

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

**Annual Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**June 30, 2012**  
**With Supplemental Information Schedules**

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

**Annual Financial Statements**  
**As of and for the Year Ended June 30, 2012**  
**With Supplemental Information Schedules**

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# MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

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## Independent Auditor's Report

### TENSAS PARISH SHERIFF

St. Joseph, Louisiana

I have audited the accompanying financial statements of the governmental activities and major fund of the Tensas Parish Sheriff, a component unit of Tensas Parish Police Jury, as of June 30, 2012, and for the year then ended, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tensas Parish Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Tensas Parish Sheriff as of June 30, 2012, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 10, the budgetary comparison information on pages 37 through 39, the schedule of funding progress for the retiree healthcare plan on page 40, and the affidavit on tax collector reporting on page 41 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' responses to my inquiries, the basic financial statements, and other knowledge I obtained

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
Independent Auditor's Report,  
June 30, 2012

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.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tensas Parish Sheriff's office basic financial statements as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Tensas Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 15, 2012, on my consideration of the Tensas Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



West Monroe, Louisiana  
December 15, 2012

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

**Management's Discussion and Analysis**  
June 30, 2012

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, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

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

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

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

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

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

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

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

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

The Tensas Parish Sheriff maintains 4 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Detention Center special revenue fund, which are considered to be a major funds. The Commissary Fund and Construction Fund data for the non-major governmental funds is provided in a separate column for non-major governmental funds.

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

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

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

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

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Tensas Parish Sheriff exceeded assets by



\$734,704. The largest portion of the Tensas Parish Sheriff's net assets reflects its investment in capital assets (furniture and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

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

#### STATEMENT OF NET ASSETS

|  | <u>2012</u>               | <u>2011</u>               |
|--|---------------------------|---------------------------|
| <b>ASSETS</b>                                    |                           |                           |
| Cash and cash equivalents                        | \$600,455                 | \$666,665                 |
| Receivables                                      | 752,011                   | 792,074                   |
| Prepaid expenses                                 | 16,532                    | 34,205                    |
| Due from other funds                             | 3,578                     | 3,915                     |
| Inventory  | 26,908                    | 12,067                    |
| Capital assets (net of accumulated depreciation) | <u>263,074</u>            | <u>460,440</u>            |
| <b>TOTAL ASSETS</b>                              | <b><u>\$1,662,558</u></b> | <b><u>\$1,969,366</u></b> |
| <b>LIABILITIES</b>                               |                           |                           |
| Accounts payable                                 | \$228,524                 | \$427,353                 |
| Salaries payable                                 | 47,379                    | 163,007                   |
| Withholdings payable                             | 44,927                    | 38,381                    |
| Bank loan payable                                | 1,250,000                 | 1,550,000                 |
| Due to other funds                               | 137                       |                           |
| Due to Sheriff                                   | 39,057                    | 25,807                    |
| Net OPEB obligation                              | 587,498                   | 391,856                   |
| Long-term liabilities:                           |                           |                           |
| Due within one year                              | 63,740                    | 132,117                   |
| Due in more than one year                        | <u>136,000</u>            | <u>199,740</u>            |
| <b>TOTAL LIABILITIES</b>                         | <b><u>2,397,262</u></b>   | <b><u>2,928,261</u></b>   |
| <b>NET ASSETS</b>                                |                           |                           |
| Invested in capital assets, net of related debt  | 229,334                   | 323,583                   |
| Unrestricted                                     | <u>(964,038)</u>          | <u>(1,282,478)</u>        |
| <b>TOTAL NET ASSETS</b>                          | <b><u>(\$734,704)</u></b> | <b><u>(\$958,895)</u></b> |

#### STATEMENT OF ACTIVITIES

|                                  | <u>2012</u>               | <u>2011</u>               |
|----------------------------------|---------------------------|---------------------------|
| <b>Public safety:</b>            |                           |                           |
| Personal services                | \$3,802,243               | \$4,341,689               |
| Operating services               | 1,407,961                 | 1,058,730                 |
| Materials and supplies           | 933,587                   | 1,009,991                 |
| Travel                           | 58,825                    | 17,304                    |
| Debt service - interest          | 423,438                   | 850,150                   |
| Depreciation expense             | <u>184,323</u>            | <u>121,253</u>            |
| <b>Total Program Expenses</b>    | <b><u>\$6,810,377</u></b> | <b><u>\$7,399,117</u></b> |
| <b>Program revenues:</b>         |                           |                           |
| Commissions on license and taxes | 44,059                    | 32,798                    |
| Civil and criminal fees          | 106,330                   | 102,092                   |

|   |                           |                           |
|---|---------------------------|---------------------------|
| Court attendance  | \$1,666                   | \$2,414                   |
| Feeding prisoners   | 5,078,893                 | 4,541,786                 |
| Other revenues  | <u>332,279</u>            | <u>431,344</u>            |
| Total program revenues  | <u>5,563,227</u>          | <u>5,110,434</u>          |
| Net Program Expenses  | <u>(1,247,150)</u>        | <u>(2,288,683)</u>        |
| General revenues:   |                           |                           |
| Taxes   |                           |                           |
| Ad valorem  | 1,042,860                 | 961,424                   |
| Sales tax   | 125,320                   | 108,854                   |
| Grants and contributions not restricted to specific programs: |                           |                           |
| Federal sources   | 11,752                    | 83,204                    |
| State sources:  |                           |                           |
| State revenue sharing (net)                                   | 33,639                    | 33,779                    |
| State supplemental pay  | 82,500                    | 94,838                    |
| Other state grants  | 117,230                   | 120,971                   |
| Local sources   | 37,702                    | 108,375                   |
| Interest earned   | 9,798                     | 62,831                    |
| Special items:  |                           |                           |
| Proceeds from insurance                                       | 8,183                     | 14,565                    |
| Proceeds from sale of assets                                  |                           | 1,426                     |
| Gain (Loss) on disposal of assets                             | <u>2,357</u>              | <u>5,669</u>              |
| Change in Net Assets  | 224,191                   | (692,747)                 |
| Net Assets - Beginning of year                                | <u>(958,895)</u>          | <u>(266,148)</u>          |
| Net Assets - End of year                                      | <u><u>(\$734,704)</u></u> | <u><u>(\$958,895)</u></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, 2012, combined governmental fund deficit of (\$210,540) showed an increase in fund balance of \$485,082 over June 30, 2011. The General Fund's portion of the unreserved, undesignated fund deficit of (\$12,208) shows a decrease (of approximately \$9,409) from the prior year amount. The Detention Center portion of the unreserved, undesignated fund deficit is (\$227,497), and shows an increase in fund balance (of approximately \$528,840) from the prior year amount.

