

**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

**Annual Financial Report**

**As of and for the Year Ended**  
**June 30, 2011.**

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

Release Date JAN 25 2012

**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

Annual Financial Report  
As of and for the Year Ended June 30, 2011

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**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

Annual Financial Report  
As of and for the Year Ended June 30, 2011

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# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

### West Carroll Parish Sheriff Oak Grove, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the West Carroll Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2011, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Sheriff as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**West Carroll Parish Sheriff  
Oak Grove, Louisiana**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the budgetary comparison information on pages 40 through 41, the schedule of funding progress for the retiree healthcare plan on page 43 and the Sheriff's sworn statement on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying information listed as Other Supplemental Information in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Juffery Huffman, Registered Accountant*

(A Professional Accounting Corporation)

December 30, 2011

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART A)**

**WEST CARROLL PARISH SHERIFF**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended June 30, 2011**

Management's discussion and analysis of the West Carroll Parish Sheriff's (the Sheriff's) financial performance provides an overall review of the Sheriff's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Sheriff's financial performance as a whole. The reader should read this discussion in conjunction with the Notes to the Basic Financial Statements and the financial statements, which are all included in this report, to enhance their understanding of the West Carroll Parish Sheriff's financial performance.

**Financial Highlights**

- Net assets decreased by \$134,471
- Total revenues decreased for the year
- Expenses increased
- Federal grants decreased

**Using this Annual Financial Report**

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the West Carroll Parish Sheriff as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Sheriff as a whole and present a longer-term view of the Sheriff's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the Sheriff. These statements provide more detail than the Government-wide Financial Statements about the services that were financed in the short term as well as what remains for future spending in the Sheriff's General Fund. The General Fund is the West Carroll Parish Sheriff's only significant fund.

**Reporting the Sheriff as a Whole**

**Statement of Net Assets and the Statement of Activities**

The Statement of Net Assets and the Statement of Activities report information about the Sheriff as a whole and his activities in a way to try to inform the reader as to how the Sheriff did financially during the 2010-11 fiscal year. In short, is the Sheriff better off financially or is he worse off financially than he was this time last year? These statements report all assets and liabilities of the Sheriff on the accrual basis of accounting similar to the accounting used by most

private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Sheriff's net assets and the change in those assets. This change in net assets is important because it tells the reader that, for the Sheriff as a whole, the financial position of the Sheriff improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the Sheriff include the parish's property tax base, the continued housing of State prisoners in the parish jail, and the state and federal governments continued funding of grants.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the Sheriff. Most of the Sheriff's programs and services are reported here including salaries and related benefits, operating services, statutory charges, and materials and supplies.

### **Reporting the Sheriff's Most Significant Fund (General Fund)**

#### **Fund Financial Statements**

The analysis of the Sheriff's General Fund, which is the Sheriff's only major fund, begins on page 8. Fund Financial Statements provide detailed information about the Sheriff's major fund (General Fund). The Sheriff uses one fund to account for his general operating financial transactions.

#### **Governmental Funds**

Most of the Sheriff's activities are reported as a governmental fund (General Fund), which focuses on how money flows into and out of this fund and the balance left at year-end available for spending in future periods. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the Sheriff's general government operations and the basic services he provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance protective and investigative programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is provided through reconciliations.

#### **The Sheriff as Trustee**

#### **Reporting the Sheriff's Fiduciary Responsibilities**

The Sheriff is the trustee, or fiduciary, for the Sheriff's Fund, the Tax Collector Fund, and the Work Release Program. The Sheriff's Fund, Tax Collector Fund, and Work Release Program account for assets held by the Sheriff as an agent for deposits held pending court action (Sheriff's Fund), for various taxing bodies (Tax Collector), and for the inmates' personal needs (Work Release Program). All of the Sheriff's fiduciary activities are reported in a separate Combining Schedule of Changes in Balances Due to Taxing Bodies and Others (Schedule 2) on page 44. These activities have been excluded from the Sheriff's other financial statements because the



Sheriff cannot use these assets to finance his operations. The Sheriff is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**The Sheriff as a Whole**

The Sheriff's net assets decreased by \$134,471 from \$85,010 at June 30, 2010 to a deficit of \$49,461 at June 30, 2011. Of the \$49,461 deficit in net assets at June 30, 2011, the unrestricted net assets reflected a deficit balance of \$308,740 and the restricted net assets was a positive balance of \$259,279. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the Sheriff's governmental activities.

**Table 1  
Governmental Activities  
Net Assets**

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Current and other assets	\$ 51,597	\$ 50,699
Capital assets, net	<u>259,279</u>	<u>249,209</u>
Total assets	<u>310,876</u>	<u>299,908</u>
<b>Liabilities</b>		
Current and other liabilities	100,720	83,634
Long-term liabilities	<u>259,617</u>	<u>131,264</u>
Total liabilities	<u>360,337</u>	<u>214,898</u>
<b>Net assets</b>		
Invested in capital assets, net of debt	259,279	249,209
Unrestricted	<u>(308,740)</u>	<u>(164,199)</u>
Total net assets	<u>\$ (49,461)</u>	<u>\$ 85,010</u>

The deficit balance of \$308,740 in the unrestricted assets represents the accumulated results of all past years' operations. It means that if the Sheriff had to pay off all of his bills today including all of his noncapital liabilities (compensated absences for example), he would not have enough funds to pay them off and would be short of funds by \$308,740.

