</u>	<u>(24,243)</u>
FUND BALANCES AT END OF YEAR				
	<u>\$197,882</u>	<u>\$248,619</u>	<u>\$362,931</u>	<u>\$114,312</u>

(Continued)

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER
For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Local grant	\$2,500	\$750	\$590	(\$160)
Fees, charges, and commissions for services -				
Feeding and keeping of prisoners	4,054,200	3,020,064	3,220,186	200,122
Use of money and property	40,000	56,253	69,533	13,280
Other revenues			1,259	1,259
Total revenues	<u>4,096,700</u>	<u>3,077,067</u>	<u>3,291,568</u>	<u>214,501</u>
EXPENDITURES				
Personal services and benefits	2,052,000	2,061,386	2,070,945	(9,559)
Operating services	931,400	792,119	798,913	(6,794)
Materials and supplies	648,800	468,378	495,349	(26,971)
Travel and other charges	2,000	1,000	824	176
Debt service	462,500	95,000	27,871	67,129
Capital outlay			24,553	(24,553)
Total expenditures	<u>4,096,700</u>	<u>3,417,883</u>	<u>3,418,455</u>	<u>(572)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	NONE	(340,816)	(126,887)	213,929
OTHER FINANCING SOURCE (USE)				
Transfer in			122,650	122,650
Total Other Financing Source (Use)	<u>NONE</u>	<u>NONE</u>	<u>122,650</u>	<u>122,650</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE				
	NONE	(340,816)	(4,237)	336,579
FUND BALANCES (Deficit) AT BEGINNING OF YEAR				
	<u>NONE</u>	<u>(629,094)</u>	<u>(629,094)</u>	
FUND BALANCES (Deficit) AT END OF YEAR				
	<u>NONE</u>	<u>(\$969,910)</u>	<u>(\$633,331)</u>	<u>\$336,579</u>

(Concluded)

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

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

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the 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, 2016**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$1,168,265	\$1,168,265	0.00%	\$3,037,939	38.46%
June 30, 2012	\$0	\$986,593	\$986,593	0.00%	\$2,771,019	35.60%
June 30, 2015	\$0	\$1,465,029	\$1,465,029	0.00%	\$2,799,500	52.33%

Note:

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

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

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2014	0.170980%	\$677,082	\$1,073,118	63.09%	87.34%
June 30, 2015	0.161854%	\$721,467	\$1,084,045	66.55%	86.16%

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, 2016

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$152,919	\$152,919	\$0	\$1,073,118	14.25%
June 30, 2015	\$149,056	\$149,056	\$0	\$1,084,045	13.75%

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
RICKY A. JONES, SHERIFF OF TENSAS PARISH

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

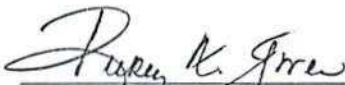
The following information is true and correct:

\$558 is the amount of cash on hand in the tax collector account on June, 30, 2016.

He further deposed and said:


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

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



RICKY A. JONES, SHERIFF
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 26th day of December, 2016, 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, 2016

RICKEY JONES, SHERIFF

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$127,880
Salary due to sheriff	25,925
Expense Allowance	2,314
Benefits-insurance	8,887
Benefits-retirement	24,737
Other - cellphone	1,800
Housing	218
Membership dues-Sheriffs Association	<u>10,808</u>
Total	<u><u>\$202,569</u></u>

TENSAS PARISH SHERIFF
St. Joseph, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2016

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes, 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, 2016

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	INMATE FUNDS	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$115</u>	NONE	<u>\$60,345</u>	<u>\$14,445</u>	<u>\$74,905</u>
ADDITIONS					
Deposits :					
Fines, bond forfeitures and costs			289,798		289,798
Suits and seizures		\$7,560			7,560
Garnishments		6,885			6,885
Taxes, fees, etc. paid to tax collector	6,285,313				6,285,313
Other additions		3,287		441,684	444,971
Total additions	<u>6,285,313</u>	<u>17,732</u>	<u>289,798</u>	<u>441,684</u>	<u>7,034,527</u>
Total	<u>6,285,428</u>	<u>17,732</u>	<u>350,143</u>	<u>456,129</u>	<u>7,109,432</u>
REDUCTIONS					
Deposits, taxes, fees, etc. settled to:					
Tensas Parish:					
Sheriff's General Fund	1,373,697	7,443	40,501		1,421,641
Clerk of Court	210	1,070	26,717		27,997
Police jury	1,566,661		75,486		1,642,147
School board	1,967,801				1,967,801
Assessor	361,708				361,708
Communications District (911)	164,618				164,618
Council on Aging	109,917				109,917
Louisiana Department of Agriculture	9,388				9,388
Louisiana Tax Commission	2,183				2,183
Levee district	157,283				157,283
District Attorney			51,512		51,512
Indigent defender board			49,687		49,687
Judicial Expense fund			4,982		4,982
Fire district no. 1	378,888				378,888
Attorneys, appraisers, etc.		600			600
Litigants		8,294			8,294
Northwest Louisiana Crime Lab			23,715		23,715
Commission on Law Enforcement			3,429		3,429
LTHSP			4,017		4,017
CMIS			2,991		2,991
Pension funds	174,831				174,831
Other reductions	17,685	325	888	432,929	451,827
Total reductions	<u>6,284,870</u>	<u>17,732</u>	<u>283,925</u>	<u>432,929</u>	<u>7,019,456</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>\$558</u>	NONE	<u>\$66,218</u>	<u>\$23,200</u>	<u>\$89,976</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, each major fund, and the aggregate remaining fund information of Tensas Parish Sheriff, a component unit of the Tensas Parish Police Jury as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Tensas Parish Sheriff's basic financial statements, and have issued my report thereon dated December 26, 2016.

Internal Control Over Financial Reporting

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

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2016

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tensas Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 16-01 in the accompanying schedule of findings and questioned costs.

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

December 26, 2016

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

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

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unqualified opinion on the 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

16-01 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, 2016

15-01 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 not been resolved and is repeated as finding 16-01.



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 26, 2016

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. The Detention Center was built at a time when the market was flooded with new construction. Therefore, there were many empty beds in many of these facilities across the state.

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.

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.

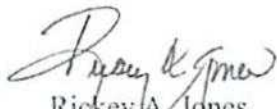
At present, we no longer house federal inmates due to the cost associated with housing them based on our census. We made additional cuts with our medical staff and in transportation. This has already saved the department additional money.

Our focus is on housing DOC inmates and seeking pretrial contracts from other parishes to elevate our numbers and generate a positive cash flow at the prison. We are in

the process of restructuring the bonds at the prison which will yield a substantial savings and decrease the debt service at the facility.

Given the facts I have outlined, 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:nrg