### General Fund and Major Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget for the General Fund were due primarily to an increase in personal services, operating services, materials and supplies, and debt service. The difference in original and final budgeted revenues in the general fund were due to an increase in ad valorem taxes, sales taxes, civil and criminal fees, feeding and keeping prisoners and other revenues and decreases in federal grants, state supplemental pay, and other state revenue.

Differences between expenditures of the original budget and the final budget for the Detention Center Fund were due primarily to an increase in operating services and travel and other charges and decreases in personal services and debt service. The difference in original and final budgeted revenues in the general fund were due to an increase in local grant decreases in feeding and keeping prisoners and use of money and property.

There was no budget amendment in the commissary fund.

### **Capital Asset and Debt Administration**

**Capital assets.** The Tensas Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$263,074 (net of accumulated depreciation). This investment includes furniture, equipment, and weapons. There was no increase in capital assets for the year. There were deletions of \$21,659 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 \$33,740, which will be paid in full within three years and certificates of indebtedness of \$166,000. During the year ended June 30, 2012, \$132,117 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, 2012 is \$587,498.

### **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 15, 2012

**BASIC FINANCIAL STATEMENTS**

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

STATEMENT OF NET ASSETS  
June 30, 2012

**ASSETS**

|  |                           |
|--|---------------------------|
| Cash and cash equivalents                        | \$600,455                 |
| Receivables                                      | 752,011                   |
| Prepaid expenses                                 | 16,532                    |
| Due from other funds                             | 3,578                     |
| Inventory  | 26,908                    |
| Capital assets (net of accumulated depreciation) | <u>263,074</u>            |
| <b>TOTAL ASSETS</b>                              | <b><u>\$1,662,558</u></b> |

**LIABILITIES**

|                           |                         |
|---------------------------|-------------------------|
| Accounts payable          | \$228,524               |
| Salaries payable          | 47,379                  |
| Withholdings payable      | 44,927                  |
| Bank loan payable         | 1,250,000               |
| Due to other funds        | 137                     |
| Due to Sheriff            | 39,057                  |
| Net OPEB obligation       | 587,498                 |
| Long-term liabilities:    |                         |
| Due within one year       | 63,740                  |
| Due in more than one year | <u>136,000</u>          |
| <b>TOTAL LIABILITIES</b>  | <b><u>2,397,262</u></b> |

**NET ASSETS**

|   |                           |
|---|---------------------------|
| Invested in capital assets, net of related debt | 229,334                   |
| Unrestricted                                    | <u>(964,038)</u>          |
| <b>TOTAL NET ASSETS</b>                         | <b><u>(\$734,704)</u></b> |

The accompanying notes are an integral part of this statement.

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
STATEMENT OF ACTIVITIES  
June 30, 2012

|   |                    |
|---|--------------------|
| Public safety:  |                    |
| Personal services   | \$3,802,243        |
| Operating services  | 1,407,961          |
| Materials and supplies  | 933,587            |
| Travel and other  | 58,825             |
| Interest expense  | 423,438            |
| Depreciation expense  | <u>184,323</u>     |
| Total Program Expenses  | <u>6,810,377</u>   |
| Program revenues:   |                    |
| Commissions on licenses and taxes                             | 44,059             |
| Civil and criminal fees                                       | 106,330            |
| Court attendance  | 1,666              |
| Feeding and keeping prisoners                                 | 5,078,893          |
| Other revenues  | <u>332,279</u>     |
| Total program revenues  | <u>5,563,227</u>   |
| Net Program Expenses  | <u>(1,247,150)</u> |
| General revenues:   |                    |
| Taxes:  |                    |
| Ad valorem  | 1,042,860          |
| Sales tax   | 125,320            |
| Grants and contributions not restricted to specific programs: |                    |
| Federal sources   | 11,752             |
| State sources:  |                    |
| State revenue sharing (net)                                   | 33,639             |
| State supplemental pay  | 82,500             |
| Other   | 117,230            |
| Local sources   | 37,702             |
| Interest earned   | 9,798              |
| Special items:  |                    |
| Proceeds from insurance                                       | 8,183              |
| Gain (Loss) on disposal of assets                             | <u>2,357</u>       |
| Change in Net Assets  | 224,191            |
| <b>NET ASSETS</b>   |                    |
| Beginning of year   | <u>(958,895)</u>   |
| End of year   | <u>(\$734,704)</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, 2012

