

ALLEN PARISH SHERIFF  
OBERLIN, LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

As of and for the Year Ended June 30, 2013

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# Stutzman & Gates, LLC

## Certified Public Accountants

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

### INDEPENDENT AUDITOR'S REPORT

Honorable Douglas L. Hebert, III  
Allen Parish Sheriff  
Oberlin, Louisiana

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Allen Parish Sheriff as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Allen Parish Sheriff's basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Allen Parish Sheriff, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As described in Note 17 to the financial statements, in 2013, the Allen Parish Sheriff adopted new accounting guidance, GASB Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows, and Net Position* and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements". Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 through 39, and Employee Health Care Plan-Schedule of Funding Progress on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Sheriff's basic financial statements. The Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, and Affidavit -Tax Collector Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, and Affidavit -Tax Collector Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Fiduciary Net Position-Agency Funds, Combining Statement of Changes in Assets and Liabilities-Agency Funds, Community Grant Agreement-Coushatta Tribe of Louisiana, and Affidavit -Tax Collector Fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2013, on our consideration of the Allen Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Allen Parish Sheriff's internal control over financial reporting and compliance.

*Stutzman & Gates, LLC*

Stutzman & Gates, LLC

Sulphur, Louisiana

December 17, 2013

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Statement of Net Position-Governmental Activities  
June 30, 2013

	GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash - Interest bearing	\$ 3,914,155
Investments	831
Receivables	135,882
Prepaid assets	11,634
Due from other governmental units	661,313
Capital assets:	
Land	106,328
Construction in progress-jail	90,031
Depreciable assets, net	1,451,937
TOTAL ASSETS	<u>6,372,111</u>
<b>LIABILITIES</b>	
Accounts and other accrued payables	236,098
Interest payable	2,755
Unearned revenue	35,375
Long-term liabilities:	
Due within one year	98,106
Due in more than one year	175,210
OPEB obligation	1,242,054
TOTAL LIABILITIES	<u>1,789,598</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,374,980
Restricted:	
Public safety	44,418
Capital outlay	3,402,388
Unrestricted	<u>(239,273)</u>
TOTAL NET POSITION	<u>\$ 4,582,513</u>

The accompanying notes are an integral part of this statement.



ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2013

FUNCTIONS/ PROGRAMS	Program Revenues				Governmental Activities
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary Government:					
Governmental activities:					
Public safety	\$ 5,165,026	\$ 694,126	\$ 231,485	\$ 439,150	\$ (3,800,265)
Interest on long-term debt	24,182	-	-	-	(24,182)
Total governmental activities	<u>\$ 5,189,208</u>	<u>\$ 694,126</u>	<u>\$ 231,485</u>	<u>\$ 439,150</u>	<u>\$ (3,824,447)</u>
GENERAL REVENUES					
Taxes:					
Ad valorem, levied for general purposes					1,452,501
Sales and use					2,579,759
State sources:					
State revenue sharing					130,287
State supplemental pay					172,828
Gain on sale of assets					2,083
Interest and investment earnings					10,345
Total General Revenues					<u>4,347,803</u>
CHANGE IN NET POSITION					523,356
NET POSITION-BEGINNING					<u>4,059,157</u>
NET POSITION-ENDING					<u>\$ 4,582,513</u>

The accompanying notes are an integral part of this statement.

## FUND FINANCIAL STATEMENTS

## **MAJOR FUND DESCRIPTIONS**

### **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **SPECIAL REVENUE FUNDS**

#### **E-911 Special Revenue Fund**

The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish.