The results of this year's operations for the Sheriff as a whole are reported in the Statement of Activities on page 13. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

**Table 2**  
**Governmental Activities**  
**Changes in Net Assets**

	Year Ended	
	June 30,	
	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
<b>Program revenues</b>		
Federal grants	\$ 95,008	\$ 149,126
<b>General revenues</b>		
Ad valorem taxes	619,451	649,730
Intergovernmental revenues	186,845	135,139
Fee, charges, and commissions for services	295,885	316,128
Use of money and property - interest earnings	89	287
Other general revenues	<u>36,491</u>	<u>42,541</u>
<b>Total revenues</b>	<u>1,233,769</u>	<u>1,292,951</u>
<b>Functions/Program Expenses</b>		
<b>Public safety</b>		
Personal services and related benefits	1,025,796	967,427
Operating services	116,194	107,780
Statutory charges	81,835	80,058
Materials and supplies	58,923	52,874
Travel and other charges	5,389	7,099
Depreciation expense	<u>80,104</u>	<u>44,437</u>
<b>Total expense</b>	<u>1,368,241</u>	<u>1,259,675</u>
<b>Increase (decrease) in net assets</b>	<u>\$ (134,472)</u>	<u>\$ 33,276</u>

**Governmental Activities**

As reported in the Statement of Activities on page 13, the net cost of governmental activities this year was \$1,273,232. The taxpayers in the parish provided \$619,451 in ad valorem taxes to help meet the total cost of governmental activities. Ad valorem tax revenue was down in 2010-11 by \$30,279 or 5 percent due mainly to an increase in protested taxes that will not be distributed until the protest is settled. The Sheriff collected \$295,885 from fees and commissions during the year to help meet the total cost of governmental activities which decreased slightly from the prior year.

Table 3 presents the total cost of each of the Sheriff's four largest functions – personal services and related benefits, operating services, statutory charges and materials and supplies, as well as

each function's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the Sheriff's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**  
**Governmental Activities**  
**Years Ended June 30, 2011 and 2010**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Personal services				
and related benefits	\$ 1,025,795	\$ 967,427	\$ 930,787	\$ 818,301
Operating services	116,194	107,780	116,194	107,780
Statutory charges	81,835	80,058	81,835	80,058
Material and supplies	58,923	52,874	58,923	52,874
Subtotal	<u>1,282,747</u>	<u>1,208,139</u>	<u>1,187,739</u>	<u>1,059,013</u>
All others	85,493	51,536	85,493	51,536
Total	<u>\$ 1,368,240</u>	<u>\$ 1,259,675</u>	<u>\$ 1,273,232</u>	<u>\$ 1,110,549</u>

### **The Sheriff's Funds**

The Sheriff uses the General Fund to help him control and manage money to provide police protection to the citizens of West Carroll Parish. Accounting for money of the General Fund in a separate fund helps the reader to determine whether the Sheriff is being accountable for the resources taxpayers and others provide to him and it may also give the reader more insight into the Sheriff's overall financial health.

The Sheriff's General Fund, which is the only Governmental Fund, had a deficit fund balance of \$21,309 at June 30, 2011. The fund balance deficit decreased \$11,625 over the previous year. The primary reason for the decrease in the deficit was the decrease in expenditures for vehicles and equipment.

### **General Fund Budgetary Highlights**

The Sheriff, in accordance with state law, must adopt a budget on the General Fund no later than fifteen days prior to the beginning of the fiscal year. In accordance with state law, the Sheriff may have unfavorable variances of 5 percent of total revenues or expenditures in a fund before he is legally required to amend the budget. The Sheriff adopted his 2010-11 budget on March 12, 2010, and revised the budget on February 23, 2011. The original estimated revenues increased by 6% or \$82,000 from \$1,297,100 to \$1,215,100 in the final amended budget. The change in budgeted revenues was attributable to the Sheriff receiving more in ad valorem tax revenue and less for feeding and keeping prisoners than originally anticipated. The estimated

expenditures decreased from the original budget to the final budget by \$111,500 primarily attributable to decreases in personal services and related benefits.

**Capital Assets**

Capital assets of the Sheriff used in performance of general operations of the Sheriff's office are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements as explained in the Notes to the Basic Financial Statements. In the Government-wide Financial Statements, the capital assets are recorded as assets at their original cost at the time of purchase or fair market value, if seized by the courts. Capital assets purchased by grantors and donated to the Sheriff are recorded as capital assets at their actual cost. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

At June 30, 2011, as reported on the Statement of Net Assets, the Sheriff had \$259,279 invested in a building and furniture and equipment, net of depreciation. Net capital assets increased by \$10,070 or 4 percent during the current fiscal year. The net increase in capital assets was primarily attributable to the acquisitions of public safety equipment. The Sheriff removed \$69,780 of fully depreciated capital assets from the inventory during the year. For more detail of capital assets, see Note 5 of the Notes to the Basic Financial Statements. Table 4 presents capital assets, net of depreciation, at June 30, 2011 and 2010.

**Table 4**  
**Governmental Activities**  
**Capital Assets, Net of Depreciation**  
**June 30, 2011 and June 30, 2010**

	<b>June 30,</b>	
	<b>2011</b>	<b>2010</b>
Furniture and equipment	\$ 259,279	\$ 249,209

**For the Future**

The Sheriff is optimistic that he will secure additional funding for operating his office and reduce his expenditures so that he can continue the level of services he is currently providing to the citizens of West Carroll Parish.

**Contacting the Sheriff's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Sheriff's finances and to show the Sheriff's accountability for the money he receives. If you have questions about this report or need additional financial information contact Jerry Philley, Sheriff of West Carroll Parish, at P.O. Box 744, Oak Grove, LA 71263 or by phone at (318) 428-2331 or by e-mail to [wcpso@yahoo.com](mailto:wcpso@yahoo.com).