|  | .....MAJOR FUNDS..... |                             | OTHER<br>GOVERNMENTAL<br>FUND<br>COMMISSARY | TOTAL              |
|--|-----------------------|-----------------------------|---|--------------------|
|  | GENERAL<br>FUND       | DETENTION<br>CENTER<br>FUND |   |                    |
| <b>ASSETS</b>                                |                       |                             |   |                    |
| Cash and cash equivalents                    | \$491,895             | \$91,848                    | \$16,712                                    | \$600,455          |
| Receivables                                  | 42,529                | 679,181                     | 30,301                                      | 752,011            |
| Prepaid expenses                             | 16,532                |                             |   | 16,532             |
| Due from other funds                         | 154,397               |                             |   | 154,397            |
| Inventory                                    |                       |                             | 26,908                                      | 26,908             |
| <b>TOTAL ASSETS</b>                          | <b>\$705,353</b>      | <b>\$771,029</b>            | <b>\$73,921</b>                             | <b>\$1,550,303</b> |
| <b>LIABILITIES AND<br/>FUND EQUITY</b>       |                       |                             |   |                    |
| <b>Liabilities:</b>                          |                       |                             |   |                    |
| Accounts payable                             | \$53,795              | \$159,973                   | \$14,756                                    | \$228,524          |
| Salaries payable                             | 14,816                | 32,563                      |   | 47,379             |
| Withholdings payable                         | 34,756                | 10,171                      |   | 44,927             |
| Bank Loan payable                            | 575,000               | 675,000                     |   | 1,250,000          |
| Due to Sheriff                               | 39,057                |                             |   | 39,057             |
| Due to other funds                           | 137                   | 120,819                     | 30,000                                      | 150,956            |
| <b>Total Liabilities</b>                     | <b>717,561</b>        | <b>998,526</b>              | <b>44,756</b>                               | <b>1,760,843</b>   |
| <b>Fund equity (deficit):</b>                |                       |                             |   |                    |
| Restricted public safety                     |                       |                             | 29,165                                      | 29,165             |
| Unassigned                                   | (12,208)              | (227,497)                   |   | (239,705)          |
| <b>Total fund equity (deficits)</b>          | <b>(12,208)</b>       | <b>(227,497)</b>            | <b>29,165</b>                               | <b>(210,540)</b>   |
| <b>TOTAL LIABILITIES<br/>AND FUND EQUITY</b> | <b>\$705,353</b>      | <b>\$771,029</b>            | <b>\$73,921</b>                             | <b>\$1,550,303</b> |

The accompanying notes are an integral part of this statement.

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

**Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Assets**

**For the Year Ended June 30, 2012**

|  |                         |                                  |
|--|-------------------------|----------------------------------|
| <b>Total Fund Balances at June 30, 2012 - Governmental Funds (Statement C)</b> |                         | <b>(\$210,540)</b>               |
| <b>Cost of capital assets at June 30, 2012</b>                                 | <b>\$1,093,552</b>      |                                  |
| <b>Less: Accumulated depreciation as of June 30, 2012</b>                      | <b><u>(830,478)</u></b> | <b>263,074</b>                   |
| <b>Long-term liabilities:</b>  |                         |                                  |
| <b>Lease payable</b>   | <b>(33,740)</b>         |                                  |
| <b>Certificate of indebtedness payable</b>                                     | <b>(166,000)</b>        |                                  |
| <b>Net OPEB obligation</b>   | <b><u>(587,498)</u></b> | <b>(787,238)</b>                 |
| <b>Elimination of interfund assets and liabilities:</b>                        |                         |                                  |
| <b>Due from other funds</b>  | <b>150,819</b>          |                                  |
| <b>Due to other funds</b>  | <b><u>(150,819)</u></b> |                                  |
| <b>Net Assets at June 30, 2012 (Statement A)</b>                               |                         | <b><u><u>(\$734,704)</u></u></b> |

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, 2012

|  | .....MAJOR FUNDS..... |                     | OTHER<br>GOVERNMENTAL<br>FUND - | TOTAL            |
|--|-----------------------|---------------------|---------------------------------|------------------|
|  | GENERAL<br>FUND       | DETENTION<br>CENTER | COMMISSARY                      |                  |
| <b>REVENUES</b>  |                       |                     |                                 |                  |
| Taxes  |                       |                     |                                 |                  |
| Ad valorem   | \$1,042,860           |                     |                                 | \$1,042,860      |
| Sales tax  | 125,320               |                     |                                 | 125,320          |
| Intergovernmental revenues:                                  |                       |                     |                                 |                  |
| Federal grants   | 11,752                |                     |                                 | 11,752           |
| State grants:  |                       |                     |                                 |                  |
| State revenue sharing (net)                                  | 33,639                |                     |                                 | 33,639           |
| State supplemental pay                                       | 82,500                |                     |                                 | 82,500           |
| Other  | 117,230               |                     |                                 | 117,230          |
| Local grants   |                       | \$37,702            |                                 | 37,702           |
| Fees, charges, and commissions for services:                 |                       |                     |                                 |                  |
| Commissions on licenses and taxes                            | 44,059                |                     |                                 | 44,059           |
| Civil and criminal fees                                      | 106,330               |                     |                                 | 106,330          |
| Court attendance   | 1,666                 |                     |                                 | 1,666            |
| Feeding and keeping of prisoners                             | 19,915                | 5,058,978           |                                 | 5,078,893        |
| Use of money and property                                    | 1,417                 | 8,381               |                                 | 9,798            |
| Other  | 16,012                |                     | \$316,267                       | 332,279          |
| Total revenues   | <u>1,602,700</u>      | <u>5,105,061</u>    | <u>316,267</u>                  | <u>7,024,028</u> |
| <b>EXPENDITURES</b>  |                       |                     |                                 |                  |
| Public safety:   |                       |                     |                                 |                  |
| Current:   |                       |                     |                                 |                  |
| Personal services and related benefits                       | 1,257,798             | 2,348,803           |                                 | 3,606,601        |
| Operating services   | 315,642               | 1,085,442           | 6,877                           | 1,407,961        |
| Materials and supplies                                       | 143,325               | 636,707             | 153,555                         | 933,587          |
| Travel and other charges                                     | 18,908                | 39,917              |                                 | 58,825           |
| Debt service   | 40,606                | 490,354             | \$24,595                        | 555,555          |
| Total expenditures   | <u>1,776,279</u>      | <u>4,601,223</u>    | <u>185,027</u>                  | <u>6,562,529</u> |
| <b>EXCESS (Deficiency) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(173,579)</b>      | <b>503,838</b>      | <b>131,240</b>                  | <b>461,499</b>   |
| <b>OTHER FINANCING SOURCES (USE):</b>                        |                       |                     |                                 |                  |
| Proceeds from insurance                                      | 23,583                |                     |                                 | 23,583           |
| Transfer in  | 140,587               | 135,589             |                                 | 276,176          |
| Transfer out   |                       | (110,587)           | (165,589)                       | (276,176)        |
| Total Other Financing Sources                                | <u>164,170</u>        | <u>25,002</u>       | <u>(165,589)</u>                | <u>23,583</u>    |