#### **Coushatta Tribe of Louisiana Community Grant Fund**

The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

### **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Balance Sheet, Governmental Funds  
June 30, 2013

	General Fund	E-911 Fund	Coushatta Tribe of Louisiana Community Grant Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash - Interest bearing	\$ 579,739	\$ 41,584	\$ 12,321	\$ 3,280,511	\$ 3,914,155
Investments	831	-	-	-	831
Receivables:					
Due from other governmental units	661,313	-	-	-	661,313
Due from other funds	40,629	-	-	-	40,629
Other	426	25,900	108,339	1,217	135,882
<b>TOTAL ASSETS</b>	<b>\$ 1,282,938</b>	<b>\$ 67,484</b>	<b>\$ 120,660</b>	<b>\$ 3,281,728</b>	<b>\$ 4,752,810</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 39,207	\$ -	\$ -	\$ -	\$ 39,207
Accrued payroll liabilities	196,891	-	-	-	196,891
Unearned revenue	-	35,375	-	-	35,375
Due to other funds	-	40,629	-	-	40,629
<b>Total Liabilities</b>	<b>236,098</b>	<b>76,004</b>	<b>-</b>	<b>-</b>	<b>312,102</b>
Fund balances:					
Restricted:					
Public safety	44,418	-	-	-	44,418
Capital Outlay	-	-	120,660	3,281,728	3,402,388
Unassigned	1,002,422	(8,520)	-	-	993,902
<b>Total Fund Balances</b>	<b>1,046,840</b>	<b>(8,520)</b>	<b>120,660</b>	<b>3,281,728</b>	<b>4,440,708</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,282,938</b>	<b>\$ 67,484</b>	<b>\$ 120,660</b>	<b>\$ 3,281,728</b>	<b>\$ 4,752,810</b>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
June 30, 2013

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT JUNE 30, 2013		\$ 4,440,708
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets, net of accumulated depreciation		1,648,296
Certain insurance costs which are reported as expenditures in the year incurred in the governmental funds will benefit future periods and are recorded as prepaid insurance on the statement of net position.		11,634
Certain liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the statement of net position.		
Accrued interest payable	\$ (2,755)	
OPEB obligation	(1,242,054)	
Capital leases payable	(273,316)	(1,518,125)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT JUNE 30, 2013		<u>\$ 4,582,513</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2013

	GENERAL FUND	E-911 FUND	COUSHATTA TRIBE OF LOUISIANA COMMUNITY GRANT FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Taxes:					
Ad valorem taxes	\$ 1,452,501	\$ -	\$ -	\$ -	\$ 1,452,501
Sales taxes	2,579,759	-	-	-	2,579,759
Intergovernmental revenues -					
Federal grants	44,946	-	-	-	44,946
State grants	65,819	-	-	-	65,819
State revenue sharing	130,287	-	-	-	130,287
State supplemental pay	172,828	-	-	-	172,828
Local sources	132,522	3,525	427,348	-	563,395
Fees, charges and commissions for services:					
Civil and criminal fees	193,332	-	-	-	193,332
Court attendance	8,296	-	-	-	8,296
E-911 revenue	-	243,527	-	-	243,527
Feeding and keeping prisoners	123,863	-	-	-	123,863
Transporting prisoners	18,373	-	-	-	18,373
Other	26,654	-	-	-	26,654
Fines and forfeitures	78,639	-	-	-	78,639
Interest	5,855	36	37	4,417	10,345
<b>TOTAL REVENUES</b>	<b>5,033,674</b>	<b>247,088</b>	<b>427,385</b>	<b>4,417</b>	<b>5,712,564</b>
<b>EXPENDITURES</b>					
Current -					
Public safety:					
Personal services and related benefits	3,277,360	-	-	-	3,277,360
Operating services	204,570	252,009	-	-	456,579
Operations and maintenance	713,564	-	10	90	713,664
Capital outlay	113,226	191,016	288,886	114,182	707,310
Debt service:					
Principal	132,878	19,329	-	-	152,207
Interest	18,917	4,620	-	-	23,537
<b>TOTAL EXPENDITURES</b>	<b>4,460,515</b>	<b>466,974</b>	<b>288,896</b>	<b>114,272</b>	<b>5,330,657</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>573,159</b>	<b>(219,886)</b>	<b>138,489</b>	<b>(109,855)</b>	<b>381,907</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	-	-	125,000	125,000
Operating transfers out	-	-	(125,000)	-	(125,000)
Proceeds from the issuance of debt	29,985	158,000	-	-	187,985
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>29,985</b>	<b>158,000</b>	<b>(125,000)</b>	<b>125,000</b>	<b>187,985</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>603,144</b>	<b>(61,886)</b>	<b>13,489</b>	<b>15,145</b>	<b>569,892</b>
<b>FUND BALANCES, BEGINNING</b>	<b>443,696</b>	<b>53,366</b>	<b>107,171</b>	<b>3,266,583</b>	<b>3,870,816</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,046,840</b>	<b>\$ (8,520)</b>	<b>\$ 120,660</b>	<b>\$ 3,281,728</b>	<b>\$ 4,440,708</b>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013