**BASIC FINANCIAL STATEMENTS**

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

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**STATEMENT OF NET ASSETS**  
**GOVERNMENTAL ACTIVITIES**

June 30, 2011

**ASSETS**

Cash and cash equivalents (note 3)	\$ 7,372
Receivables (note 4)	44,225
Capital assets, net (note 5)	259,279
Total assets	<u>310,876</u>

**LIABILITIES**

Accounts payable and accrued expenses	72,906
Long-term liabilities (note 10)	
Due within one year	27,814
Due after one year	259,617
Total liabilities	<u>360,337</u>

**NET ASSETS**

Invested in capital assets	259,279
Unrestricted (deficit)	(308,740)
Total net assets	<u>\$ (49,461)</u>

See accompanying notes to the basic financial statements.

**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

**STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES**

For the Year Ended June 30, 2011

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>	<u>OPERATING GRANTS</u>	<u>CAPITAL GRANTS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
<b>FUNCTIONS/PROGRAMS</b>					
Current					
Public safety					
Personal services and related benefits	\$ 1,025,795	\$ 9,098	\$ 85,910	\$	(930,787)
Operating services	116,194	-	-	-	(116,194)
Statutory charges	81,835	-	-	-	(81,835)
Materials and supplies	58,923	-	-	-	(58,923)
Travel and other charges	5,389	-	-	-	(5,389)
Depreciation expense	80,104	-	-	-	(80,104)
<b>Total Governmental Activities</b>	<b>\$ 1,368,240</b>	<b>\$ 9,098</b>	<b>\$ 85,910</b>	<b>\$</b>	<b>(1,273,232)</b>
<b>GENERAL REVENUES</b>					
Ad valorem taxes					619,451
Intergovernmental revenues					
State of Louisiana					
Commission on state revenue sharing					45,693
State supplemental pay					64,927
Other					76,225
Fees, charges, and commissions for services					
Commissions on licenses, etc.					38,229
Civil and criminal fees					85,848
Court attendance					4,148
Transporting prisoners					13,340
Feeding and keeping prisoners					148,625
Tax notices, etc.					5,695
Use of money and property - interest earnings					89
Officer witness fees					4,204
Donated capital					4,650
Miscellaneous					27,637
<b>Total general revenues</b>					<b>1,138,761</b>
<b>CHANGES IN NET ASSETS</b>					<b>(134,471)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>					<b>85,010</b>
<b>NET ASSETS (DEFICIT) AT END OF YEAR</b>				<b>\$</b>	<b>(49,461)</b>

See accompanying notes to the basic financial statements.



**FUND FINANCIAL STATEMENT (FFS)**

WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND  
BALANCE SHEET

June 30, 2011

**ASSETS**

Cash and cash equivalents (note 3)	\$ 7,372
Receivables (note 4)	44,225
Total assets	<u>\$ 51,597</u>

**LIABILITIES AND FUND BALANCE (DEFICIT)**

**Liabilities**

Accounts payable and accrued expenses	<u>\$ 72,906</u>
<b>Fund balance (deficit)</b>	
Fund balance (deficit)	<u>(21,309)</u>
Total fund balance (deficit)	<u>(21,309)</u>
Total liabilities and fund balance (deficit)	<u>\$ 51,597</u>

See accompanying notes to the basic financial statements.

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**Reconciliation of the Governmental Funds'  
Balance Sheet to the Statement of Net Assets  
June 30, 2011**

Total fund balance (deficit)- Governmental Funds	\$	(21,309)
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The cost of capital assets (a building and furniture and equipment) purchased is reported as an expenditure in the Governmental Funds. The Statement of Net Assets includes those capital assets among the assets of the Sheriff as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the Governmental Funds.

Cost of capital assets	\$	606,858	
Accumulated depreciation		<u>(347,579)</u>	259,279

Long term liabilities applicable to the Sheriff's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets. At June 30, 2011, the Sheriff had the following balances in long-term liabilities:

Compensated Absences		(1,500)	
Other Post Employment Benefits		<u>(285,931)</u>	<u>(287,431)</u>

<b>NET ASSETS (DEFICIT)</b>	<b>\$</b>	<b><u>(49,461)</u></b>
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**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**GOVERNMENTAL FUNDS - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**

**For the Year Ended June 30, 2011**

**REVENUES**

Ad valorem taxes	\$	619,451
Intergovernmental revenues		
State of Louisiana		
Commission of state revenue sharing		45,693
State supplemental pay		64,927
Other		76,225
Federal grants (note 15)		95,008
Fees, charges, and commissions for services:		
Commissions on licenses, etc.		38,229
Civil and criminal fees		85,848
Court attendance		4,148
Transporting prisoners		13,340
Feeding and keeping prisoners		148,625
Tax notices, etc.		5,695
Use of money and property - interest earnings		89
Officer witness fees		4,204
Miscellaneous		16,046
Total revenues		1,217,528

(Continued)

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**GOVERNMENTAL FUNDS - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (CONCLUDED)**

**For the Year Ended June 30, 2011**

**EXPENDITURES**

## Current

## Public safety

Personal services and related benefits	\$ 869,629
Operating services	116,194
Statutory charges	81,835
Materials and supplies	58,923
Travel and other charges	5,389
Capital outlay	90,174
Total expenditures	<u>1,222,144</u>

**EXCESS OF EXPENDITURES OVER REVENUES**

(4,616)

**OTHER FINANCING SOURCES**

Donated capital	4,650
Sale of equipment	11,591
Total other financing sources	<u>16,241</u>

**NET CHANGE IN FUND BALANCE**

11,625

**FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR**(32,934)**FUND BALANCE (DEFICIT) AT END OF YEAR**\$ (21,309)

See accompanying notes to the basic financial statements.