(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                  |                           |
| <b>EXCESS (Deficiency) OF REVENUES<br/>AND OTHER SOURCES OVER<br/>EXPENDITURES AND OTHER USE</b> | <u>(\$9,409)</u>         | <u>\$528,840</u>          | <u>(\$34,349)</u>      | <u>\$485,082</u>          |
| <b>FUND BALANCE (DEFICIT)<br/>AT BEGINNING OF YEAR</b>   | <u>(2,799)</u>           | <u>(756,337)</u>          | <u>63,514</u>          | <u>(695,622)</u>          |
| <b>FUND BALANCE (DEFICIT)<br/>AT END OF YEAR</b>   | <u><u>(\$12,208)</u></u> | <u><u>(\$227,497)</u></u> | <u><u>\$29,165</u></u> | <u><u>(\$210,540)</u></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, 2012

|  |                  |
|--|------------------|
| Total net change in fund balances - governmental funds (Statement D)   | \$485,082        |
| Amounts reported for governmental activities in the Statement of Activities are different because:   |                  |
| Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.  | 103,117          |
| 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 assets.                                      | 29,000           |
| Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Assets and are not reflected in the Statement of Activities.             | (195,642)        |
| Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset is disposed.  | (13,043)         |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period. | <u>(184,323)</u> |
| Change in net assets of governmental activities (Statement B)  | <u>\$224,191</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, 2012

|                            | TAX<br>COLLECTOR<br>FUND | CIVIL<br>FUND | CRIMINAL<br>FUND | INMATE<br>FUND  | TOTAL           |
|----------------------------|--------------------------|---------------|------------------|-----------------|-----------------|
| <b>ASSETS</b>              |                          |               |                  |                 |                 |
| Cash and cash equivalents  | \$8,172                  | \$851         | \$41,137         | \$17,067        | \$67,227        |
| Due from other funds       | 103                      | 34            |                  |                 | 137             |
|                            | <u>\$8,275</u>           | <u>\$885</u>  | <u>\$41,137</u>  | <u>\$17,067</u> | <u>\$67,364</u> |
| <b>LIABILITIES</b>         |                          |               |                  |                 |                 |
| Unsettled deposits due to: |                          |               |                  |                 |                 |
| Other funds                |                          |               | \$1,579          | \$1,999         | \$3,578         |
| Others                     | \$8,275                  | \$885         | 39,558           | 15,068          | 63,786          |
| Total Liabilities          | <u>\$8,275</u>           | <u>\$885</u>  | <u>\$41,137</u>  | <u>\$17,067</u> | <u>\$67,364</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, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**A. REPORTING ENTITY**

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

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

**TENSAS PARISH SHERIFF**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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

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

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

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

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

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

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

## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

### Notes to the Financial Statements (Continued)

expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

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

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

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

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

#### **Governmental Fund Types**

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

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

**Fiduciary Fund Type - Agency Funds**

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

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

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

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



**TENSAS PARISH SHERIFF**

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

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

**Revenues**

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

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

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

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

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

**Expenditures**

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

**E. CASH AND CASH EQUIVALENTS**

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2012, the sheriff has cash and equivalents, net of cash overdrafts (book balances) totaling \$667,682 as follows:

|                 |                  |
|-----------------|------------------|
| Demand deposits | \$667,382        |
| Petty cash      | <u>300</u>       |
| Total           | <u>\$667,682</u> |

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

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2012, are secured as follows:

|                                       |                    |
|---------------------------------------|--------------------|
| Bank balances                         | <u>\$771,664</u>   |
| Federal deposit insurance             | \$421,659          |
| Pledged securities (uncollateralized) | <u>2,032,727</u>   |
| Total                                 | <u>\$2,454,386</u> |

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

**F. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$500 for capitalizing capital assets.

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

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

**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, 2012.

**H. VACATION AND SICK LEAVE**

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

**I. SALES AND USE TAXES**

On October 18, 1997, voters of the parish approved a one-half of one percent (1/2%) sales and use tax to be collected indefinitely. The proceeds of the tax, after paying reasonable and necessary costs of collection, is dedicated to operation of the law enforcement district. The Tensas Parish School Board acts as the collecting agent for the purpose of administration and collection of the tax. For its services, the school board receives reasonable and necessary costs of collection. Every agency that the school board collects a tax for pays a pro-rata share of the collection agency's expenses based on the amount of tax actually collected for them.

**2. RECEIVABLES**

The receivables of \$752,011 at June 30, 2012, are as follows:

| <u>Class of receivables:</u>                 | <u>General<br/>Fund</u> | <u>Detention<br/>Center</u> | <u>Other<br/>Governmental</u> | <u>Total</u> |
|--|-------------------------|-----------------------------|-------------------------------|--------------|
| Taxes - Sales and use                        | \$8,462                 |                             |                               | \$8,462      |
| Intergovernmental revenues -                 |                         |                             |                               |              |
| Federal grants                               | 11,752                  |                             |                               | 11,752       |
| Other state grants                           | 9,087                   |                             |                               | 9,087        |
| Fees, charges, and commissions for services: |                         |                             |                               |              |
| Civil and criminal fees                      | 1,187                   |                             |                               | 1,187        |
| Court attendance                             | 238                     |                             |                               | 238          |

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

| <u>Class of receivables:</u>  | <u>General Fund</u> | <u>Detention Center</u> | <u>Other Governmental</u> | <u>Total</u>     |
|-------------------------------|---------------------|-------------------------|---------------------------|------------------|
| Feeding and keeping prisoners | \$3,479             | \$678,181               |                           | \$681,660        |
| Miscellaneous                 | 8,324               | 1,000                   | \$30,301                  | 39,625           |
| Total                         | <u>\$42,529</u>     | <u>\$679,181</u>        | <u>\$30,301</u>           | <u>\$752,011</u> |