NET CHANGE IN FUND BALANCE-TOTAL GOVERNMENTAL FUNDS	\$ 569,892
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Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures,  
however, in the statement of activities the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense. This is the amount by  
which capital outlay exceeded depreciation expense:

Capital outlay	\$ 707,310	
Depreciation expense	<u>(224,995)</u>	482,315

In the statement of activities some expenses do not require  
the use of current financial resources and therefore are not  
reported as expenditures in the governmental funds.

OPEB obligations exceed the prior year obligations	(307,478)
Prior year accrued interest payable exceeded the current year payable	1,263
Principal payments	152,207

Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(187,985)
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The governmental funds report sales of capital assets as other revenue, where the statement of activities reports either a gain or loss on the sale	(184,950)
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The governmental funds report certain expenditures when paid, where the  
statement of activities record expenditures in the period benefited as follows:

Prepaid insurance	<u>(1,908)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 523,356</u>
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The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2013

	Agency Funds
ASSETS	
Interest bearing deposits	\$ 348,589
Total assets	<u>\$ 348,589</u>
LIABILITIES	
Due to taxing bodies and others	\$ 348,589
Total liabilities	<u>\$ 348,589</u>

The accompanying notes are an integral part of this statement.



ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2013

## INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Allen Parish 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 court orders, and serving subpoenas.

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

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

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Allen Parish Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

#### B. Basis of Presentation

The accompanying basic financial statements of the Allen Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

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

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

The statement of activities presents a comparison between direct expenses and program revenues for the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements (FFS)**

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Sheriff reports the following governmental funds:

General Fund – is the primary operating fund of the Sheriff and it accounts for all financial resources except those that are required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws.

E-911 Special Revenue Fund-The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish. The Sheriff signed an intergovernmental agreement with the Allen Parish Police Jury on October 31, 1997 and assumed responsibility for the operation of the Allen Parish enhanced 911 services. Revenue to operate the service comes from a telephone service charge on local telephone service supplied within the parish.

Coushatta Tribe of Louisiana Community Grant Fund - The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

Capital Projects Fund- is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. Fiduciary funds are presented on an economic resources measurement focus and the modified accrual basis of accounting.

**C. Measurement Focus/Basis of Accounting**

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financial sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations.

The amounts reflected in the governmental 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. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. 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 taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus/Basis of Accounting**

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased. Debt service expenditures are recorded only when due.

Unearned Revenues

Unearned revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**D. Budget Practices**

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgeting is employed as a management control device during the year for the general and special revenue funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
3. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
4. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
5. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Any budgetary amendments must be approved by the Sheriff and are published in the official journal. Budget amounts included in the accompanying financial statements include the original adopted budget and the final amendment, if any.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash and Interest Bearing Deposits**

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**F. Investments**

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

**G. Short-term interfund receivables and payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical 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 \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	25-40 years
Equipment and furniture	5-12 years
Vehicles	5 years

**I. Deferred Outflows of Resources and Deferred Inflows of Resources**

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2013.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of capital leases payable and net OPEB obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

**K. Compensated Absences**

After six months of service, employees of the Sheriff's office are granted from one to three weeks of non-cumulative vacation leave annually. Sick leave is granted at the discretion of the Sheriff. At June 30, 2013, the Sheriff had no vested leave benefits required to be reported in accordance with generally accepted accounting principles.

**L. Equity Classifications**

Government-wide statements –

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

As of June 30, 2013, the Sheriff had \$3,446,806 in restricted net position for public safety and capital outlay.