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**Reconciliation of the Governmental Funds'  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2011**

Net change in fund balance - Governmental Funds \$ 11,625

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period and the amount proceeds from sale of assets exceeded the gain from the sales of fixed assets:

Capital Outlays	\$ 90,174	
Depreciation	<u>(80,104)</u>	10,070

In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the Governmental Funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid):

Compensated Absences (vacation pay) used exceeded amounts earned	3,079	
Annual Other Post-Employment Benefits costs exceeded the premiums paid	<u>(159,245)</u>	<u>(156,166)</u>

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (134,471)**

**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

**FIDUCIARY FUNDS - AGENCY FUNDS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**

June 30, 2011

	<u>SHERIFF'S FUND</u>	<u>TAX COLLECTOR FUND</u>	<u>WORK RELEASE PROGRAM</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and cash equivalents (note 3)	\$ 278	\$ 694,498	\$ 43	\$ 694,819
Total assets	<u>\$ 278</u>	<u>\$ 694,498</u>	<u>\$ 43</u>	<u>\$ 694,819</u>
<b>LIABILITIES</b>				
Due to taxing bodies and others	\$ 278	\$ 694,498	\$ 43	\$ 694,819
Total liabilities	<u>\$ 278</u>	<u>\$ 694,498</u>	<u>\$ 43</u>	<u>\$ 694,819</u>

See accompanying notes to the basic financial statements.

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2011**

**INTRODUCTION**

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

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

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

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

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and



**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid by the parish police jury as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

**C. FUND ACCOUNTING**

The Sheriff uses funds to maintain his financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid the Sheriff by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Fund – General Fund**

Governmental Funds account for all of the Sheriff's general activities. This fund focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the Governmental Fund according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Sheriff. The following describes the Sheriff's governmental fund:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the primary operating fund of the Sheriff's office and accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and Federal laws and according to the Sheriff's policy.

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

**Fiduciary Fund**

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are Agency Funds. The Agency Funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections), for deposits held pending court action, and for inmates' personal accounts. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the Agency Funds have no measurement focus, but use the modified accrual basis of accounting.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund, Statements C and D, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustments, to a government-wide view of the Sheriff's operations.

The amounts reflected in the General Fund, Statements C and D, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The Governmental Fund uses the following practices in recording revenues and expenditures:

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2011**

**Revenues**

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

Interest income on interest-bearing demand deposits and time deposits are recorded at the end of each month when credited by the bank.

**Expenditures**

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

**Other Financing Sources**

Proceeds from the sale of fixed assets and/or donated capital are accounted for as other financing sources and are recognized when received.

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all of the financial activities of the Sheriff. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** – Program revenues included in the Statement of Activities (Statement B) are derived from State and Federal grants. Program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

**E. BUDGET PRACTICES**

The Sheriff adopts an annual cash budget on the General Fund prior to the beginning of each fiscal year. In accordance with Louisiana Revised Statutes 39:1301-1314 the Sheriff amends the budget when actual revenues are not meeting anticipated revenues by 5 percent or more and when actual expenditures are exceeding budgeted expenditures by 5 percent or more.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not used by the Sheriff in his accounting practices.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in petty cash and interest bearing demand deposits. Cash equivalents include amounts in time deposits. 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 or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**H. UNCOLLECTIBLE ALLOWANCE**

The statements contain no provision for uncollectible accounts. The Sheriff is of the opinion that such allowance would be immaterial in relation to the basic financial statements taken as a whole.

**I. CAPITAL ASSETS**

Capital assets, which include a building and furniture and equipment, are capitalized at historical cost, where the actual cost is known; or estimated fair market value of the asset on the date the asset is turned over to the Sheriff by the courts. Capital assets provided by another parish Sheriff through a grant and capital assets turned over to the Sheriff by the courts as a result of drug seizures are recorded as capital assets. Capital assets provided by the parish police jury through grants are recorded as capital assets at actual cost. The capital assets are depreciated over their estimated useful lives. The Sheriff considers assets with an initial individual cost of more than \$100 and an estimated useful life of 2 years or more as a capital asset.

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

Capital assets are recorded in the Statement of Net Assets and depreciation expense is recorded in the Statement of Activities. Estimated useful life is the Sheriff's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because the Sheriff feels that the salvage value is immaterial.

Straight-line depreciation is used on all capital assets based on the following estimated useful lives.

Building	5 years
Furniture and equipment	2 to 10 years

**J. COMPENSATED ABSENCES**

Full-time deputies of the Sheriff's office earn from 40 to 104 hours of annual leave each year depending on length of service with the Sheriff's office. Annual leave is earned each month. A maximum of 36 hours can be accumulated and carried forward into a new calendar year. Upon termination of employment, unused annual leave is paid to deputies at the deputies' current rates of pay.

Annual leave that has been claimed by deputies as of the end of the fiscal year is recorded as an expenditure in the year claimed. Annual leave accrued as of the end of the fiscal year is valued using deputies' current rates of pay and the total is included in the Statement of Net Assets as a long-term liability. The Sheriff and the deputies are not required to contribute to the retirement system for annual leave payments. Accrued annual leave will be paid from future years' resources.

Full-time deputies earn 80 hours of sick leave each year. Sick leave may not be accumulated and carried forward to a new calendar year. Upon termination of employment, unused sick leave is not paid to employees. At June 30, 2011, there are no accumulated and vested benefits relating to sick leave that require accrual or disclosure to conform with GASB Codification Section C60.

**K ESTIMATES**

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

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2011**

**L RISK MANAGEMENT**

The Sheriff carries insurance policies with no deductibles for liability, workman's compensation, and auto. The liability and auto insurance carry an aggregate limit of \$900,000. Property coverage for the Sheriff is carried by the West Carroll Parish Police Jury.