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

Individual balances due from/to other funds at June 30, 2012, are as follows:

|                                   | <u>Due To</u>    | <u>Due From</u>  |
|-----------------------------------|------------------|------------------|
| <b>General Fund:</b>              |                  |                  |
| Detention Center Fund             |                  | \$49,936         |
| Detention Center Fund - Payroll   |                  | 70,883           |
| Civil Fund                        | \$34             |                  |
| Criminal Fund                     |                  | 1,579            |
| Inmate Fund                       |                  | 1,999            |
| Commissary Fund                   |                  | 30,000           |
| Tax Collector Fund                | 103              |                  |
| <b>Detention Center Fund:</b>     |                  |                  |
| General Fund                      | 49,936           |                  |
| General Fund - Payroll            | 70,883           |                  |
| Civil Fund - General Fund         |                  | 34               |
| Criminal Fund - General Fund      | 1,579            |                  |
| Commissary Fund - General Fund    | 30,000           |                  |
| Tax Collector Fund - General Fund |                  | 103              |
| Inmate Fund - General Fund        | 1,999            |                  |
| Total                             | <u>\$154,534</u> | <u>\$154,534</u> |

**4. CHANGES IN CAPITAL ASSETS**

A summary of changes in office furnishings and equipment for the year ended June 30, 2012, follows:

|                                  | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|----------------------------------|--------------------------|------------------|------------------|-----------------------|
| <b>General Fund</b>              |                          |                  |                  |                       |
| Vehicles                         | \$666,613                |                  | (\$21,659)       | \$644,954             |
| Weapons                          | 9,387                    |                  |                  | 9,387                 |
| Equipment                        | 43,621                   |                  |                  | 43,621                |
| Sub-total General Fund           | <u>719,621</u>           | <u>NONE</u>      | <u>(21,659)</u>  | <u>697,962</u>        |
| <b>Detention Center Vehicles</b> |                          |                  |                  |                       |
| Buildings                        | 80,000                   |                  |                  | 80,000                |

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

|                               |                  |                    |                   |                  |
|-------------------------------|------------------|--------------------|-------------------|------------------|
| Vehicles                      | <u>\$315,590</u> |                    |                   | <u>\$315,590</u> |
| Sub-total Detention Center    | <u>395,590</u>   | <u>NONE</u>        | <u>NONE</u>       | <u>395,590</u>   |
| Total assets                  | 1,115,211        | NONE               | (\$21,659)        | 1,093,552        |
| Less accumulated depreciation | 654,771          | \$184,323          | (8,616)           | 830,478          |
| Net capital assets            | <u>\$460,440</u> | <u>(\$184,323)</u> | <u>(\$13,043)</u> | <u>\$263,074</u> |

**5. PENSION PLAN**

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

All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 4, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed after January 1, 2000 are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 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 Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Tensas Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.5 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, 2012, 2011, and 2010 were \$197,065, \$345,772, and \$317,395, respectively, equal to the required contributions for each year.

## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

### 6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

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

Life insurance coverage is continued to retirees and the blended rate (active and retired) is \$0.348 per \$1,000 of insurance. The employer pays 100% of the cost of the first \$10,000 of life insurance after retirement. The retiree may elect to continue additional voluntary insurance amounts in force at time of retirement, subject to an age-related reduction formula (reducing to 75% at age 65 and 50% at age 70. The retiree pays for the additional voluntary insurance but both that cost and the employer cost are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. We have assumed that 60% of currently active employees will elect to continue the voluntary additional life insurance after retirement.

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

**Fund Policy.** Until 2009, the Tensas Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (Tensas Parish Sheriff's Office portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2011/2012, Tensas Parish Sheriff's Office portion of health care funding cost for retired employees totaled \$24,015.

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

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

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

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

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

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

**Post employment Benefit Plan Eligibility Requirements.** Historically, most employees have not retired until 25 to 30 years of service. We have therefore assumed that employees retire three years after the earliest of the following: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 15 years of service. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement and continue through Medicare to death.

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

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

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

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays

TENSAS PARISH SHERIFF

St. Joseph, Louisiana

Notes to the Financial Statements (Continued)

100% of the cost of the medical benefits for the retiree only (not dependents). See the section below for details on Life Insurance benefits. The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

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

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Tensas Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Tensas Parish Sheriff's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Tensas Parish Sheriff's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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

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

**Net Post-employment Benefit Obligation OPEB (Asset).** The table below shows Tensas Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for the fiscal year ending June 30, 2012:

|  |                |
|--|----------------|
| Annual required contribution               | \$211,820      |
| Interest on net OPEB obligation            | 7,837          |
| Adjustment to annual required contribution | None           |
| Annual OPEB cost (expense)                 | <u>219,657</u> |



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

|  |                   |
|--|-------------------|
| Contributions made                       | <u>(\$24,015)</u> |
| Increase in net OPEB obligation          | 195,642           |
| Net OPEB obligation at beginning of year | <u>391,856</u>    |
| Net OPEB obligation at end of year       | <u>\$587,498</u>  |

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

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

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2012, Tensas Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$1,168,265, which is defined as that portion, as determined by a particular actuarial cost method (Tensas Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2011/2012, the entire actuarial accrued liability of \$1,168,265 was unfunded.

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

**7. LEASE PURCHASE PAYABLE**

In February, 2008 the sheriff entered into a lease purchase agreement for a 2008 Chevrolet Tahoe. The lease agreement requires 48 payments of \$751. In September, 2009, the sheriff entered into a lease purchase agreement for two 2009 Mercurys. The lease agreement requires 36 monthly payments of \$1,207. In September, 2009, the sheriff entered into a lease purchase agreement for seven vans and one bus. The lease agreement requires 36 monthly payments of \$7,336. The following is a summary of changes in lease transactions for the year ended June 30, 2012:

|                          |                  |
|--------------------------|------------------|
| Balance at June 30, 2011 | \$136,857        |
| Additions                | NONE             |
| Reductions               | <u>(103,117)</u> |
| Balance at June 30, 2012 | <u>\$33,740</u>  |

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

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, 2012:

|      | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|------|------------------|-----------------|-----------------|
| 2013 | <u>\$33,740</u>  | <u>\$430</u>    | <u>\$34,170</u> |