Fund financial statements –

Governmental fund equity is classified as fund balance. As such, fund balance of the governmental funds are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for the specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority. Commitments cannot be used for any other purpose unless the same action/person that established them decides to modify or remove them.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Equity Classifications**

4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Amounts can only be assigned by the Sheriff.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

As of June 30, 2013, the Sheriff did not have any non-spendable, assigned, or committed fund balances. The Sheriff had a restricted fund balance in the general fund of \$44,418 for public safety, a restricted fund balance in the Coushatta Tribe of Louisiana Community Grant Fund of \$120,660 for capital outlay, and a restricted fund balance in the Capital Projects Fund of \$3,281,728 for capital outlay.

**M. Estimates**

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

**N. Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**O. 1% Sales and Use Tax**

Proceeds of the 1% sales tax and use tax levied by the Sheriff can be used for most operational expenditures. This tax does not expire.

**2. CASH AND INTEREST BEARING DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Allen Parish Sheriff, the Sheriff maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The Sheriff places no limit on the amount the Sheriff may invest in any one issuer. The Sheriff does not have a policy for custodial credit risk.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**2. CASH AND INTEREST BEARING DEPOSITS (CONTINUED)**

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2013, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$4,262,774 as follows:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Interest bearing deposits	\$ 3,914,155	\$ 348,589	\$ 4,262,744
	<u>\$ 3,914,155</u>	<u>\$ 348,589</u>	<u>\$ 4,262,744</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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.

Deposit balances (collected bank balances) at June 30, 2013 are secured as follows:

Bank balances	<u>\$ 4,462,412</u>
Federal deposit insurance	903,956
Uninsured & collateral held by the pledging bank not in the Sheriff's name	<u>3,558,456</u>
Total	<u>\$ 4,462,412</u>

**3. INVESTMENTS**

Investments held at June 30, 2013 consist of \$831 in the Louisiana Asset Management Pool (LAMP). In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.



ALLEN PARISH SHERIFF

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**3. INVESTMENTS (CONTINUED)**

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33.2955. GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

Lamp is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- a. Credit risk- LAMP is rated AAAm by Standard & Poor's.
- b. Custodial credit risk- LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public's entity's investment is with the pool, not the securities that make up the pool, therefore, no disclosure is required.
- c. Concentration of credit risk- Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Interest rate risk- LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 58 days as of June 30, 2013.
- e. Foreign currency risk- Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**4. AD VALOREM TAXES**

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Taxes are levied by the parish government in October and are actually billed to taxpayers by the Sheriff by November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. The taxes are based on assessed values determined by the Tax Assessor of Allen Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

The Sheriff has authorized and levied an ad valorem tax of 17.35 mills.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

5. RECEIVABLES

Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2013 consist of the following:

	<u>General Fund</u>
Grants	\$ 44,418
Salary agreement with the Allen Parish District Attorney	11,186
Fees, charges, and commissions for services:	
Civil and criminal fees	11,954
Feeding and keeping prisoners	7,701
Transporting prisoners	1,634
Ad valorem taxes	16,594
Sales taxes	567,826
Total	<u>\$ 661,313</u>

Other Receivables

Other receivables at June 30, 2013 are as follows:

Accrued interest - General Fund	\$ 426
Accrued interest - Capital Projects Fund	1,217
Telephone commission - E-911 Special Revenue Fund	25,900
Local source - Coushatta Tribe Community Grant Fund	108,339
Total	<u>\$ 135,882</u>

All receivables are deemed fully collectible, and accordingly, no allowance has been provided.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**6. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2013 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 82,178	\$ 24,150	\$ -	\$ 106,328
Construction in progress-jail	184,950	90,031	184,950	90,031
Total capital assets not being depreciated	<u>\$ 267,128</u>	<u>\$ 114,181</u>	<u>\$ 184,950</u>	<u>\$ 196,359</u>
Capital assets being depreciated				
Buildings and improvements	\$ 1,017,482	\$ 2,307	\$ -	\$ 1,019,789
Office equipment and furniture	652,124	308,960	-	961,084
Vehicles	1,090,173	281,862	52,200	1,319,835
Total capital assets being depreciated	<u>\$ 2,759,779</u>	<u>\$ 593,129</u>	<u>\$ 52,200</u>	<u>\$ 3,300,708</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (338,911)	\$ (25,489)	\$ -	\$ (364,400)
Office equipment and furniture	(466,215)	(74,040)	-	(540,255)
Vehicles	(870,850)	(125,466)	52,200	(944,116)
Total accumulated depreciation	<u>\$ (1,675,976)</u>	<u>\$ (224,995)</u>	<u>\$ 52,200</u>	<u>\$ (1,848,771)</u>

Depreciation expense, which includes amortization expense for capital leases, of \$224,995 for the year was charged to public safety. Major additions include police vehicles, land ,construction in progress, software, and a new 911 phone system.