**M FUND EQUITY OF FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

**Note 2 - LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year ended June 30, 2011:

Authorized Millage	12.63
Levied Millage	12.63

The following are the top five principal taxpayers and their related ad valorem tax revenue for the Sheriff:

Tax Payer	Assessed Value	Assessed Valuation	Tax Revenue for Sheriff
Trunkline Gas Company	\$ 20,164,410	30.2%	\$ 254,676
Entergy Louisiana	\$ 2,118,370	3.2%	\$ 26,755
Southern Natural Gas	\$ 1,552,960	2.3%	\$ 19,614
Memphis Light, Gas & Water	\$ 1,210,750	1.8%	\$ 15,292
ANR Pipeline Company	\$ 1,089,290	1.6%	\$ 13,758

**Note 3 - CASH AND CASH EQUIVALENTS**

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2011, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$702,191 as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Assets and Liabilities	Total
Petty Cash	\$ 500	\$ -	\$ 500
Interest-bearing deposits	7	694,776	694,783
Noninterest-bearing deposits	6,865	43	6,908
<b>Total</b>	<b>\$ 7,372</b>	<b>\$ 694,819</b>	<b>\$ 702,191</b>

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

*Custodial credit risk – deposits.* These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and cash equivalents (bank balances other than these backed by the U.S. government) at June 30, 2011, are secured, as follows:

Bank balances	\$ <u>785,366</u>
Federal deposit insurance	369,190
Pledged securities	<u>416,176</u>
Total	\$ <u><u>785,366</u></u>

*Credit risk.* Under state law, the Sheriff may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Sheriff's cash balances are not exposed to credit risk.

*Concentration of credit risk.* The Sheriff does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

*Interest rate risk.* The Sheriff manages exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.



**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

**Note 4 - RECEIVABLES**

The General Fund receivables of \$44,225 at June 30, 2011, are as follows:

<u>Class of Receivable</u>	<u>Amount</u>
Revenues:	
Feeding and keeping prisoners	\$ 12,754
Grants	12,377
Civil and criminal fees	10,250
Reimbursements	3,165
Commissions on licenses, etc.	2,688
State supplemental pay	2,071
Transporting prisoners	648
Court attendance	272
Total	<u>\$ 44,225</u>

**Note 5 - CAPITAL ASSETS**

A summary of changes in capital assets (building and furniture and equipment) and depreciation follows:

	<u>June 30,</u> <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2011</u>
<b>Governmental Activities</b>				
<b>Capital assets, being depreciated</b>				
Building	\$ 1,336	\$ -	\$ -	\$ 1,336
Furniture and equipment	585,128	90,174	(69,780)	605,522
Total capital assets, being depreciated	<u>586,464</u>	<u>90,174</u>	<u>(69,780)</u>	<u>606,858</u>
<b>Less accumulated depreciation</b>				
Building	(1,336)	-	-	(1,336)
Furniture and equipment	(335,919)	(80,104)	69,780	(346,243)
Total	<u>(337,255)</u>	<u>(80,104)</u>	<u>69,780</u>	<u>(347,579)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 249,209</u>	<u>\$ 10,070</u>	<u>\$ -</u>	<u>\$ 259,279</u>

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

**Note 6 - PENSION PLAN**

*Plan Description.* Substantially all employees of the West Carroll Parish Sheriff are members of the Louisiana Sheriffs' Pension and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were 18 or older at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.50 percent for each year if total services is at least 12 but less than 15 years, 2.75 percent for each year if total services is at least 15 but less than 20 years, and 3 percent for each year if total services is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

*Funding Policy.* Plan members were required by state statute to contribute 10.0 percent of their annual covered salary during the 2010-11 fiscal year. The West Carroll Parish Sheriff was required to contribute at an actuarially determined rate. The rate for the 2010-11 fiscal year was 11.0 percent of the 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 West Carroll 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 West Carroll Parish Sheriff's contributions to the System,

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

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including the employee's portion for the years ending June 30, 2011, 2010, and 2009, were \$138,768, \$126,664, and \$106,754, respectively, equal to the required contributions for each year.

**Note 7 - OTHER POST-EMPLOYMENT BENEFITS**

*Plan Description.* The Sheriff participates in a group defined health, life and dental insurance benefit retirement plan authorized by Louisiana Revised Statute RS:33-1448, which is administered by the Louisiana Sheriffs' Association. The Plan provides health insurance for regular employees that retire at age 55 or older and at least 15 years of full-time service or that retire at any age with at least 30 years of service. The Sheriff pays 100% of the retirees' insurance premiums.

The Sheriff has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Sheriff recognizes the cost of postemployment benefits in the year when employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff has adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30, years, commencing with the 2010 liability.

*Annual OPEB Cost and Net OPEB Obligation.* The Sheriff's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). The Sheriff has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement NO. 45 for employers with plans that have fewer than 100 total members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Sheriff's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Sheriff's net OPEB obligation to the Plan:

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

Annual required contribution	\$	179,663
Interest on net OPEB obligation		5,390
Adjustment to annual required contribution		-
Annual OPEB cost		185,053
Contributions made		25,807
Increase in net OPEB obligation		159,246
Net OPEB obligation, beginning of year		126,685
Net OPEB obligation, end of year	\$	285,931

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011 and 2010 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
June 30, 2011	\$ 185,053	1.4%	\$ 285,931
June 30, 2010	\$ 140,341	1.0%	\$ 126,685

*Funding Policy, Funded Status, and Funding Progress.* The Plan is financed on a pay-as-you-go basis, therefore no funds are reserved for payment of future health insurance premiums. As of July 1, 2010, the actuarial accrued liability for benefits was \$1,553,615, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$641,245, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 242%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation

**WEST CARROLL PARISH SHERIFF**  
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and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

*Retirement age for active employees* - Active members were assumed to retire at the greater of the average historical retirement age of 58 years old or the age of attainment of eligibility for the retirement benefit.