**8. LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended June 30, 2012:

|  | <u>Certificate of<br/>Indebtedness</u> |
|--|--|
| Long-term debt payable at<br>June 30, 2011 | \$195,000                              |
| Additions                                  | NONE                                   |
| Reductions                                 | <u>(29,000)</u>                        |
| Long-term debt payable at<br>June 30, 2012 | <u>\$166,000</u>                       |

Long-term debt payable at June 30, 2012, 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. \$166,000

The annual requirements to amortize all outstanding debt at June 30, 2012 is as follows:

| <u>Year</u> | <u>Certificates of<br/>Indebtedness</u> | <u>Interest</u> | <u>Total</u>     |
|-------------|---|-----------------|------------------|
| 2013        | \$30,000                                | \$7,885         | \$37,885         |
| 2014        | 32,000                                  | 6,460           | 38,460           |
| 2015        | 33,000                                  | 4,940           | 37,940           |
| 2016        | 35,000                                  | 3,373           | 38,373           |
| 2017        | <u>36,000</u>                           | <u>1,710</u>    | <u>37,710</u>    |
| Total       | <u>\$166,000</u>                        | <u>\$24,368</u> | <u>\$190,368</u> |

**9. CHANGES IN AGENCY FUND BALANCES**

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

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

|                          | Tax<br>Collector<br>Fund | Civil<br>Fund | Criminal<br>Fund | Inmate<br>Funds | Total           |
|--------------------------|--------------------------|---------------|------------------|-----------------|-----------------|
| Balance at June 30, 2011 | \$56,620                 | NONE          | \$35,817         | \$31,344        | \$123,781       |
| Additions                | 4,756,674                | \$245,631     | 345,262          | 501,857         | 5,849,424       |
| Reductions               | (4,805,019)              | (244,746)     | (341,521)        | (518,133)       | (5,909,419)     |
| Balance at June 30, 2012 | <u>\$8,275</u>           | <u>\$885</u>  | <u>\$39,558</u>  | <u>\$15,068</u> | <u>\$63,786</u> |

**10. TAX COLLECTOR ENDING CASH BALANCE**

At June 30, 2012, the tax collector has cash and equivalents (book balances) totaling \$8,172 as follows:

|                           |                |
|---------------------------|----------------|
| Protest taxes             | \$6,999        |
| Interest on protest taxes | 1,275          |
| Due from General Fund     | <u>(102)</u>   |
| Total                     | <u>\$8,172</u> |

**11. AD VALOREM TAXES COLLECTED**

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2012, by taxing body as follows:

|                               |                    |
|-------------------------------|--------------------|
| Louisiana Forestry Service    | \$7,304            |
| Louisiana Tax Commission      | 1,688              |
| Tensas Parish Assessor        | 274,770            |
| Tensas Parish Police Jury     | 1,218,359          |
| Tensas Parish School Board    | 1,523,622          |
| Tensas Parish Sheriff         | 1,034,331          |
| Fifth District Levee Board    | 121,361            |
| Fire District No. 1           | 295,326            |
| Lake Bruin Recreation & Water | <u>12,450</u>      |
| Total                         | <u>\$4,489,211</u> |

**12. TAX UNCOLLECTED AND UNSETTLED**

The tax collector has no uncollected taxes for the year ended June 30, 2012.

### **13. LITIGATION AND CLAIMS**

At June 30, 2012, 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 two years ended 2010 and 2011. The legal council is in the process of filing a lawsuit for the amount of the debt service payments in the amount of \$76,161.

### **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 DEFICITS**

At June 30, 2012, the General fund has a fund deficit of \$12,208 and the Detention Center Fund has a deficit fund balance of \$227,497. The deficit will be eliminated by reducing expenditures and the sheriff is working with a consultant 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, 2012

|  | ORIGINAL<br>BUDGET | FINAL<br>BUDGET    | ACTUAL<br>(BUDGETARY<br>BASIS) | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|--------------------|--------------------|--------------------------------|--|
| <b>REVENUES</b>  |                    |                    |                                |  |
| Taxes  |                    |                    |                                |  |
| Ad valorem   | \$950,000          | \$1,035,000        | \$1,042,860                    | \$7,860                                |
| Sales tax  | 115,000            | 125,000            | 125,320                        | 320                                    |
| Intergovernmental revenues:  |                    |                    |                                |  |
| Federal grants   | 27,000             | 12,000             | 11,752                         | (248)                                  |
| State grants:  |                    |                    |                                |  |
| State revenue sharing (net)  | 31,000             | 33,600             | 33,639                         | 39                                     |
| State supplemental pay   | 90,000             | 82,500             | 82,500                         |  |
| Other  | 179,606            | 158,006            | 117,230                        | (40,776)                               |
| Fees, charges, and commissions for services:                                   |                    |                    |                                |  |
| Commissions on licenses and taxes  | 16,000             | 12,000             | 44,059                         | 32,059                                 |
| Civil and criminal fees  | 70,000             | 87,000             | 106,330                        | 19,330                                 |
| Court attendance   | 2,400              | 1,400              | 1,666                          | 266                                    |
| Feeding and keeping of prisoners   | 24,000             | 31,500             | 19,915                         | (11,585)                               |
| Use of money and property  | 500                | 420                | 1,417                          | 997                                    |
| Other  | 5,750              | 15,275             | 16,012                         | 737                                    |
| Total revenues   | <u>1,511,256</u>   | <u>1,593,701</u>   | <u>1,602,700</u>               | <u>8,999</u>                           |
| <b>EXPENDITURES</b>  |                    |                    |                                |  |
| Public safety:   |                    |                    |                                |  |
| Current:   |                    |                    |                                |  |
| Personal services and benefits   | 1,024,903          | 1,160,500          | 1,257,798                      | (97,298)                               |
| Operating services   | 285,250            | 331,000            | 315,642                        | 15,358                                 |
| Materials and supplies   | 138,650            | 165,650            | 143,325                        | 22,325                                 |
| Travel and other charges   | 16,290             | 18,890             | 18,908                         | (18)                                   |
| Debt service   | 29,200             | 49,200             | 40,606                         | 8,594                                  |
| Total expenditures   | <u>1,494,293</u>   | <u>1,725,240</u>   | <u>1,776,279</u>               | <u>(51,039)</u>                        |
| <b>EXCESS (Deficiency) OF REVENUES<br/>OVER EXPENDITURES</b>                   |                    |                    |                                |  |
|  | <u>16,963</u>      | <u>(131,539)</u>   | <u>(173,579)</u>               | <u>(42,040)</u>                        |
| <b>OTHER FINANCING SOURCES</b>   |                    |                    |                                |  |
| Proceeds from insurance  |                    |                    | 23,583                         | 23,583                                 |
| Transfers in   |                    |                    | 140,587                        | 140,587                                |
| Total Other Financing Sources  | <u>NONE</u>        | <u>NONE</u>        | <u>164,170</u>                 | <u>164,170</u>                         |
| <b>EXCESS (Deficiency) OF REVENUES AND<br/>OTHER SOURCES OVER EXPENDITURES</b> |                    |                    |                                |  |
|  | 16,963             | (131,539)          | (9,409)                        | 122,130                                |
| <b>FUND BALANCES (Deficit) AT<br/>BEGINNING OF YEAR</b>                        |                    |                    |                                |  |
|  | <u>50,000</u>      | <u>(2,799)</u>     | <u>(2,799)</u>                 | <u>NONE</u>                            |
| <b>FUND BALANCES (Deficit) AT END OF YEAR</b>                                  |                    |                    |                                |  |
|  | <u>\$66,963</u>    | <u>(\$134,338)</u> | <u>(\$12,208)</u>              | <u>\$122,130</u>                       |

(Continued)

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

**BUDGETARY COMPARISON SCHEDULE**  
**DETENTION CENTER**  
For the Year Ended June 30, 2012

|   | ORIGINAL<br>BUDGET | FINAL<br>BUDGET      | ACTUAL<br>(BUDGETARY<br>BASIS) | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|--------------------|----------------------|--------------------------------|--|
| <b>REVENUES</b>   |                    |                      |                                |  |
| Local grant   | \$40,000           | \$60,000             | \$37,702                       | (\$22,298)                             |
| Fees, charges, and commissions for services -<br>Feeding and keeping of prisoners               | 4,580,000          | 3,812,924            | 5,058,978                      | 1,246,054                              |
| Use of money and property   | 60,000             | 9,000                | 8,381                          | (619)                                  |
| Total revenues  | <u>4,680,000</u>   | <u>3,881,924</u>     | <u>5,105,061</u>               | <u>1,223,137</u>                       |
| <b>EXPENDITURES</b>   |                    |                      |                                |  |
| Personal services and benefits  | 2,390,530          | 2,265,000            | 2,348,803                      | (83,803)                               |
| Operating services  | 611,200            | 930,876              | 1,085,442                      | (154,566)                              |
| Materials and supplies  | 582,780            | 585,000              | 636,707                        | (51,707)                               |
| Travel and other charges  | 17,000             | 45,000               | 39,917                         | 5,083                                  |
| Debt service  | 1,078,000          | 828,000              | 490,354                        | 337,646                                |
| Total expenditures  | <u>4,679,510</u>   | <u>4,653,876</u>     | <u>4,601,223</u>               | <u>52,653</u>                          |
| <b>EXCESS (Deficiency) OF REVENUES<br/>OVER EXPENDITURES</b>                                    | 490                | (771,952)            | 503,838                        | 1,275,790                              |
| <b>OTHER FINANCING SOURCE (USE)</b>   |                    |                      |                                |  |
| Transfer in   |                    |                      | 135,589                        | 135,589                                |
| Transfer out  |                    |                      | (110,587)                      | (110,587)                              |
| Total Other Financing Source (Use)  | <u>NONE</u>        | <u>NONE</u>          | <u>25,002</u>                  | <u>25,002</u>                          |
| <b>EXCESS (Deficiency) OF REVENUES<br/>AND OTHER SOURCE OVER EXPENDITURES<br/>AND OTHER USE</b> | 490                | (771,952)            | 528,840                        | 1,300,792                              |
| <b>FUND BALANCES (Deficit) AT<br/>BEGINNING OF YEAR</b>   | <u>1,000</u>       | <u>(756,337)</u>     | <u>(756,337)</u>               |  |
| <b>FUND BALANCES (Deficit) AT END OF YEAR</b>   | <u>\$1,490</u>     | <u>(\$1,528,289)</u> | <u>(\$227,497)</u>             | <u>\$1,300,792</u>                     |

(Concluded)

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2012

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, 2012**

**Schedule of Funding Progress**

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

**Note:**

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

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:

\$8,172 is the amount of cash on hand in the tax collector account on June, 30, 2012.

He further deposed and said:

All itemized statements of the amount of taxes collected for the tax year, 2011, 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 15<sup>th</sup> day of December, 2012, in my office in St. Joseph, Louisiana.

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

**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

**TENSAS PARISH SHERIFF**  
**St. Joseph, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**For the Year Ended June 30, 2012**

**NON MAJOR FUNDS**

**COMMISSARY FUND**

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

**CONSTRUCTION FUND**

The Construction Fund accounts for construction projects.