*Marital status* - Marital status of members at the calculation date was assumed to continue throughout retirement.

*Mortality* - Life expectancies were based on mortality tables from the National Center for Health Statistics.

*Turnover* - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 5.2 percent initially, increased to an ultimate rate of 6.6 percent after eight years, was used.

*Inflation rate* - The expected long-term inflation assumption of 2.8 percent was based on projected changes in the Consumer Price Index (CPI) in *The 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

*Payroll growth rate* - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the Sheriff's short-term investment portfolio and revenue growth, a discount rate of 3 percent was used. In addition, a simplified version of the unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over thirty years.

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2011**

<b>Schedule of Funding Progress</b>						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded ALL (UAAL) (b - a)	Funded Ration (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
July 1, 2010	\$ -	\$1,553,615	\$1,553,615	0.0%	\$ 641,245	242%

**Note 8 - DEFERRED COMPENSATION PLAN**

The Sheriff offers a deferred compensation plan to employees of his office under the provisions of Internal Revenue Service Code 457 (Deferred Compensation Plan). The deferred compensation plan is strictly on a voluntary basis with only employee contributions being made to the Plan. At June 30, 2011, the Plan had assets with an approximate market value of \$12,916. The assets in the Plan are held in trust solely for the benefit of participants and their beneficiaries. Therefore, in accordance with GASB Statement No. 31, they are not reported in the Sheriff's financial statements.

**Note 9 - COMPENSATED ABSENCES**

At June 30, 2011, employees of the Sheriff have accumulated and vested \$1,500 of employee leave benefits, which were computed in accordance with GASB Codification Section C60. The leave benefits have been recorded in the Government-wide Financial Statements' Statement of Net Assets as a long-term liability and in the Statement of Activities as an expense.

**Note 10 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2011:

**WEST CARROLL PARISH SHERIFF**  
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**Notes to the Basic Financial Statements**  
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	Compensated Absences	Other Post- Employment Benefits	Total
Long-term obligations at July 1, 2010	\$ 4,579	\$ 126,685	\$ 131,264
Additions	21,721	185,053	206,774
Deductions	(24,800)	(25,807)	(50,607)
Long-term obligations at June 30, 2011	<u>\$ 1,500</u>	<u>\$ 285,931</u>	<u>\$ 287,431</u>
Amounts due within one year	<u>\$ 1,500</u>	<u>\$ 26,314</u>	<u>\$ 27,814</u>

**Note 11 - CHANGES IN AGENCY FUND BALANCES**

A summary of changes in Agency Fund balances due to taxing bodies and others for the year ended June 30, 2011, follows:

	Sheriff's Fund	Tax Collector Fund	Work Release Program	Total
Balance July 1, 2010	\$ 169	\$ 584,405	\$ 43	\$ 584,617
Additions	158,597	4,133,005	-	4,291,602
Deductions	(158,488)	(4,022,912)	-	(4,181,400)
Balance June 30, 2011	<u>\$ 278</u>	<u>\$ 694,498</u>	<u>\$ 43</u>	<u>\$ 694,819</u>

**Note 12 - TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others in the Agency Funds at June 30, 2011, as reflected on Statement E, include \$548,075 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$101,573. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**Note 13 - LITIGATION AND CLAIMS**

At June 30, 2011, the Sheriff was involved in one lawsuit for which no trial date has been set. The Sheriff's legal counsel believes there will be no liability to the Sheriff and any judgment against the Sheriff would be insured by the Louisiana Sheriff's Law Enforcement Program.

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2011**

**Note 14 - ON-BEHALF PAYMENTS**

The Sheriff's office is located in the parish courthouse. Expenditures for operation and maintenance of the parish courthouse, as required by statute, are paid by the West Carroll Parish Police Jury. These expenditures are not included in the accompanying Basic Financial Statements.

Certain employees of the West Carroll Parish Sheriff receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the Sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$64,927.

**Note 15 - FEDERAL FINANCIAL ASSISTANCE**

The Sheriff participated in the following Federal financial assistance programs during the year ended June 30, 2011:

<b>Federal Grantor/ Pass-Through Grantor/ Program Name</b>	<b>CFDA Number</b>	<b>Expenditures</b>
<b>Department of Homeland Security</b>		
<b>Passed through the Louisiana Governor's Office of Homeland Security</b>		
State Homeland Security Program	97.067	\$ <u>82,631</u>
		<u>82,631</u>
<b>Department of Justice</b>		
<b>Passed through the Louisiana Commission on Law Enforcement</b>		
Criminal Justice Technology Upgrades	16.738	3,279
<b>Passed through the Franklin Parish Sheriff on Law Enforcement</b>		
Byrne Memorial Justice Assistance Grant (JAG)	16.738	<u>9,098</u>
		<u>12,377</u>
Total		<u>\$ <u>95,008</u></u>



**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2011**

**Note 16 - SHORT TERM BANK LOANS**

The Sheriff obtained various bank loans during the year totaling \$260,000 from a local bank to help his cash flow until his ad valorem taxes were collected. The Sheriff was authorized by the Louisiana State Bond Commission to borrow up to \$300,000. The note was paid off as of June 30, 2011. Interest at the rate of 2.85% paid on these loans amounted to \$3,340. This line of credit expired on June 30, 2011.

**Note 17 - FUND DEFICITS**

The General Fund has a deficit of \$21,309. This deficit will be cleared by future tax revenues.