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

Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Year Ended June 30, 2012

|  | SPECIAL<br>REVENUE -<br>COMMISSARY<br>FUND | CAPITAL<br>OUTLAY -<br>CONSTRUCTION<br>FUND | TOTAL           |
|--|--|---|-----------------|
| <b>REVENUES</b>  |  |   |                 |
| Other revenue  | \$316,267                                  |   | \$316,267       |
| Total revenues   | <u>316,267</u>                             | NONE  | <u>316,267</u>  |
| <b>EXPENDITURES</b>  |  |   |                 |
| Public safety:   |  |   |                 |
| Current:   |  |   |                 |
| Operating services   | 6,877                                      |   | 6,877           |
| Materials and supplies   | 153,555                                    |   | 153,555         |
| Debt service   |  | \$24,595                                    | 24,595          |
| Total expenditures   | <u>160,432</u>                             | <u>24,595</u>                               | <u>185,027</u>  |
| <b>EXCESS (Deficiency) OF REVENUES<br/>OVER EXPENDITURES</b>               | <u>155,835</u>                             | <u>(24,595)</u>                             | <u>131,240</u>  |
| <b>OTHER FINANCING USE -</b>   |  |   |                 |
| Transfer out   | (165,589)                                  |   | (165,589)       |
| <b>EXCESS (Deficiency) OF REVENUES<br/>OVER EXPENDITURES AND OTHER USE</b> | <u>(9,754)</u>                             | <u>(24,595)</u>                             | <u>(34,349)</u> |
| <b>FUND BALANCES AT<br/>BEGINNING OF YEAR</b>                              | <u>38,919</u>                              | <u>24,595</u>                               | <u>63,514</u>   |
| <b>FUND BALANCES AT<br/>END OF YEAR</b>                                    | <u>\$29,165</u>                            | NONE  | <u>\$29,165</u> |

**TENSAS PARISH SHERIFF**  
**St. Joseph, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and For the Year Ended June 30, 2012**

**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, 2012

|  | TAX<br>COLLECTOR<br>FUND | CIVIL<br>FUND  | CRIMINAL<br>FUND | INMATE<br>FUNDS | TOTAL            |
|--|--------------------------|----------------|------------------|-----------------|------------------|
| <b>UNSETTLED BALANCES DUE TO<br/>TAXING BODIES AND OTHERS<br/>AT BEGINNING OF YEAR</b> | <u>\$56,620</u>          | NONE           | <u>\$35,817</u>  | <u>\$31,344</u> | <u>\$123,781</u> |
| <b>ADDITIONS</b>   |                          |                |                  |                 |                  |
| Deposits :   |                          |                |                  |                 |                  |
| Fines, bond forfeitures and costs  |                          |                | 345,262          |                 | 345,262          |
| Suits and seizures   |                          | \$209,121      |                  |                 | 209,121          |
| Garnishments   |                          | 30,254         |                  |                 | 30,254           |
| Taxes, fees, etc. paid to tax collector  | 4,756,674                |                |                  |                 | 4,756,674        |
| Other additions  |                          | 6,256          |                  | 501,857         | 508,113          |
| Total additions  | <u>4,756,674</u>         | <u>245,631</u> | <u>345,262</u>   | <u>501,857</u>  | <u>5,849,424</u> |
| Total  | <u>4,813,294</u>         | <u>245,631</u> | <u>381,079</u>   | <u>533,201</u>  | <u>5,973,205</u> |
| <b>REDUCTIONS</b>  |                          |                |                  |                 |                  |
| Deposits, taxes, fees, etc. settled to:  |                          |                |                  |                 |                  |
| Tensas Parish:   |                          |                |                  |                 |                  |
| Sheriff's General Fund   | 1,090,076                | 56,441         | 56,180           |                 | 1,202,697        |
| Clerk of Court   | 525                      | 4,263          | 34,017           |                 | 38,805           |
| Police jury  | 1,262,249                |                | 97,038           |                 | 1,359,287        |
| School board   | 1,563,271                |                |                  |                 | 1,563,271        |
| Assessor   | 289,492                  |                |                  |                 | 289,492          |
| Louisiana Department of Agriculture  | 7,307                    |                |                  |                 | 7,307            |
| Louisiana Tax Commission   | 1,688                    |                |                  |                 | 1,688            |
| Levee district   | 130,583                  |                |                  |                 | 130,583          |
| District Attorney  |                          |                | 61,938           |                 | 61,938           |
| Indigent defender board  |                          |                | 50,305           |                 | 50,305           |
| Judicial Expense fund  |                          |                | 6,457            |                 | 6,457            |
| Fire district no. 1  | 298,632                  |                |                  |                 | 298,632          |
| Attorneys, appraisers, etc.  |                          | 2,200          |                  |                 | 2,200            |
| Litigants  |                          | 181,079        |                  |                 | 181,079          |
| Northwest Louisiana Crime Lab  |                          |                | 21,037           |                 | 21,037           |
| Commission on Law Enforcement  |                          |                | 4,632            |                 | 4,632            |
| LTHSP  |                          |                | 4,980            |                 | 4,980            |
| CMIS   |                          |                | 3,609            |                 | 3,609            |
| Pension funds  | 133,974                  |                |                  |                 | 133,974          |
| Other reductions   | 27,222                   | 763            | 1,328            | 518,133         | 547,446          |
| Total reductions   | <u>4,805,019</u>         | <u>244,746</u> | <u>341,521</u>   | <u>518,133</u>  | <u>5,909,419</u> |
| <b>UNSETTLED BALANCES<br/>DUE TO TAXING BODIES<br/>AND OTHERS AT END OF YEAR</b>       | <u>\$8,275</u>           | <u>\$885</u>   | <u>\$39,558</u>  | <u>\$15,068</u> | <u>\$63,786</u>  |

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



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

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

**MARY JO FINLEY, CPA, INC.**

*A PROFESSIONAL CORPORATION*

116 Professional Drive - West Monroe, LA 71291

Phone (818) 889-8880 - Fax (818) 889-8889

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

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

I have audited the basic financial statements of the Tensas Parish Sheriff, a component unit of the Tensas Parish Police Jury, as of and for the year ended June 30, 2012 and have issued my report thereon dated December 15, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
June 30, 2012

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tensas Parish Sheriff's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 12-01 in the accompanying schedule of findings and questioned costs.

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



West Monroe, Louisiana  
December 15, 2012

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

**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**

**12-01 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 general fund and detention center budgets for total expenditures that were greater than estimated funds available which left deficit fund balances.

**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, 2012

**11-01 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 12-01.

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 15, 2012

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

Dear Mr. Purpera:

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

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

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

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

*"This institution is an equal opportunity provider."*

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,

A handwritten signature in blue ink that reads "Rickey A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rickey A. Jones  
Sheriff Tensas Parish

RAJ:nrg