**Note 18 - SUBSEQUENT EVENTS**

In July 2011, the sheriff obtained a \$300,000 line of credit from a local bank secured by all revenues accruing to the General Fund. The interest rate on the line of credit was equal to 2.35 percent.

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART B)**

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2011

**General Fund - with Legally Adopted Budget**

The General Fund accounts for all activities of the Sheriff, except for the collection of fines, criminal and civil fees, and ad valorem taxes for others, which are accounted for in the Fiduciary – Agency Funds. The General Fund is the only fund legally required to adopt an annual budget.

**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

**GENERAL FUND**  
Budgetary Comparison Schedule (Cash Basis)

For the Year Ended June 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>BUDGETARY FUND BALANCE (DEFICIT)</b>				
<b>AT BEGINNING OF YEAR</b>	\$ (5,414)	\$ (51,142)	\$ (51,142)	\$ -
<b>RESOURCES (Inflows)</b>				
Ad valorem taxes	655,000	643,000	619,451	(23,549)
Intergovernmental revenues:				
Grants-Federal and Local	90,000	40,000	96,869	56,869
Commission on state revenue sharing	48,000	48,000	45,693	(2,307)
State and local supplemental pay	159,000	149,000	143,849	(5,151)
Fees, charges, and commissions for services:				
Commissions on licenses, etc.	33,000	33,000	37,809	4,809
Civil and criminal fees	98,500	90,500	86,042	(4,458)
Court attendance	5,000	5,000	4,148	(852)
Transporting prisoners	15,000	15,000	13,424	(1,576)
Feeding and keeping prisoners	171,100	156,100	151,031	(5,069)
Tax notices, etc.	9,000	6,000	5,695	(305)
Use of money and property - interest earnings	2,500	1,500	89	(1,411)
Miscellaneous	5,000	15,000	22,901	7,901
Other sources:				
Proceeds from sale of assets	6,000	13,000	11,591	(1,409)
<b>Total resources</b>	<u>1,297,100</u>	<u>1,215,100</u>	<u>1,238,592</u>	<u>23,492</u>
<b>Amounts available for appropriations</b>	1,291,686	1,163,958	1,187,450	23,492
<b>CHARGES TO APPROPRIATIONS (Outflows)</b>				
Current:				
Public safety:				
Personal services and related benefits	973,300	857,300	860,897	(3,597)
Operating services	114,500	119,000	107,997	11,003
Statutory charges	85,000	85,000	74,506	10,494
Materials and supplies	54,000	54,000	59,092	(5,092)
Travel and other charges	8,000	8,000	5,694	2,306
Capital outlay	56,000	56,000	90,175	(34,175)
<b>Total charges to appropriations</b>	<u>1,290,800</u>	<u>1,179,300</u>	<u>1,198,361</u>	<u>(19,061)</u>
<b>BUDGETARY FUND BALANCE</b>				
<b>AT END OF YEAR</b>	<u>\$ 886</u>	<u>\$ (15,342)</u>	<u>\$ (10,911)</u>	<u>\$ 4,431</u>

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

For the Year Ended June 30, 2011

**Budget and Budgetary Accounting**

The Sheriff utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

The proposed budget for the fiscal year ended June 30, 2011, was made available for public inspection on February 24, 2010. The proposed 2010-11 budget, prepared on the cash basis of accounting, was published in the official journal 14 days prior to the public hearing for comments from taxpayers, which was held at the West Carroll Parish Sheriff's office on March 12, 2010. The budget was legally adopted and amended, as necessary, by the Sheriff.

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

A system of encumbrance accounting is not used. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The following summary reconciles General Fund operations for the year from the budgetary basis (cash) to the GAAP basis of reporting.

<b>Revenues</b>	
Resources (Inflows) on budgetary basis - cash	\$ 1,238,592
Receivables, net	(4,823)
<b>Expenditures</b>	
Total charges to appropriations (Outflows) on budgetary basis - cash	(1,198,361)
Payables, net	<u>(23,783)</u>
Net change in fund balance on GAAP basis	11,625
Fund balance - June 30, 2010, GAAP basis	<u>(32,934)</u>
Fund balance - June 30, 2011, GAAP basis	<u><u>\$ (21,309)</u></u>

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**Schedule of Funding Progress**  
**For the Year Ended June 30, 2011**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2010	\$ -	\$ 1,553,615	\$ 1,553,615	0.0%	\$ 641,245	242%

**SUPPLEMENTAL INFORMATION**

**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

**FIDUCIARY FUND TYPE**  
**AGENCY FUNDS**

As of and for the Year  
Ended June 30, 2011

**FIDUCIARY FUNDS**

Fiduciary Funds account for assets held by the Sheriff in a trust or agency capacity.

**Sheriff's Fund**

*The Sheriff's Fund accounts for funds held in civil suits, sheriff's sales, and garnishments.*

**Tax Collector Fund**

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies. It also accounts for collections of bonds, fines, and costs and payments of these collections to the recipients in accordance with applicable laws.

**Work Release Program**

The Sheriff allows inmates to participate in a work release program. The inmates work in local business for wages. The wages are paid directly to the West Carroll Sheriff who deposits the wages in the Work Release Program Fund. The Sheriff receives one-half of the wages earned by the inmates for administrative expenses. The balance of the wages is accounted for in the inmates' individual accounts. The inmates direct the Sheriff as to how to spend the funds in their individual accounts.



**WEST CARROLL PARISH SHERIFF**  
Oak Grove, Louisiana

**AGENCY FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN BALANCES**  
**DUE TO TAXING BODIES AND OTHERS**

For the Year Ended June 30, 2011

	<b>SHERIFF'S FUND</b>	<b>TAX COLLECTOR FUND</b>	<b>WORK RELEASE PROGRAM</b>	<b>TOTAL</b>
<b>BALANCES AT BEGINNING OF YEAR</b>	\$ 169	\$ 584,405	\$ 43	\$ 584,617
<b>ADDITIONS</b>				
Deposits				
Suits, seizures, sales and other additions	158,589	474,456	-	633,045
Interest earnings	8	789	-	797
Taxes, fees, etc., paid to tax collector	-	3,657,760	-	3,657,760
Total additions	<u>158,597</u>	<u>4,133,005</u>	<u>-</u>	<u>4,291,602</u>
Total	<u>158,766</u>	<u>4,717,410</u>	<u>43</u>	<u>4,876,219</u>
<b>REDUCTIONS</b>				
Taxes, fees, etc., distributed to taxing bodies and others	-	4,022,912	-	4,022,912
Deposits settled to:				
Sheriff's General Fund	28,829	-	-	28,829
Clerk of Court	12,538	-	-	12,538
Litigants	107,105	-	-	107,105
Attorneys, appraisers, etc.	9,092	-	-	9,092
Other settlements	924	-	-	924
Total reductions	<u>158,488</u>	<u>4,022,912</u>	<u>-</u>	<u>4,181,400</u>
<b>BALANCES AT END OF YEAR</b>	<u>\$ 278</u>	<u>\$ 694,498</u>	<u>\$ 43</u>	<u>\$ 694,819</u>

See accompanying notes to the basic financial statements.

**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**SCHEDULE OF CASH ON HAND IN TAX COLLECTOR ACCOUNT**  
**June 30, 2011**

Cash on hand	\$ <u>304</u>
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**WEST CARROLL PARISH SHERIFF**  
**Oak Grove, Louisiana**

**SCHEDULE OF TAXES COLLECTED**  
**June 30, 2011**

<b>Taxing Authority</b>	<b><u>Taxes Collected</u></b>
LA Department of Agriculture and Forestry	\$ 2,328
LA Tax Commission	2,949
West Carroll Health Unit	49,024
West Carroll Parishwide Drainage	68,634
Tensas Basin Levee District	70,755
West Carroll Parish School Board Ward 1	104,334
West Carroll Parish Library	226,490
West Carroll Assessment District	247,576
West Carroll Parish School Board Regular	268,161
West Carroll Parish Police Jury (General Fund)	276,991
West Carroll Parish School Board Constitution	310,325
West Carroll Parish Road and Bridge	495,147
West Carroll Parish School Board Parish Wide	560,345
West Carroll Parish Law Enforcement	<u>619,174</u>
 Total	 \$ <u><u>3,302,233</u></u>

**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**SCHEDULE OF UNCOLLECTED TAXES  
June 30, 2011**

<b>Taxing Authority</b>	<b>Uncollected Taxes</b>
LA Department of Agriculture and Forestry	\$ -
LA Tax Commission	-
West Carroll Health Unit	-
West Carroll Parishwide Drainage	-
Tensas Basin Levee District	-
West Carroll Parish School Board Ward 1	-
West Carroll Parish Library	-
West Carroll Assessment District	-
West Carroll Parish School Board Regular	-
West Carroll Parish Police Jury (General Fund)	-
West Carroll Parish School Board Constitution	-
West Carroll Parish Road and Bridge	-
West Carroll Parish School Board Parish Wide	-
West Carroll Parish Law Enforcement	-
	<hr/>
<b>Total</b>	<b>\$ <u><u>-</u></u></b>

STATE OF LOUISIANA, PARISH OF WEST CARROLL

AFFIDAVIT

JERRY L. PHILLEY, SHERIFF OF WEST CARROLL PARISH

BEFORE ME, the undersigned authority, personally came and appeared, JERRY L. PHILLEY, the sheriff of West Carroll Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$303.88 is the amount of cash on hand in the tax collector account on June 30, 2011.

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2010, 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.

*Jerry L. Philley*  
Jerry L. Philley, Sheriff of West Carroll Parish

SWORN to and subscribed before me, Notary, this 17<sup>th</sup> day of November, 2011, in my office in Oak Grove, Louisiana.

*Amanda C. Chop*  
MANDY CHOP, Notary Public

*Amanda C. Chop* # *24682*  
(Print name) #

*at least*  
Commission

Amanda C. Chop  
Notary Public  
West Carroll Parish, LA  
Id# 24682

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Solgnier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA  
Lori Woodard, MBA, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDIT STANDARDS

**West Carroll Parish Sheriff  
Oak Grove, Louisiana**

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the West Carroll Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2011, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### *Internal Control over Financial Reporting*

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**West Carroll Parish Sheriff  
Oak Grove, Louisiana**

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 11-01.

The Sheriff's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Sheriff, Federal awarding agencies and pass-through entities, and other entities granting funds to the Sheriff and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Huffman, Hoffman, Reynolds, & Simpson*

(A Professional Accounting Corporation)

**December 30, 2011**



**WEST CARROLL PARISH SHERIFF  
Oak Grove, Louisiana**

**SCHEDULE OF FINDINGS AND RESPONSES**

**For the Year Ended June 30, 2011**

**11-01 Failure to Adhere to the Provisions of the Local Government Budget Act**

***Finding:***

The Sheriff adopted the 2010-11 budget on March 12, 2010, and revised the budget on February 23, 2011. Louisiana R.S. 39:1305 requires that the total of proposed expenditures shall not exceed the estimated funds available for the ensuing fiscal year. The revised budget reported a deficit of \$15,342.

***Recommendation:***

All future budgets should report the estimated funds available exceeding the estimated proposed expenditures in accordance with the Local Government Budget Act.

***Management's Correction Action Plan***

All future budgets will be made in accordance with the Local Government Budget Act.