For the year ended June 30, 2013 the Sheriff had \$300,720 in office equipment and furniture, with related accumulated amortization of \$93,608, that were classified as capital leases. For the year ended June 30, 2013 the Sheriff had \$216,792 in vehicles, with related accumulated amortization of \$123,586, that were classified as capital leases.

**7. LONG-TERM OBLIGATIONS**

The Sheriff's long-term obligations, which are for debt issued for the purchase of police cars, cameras and a new 911 system via capital leases, and other post-employment benefits, is attributable to governmental activities. The following is a summary of changes in long-term obligations for the year ended June 30, 2013.

	Capital Leases	Other Post- Employment Benefits	Total
Long-term obligations at June 30, 2012	\$ 237,538	\$ 934,576	\$ 1,172,114
Additions	187,985	307,478	495,463
Reductions	(152,207)	-	(152,207)
Long-term obligations at June 30, 2013	<u>\$ 273,316</u>	<u>\$ 1,242,054</u>	<u>\$ 1,515,370</u>

As of June 30, 2013 the current portion of capital leases payable was \$98,106 and the long term portion was \$175,210.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**7. LONG-TERM OBLIGATIONS (CONTINUED)**

The long-term debt, summarized above, consists of capital lease obligations under the following instruments and contracts:

\$158,000 capital lease dated December 1, 2012; due in monthly installments of \$2,994 through November 1, 2017; interest at 5.35 percent; secured by 911 phone system	\$ 138,672
\$29,985 capital lease dated January 23, 2013; annual installments of \$8,213 through January 23, 2016; interest at 6.45 percent; secured by one police vehicle	21,772
\$165,420 capital lease dated March 23, 2010, due in annual installments of \$37,801 through January 30, 2015; interest at 4.85 percent; secured by eight police vehicles	70,379
\$132,273 capital lease dated January 12, 2010; due in annual installments of \$14,640 through September 3, 2014; interest at 4.5 percent; secured by 30 police cameras	<u>42,493</u>
Total Long-Term Debt	<u>\$ 273,316</u>

The long-term debts represented by the capital leases are due as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 98,106	\$ 13,112	\$ 111,218
2015	88,855	8,037	96,892
2016	40,222	3,915	44,137
2017	31,362	4,563	35,925
2018	14,771	198	14,969
Total	<u>\$ 273,316</u>	<u>\$ 29,825</u>	<u>\$ 303,141</u>

The Sheriff's short-term debt included tax anticipation notes to assist with temporary deficits in cash flow during the latter part of the calendar year. The Sheriff began the current fiscal year with no short-term debt. During the current fiscal year, the Sheriff borrowed \$450,000 in short-term debt. The Sheriff paid this debt along with \$6,938 in interest before June 30, 2013. The ending balance on the short-term debt is zero.

**8. PENSION PLAN**

Substantially all full-time employees of the Allen Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer, cost-sharing, defined benefit, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is a public corporation created in accordance with the provisions of Louisiana Revised Statutes 11:2171 to provide retirement, disability and survivor benefits to the Sheriff and Deputy Sheriff members throughout the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802 or by calling (800)586-9049.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**8. PENSION PLAN (CONTINUED)**

Plan members are required to contribute 10% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25% of annual covered payroll. The contribution requirements of plan members and the Sheriff are established and may be amended by state statute. Beginning with the second pay period for the year ended June 30, 2013 the members began paying their share of the required contributions. The Sheriff's contributions to the retirement system for the years ended June 30, 2013, 2012, and 2011 were \$297,339, \$304,776, and \$318,148, respectively.

**9. DEFERRED COMPENSATION PLAN**

The Sheriff offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, \$20 per month, and contribute up to 100% of taxable compensation, not to exceed \$17,000 for the year ended June 30, 2013. The Sheriff does not match any contributions to this plan. Employee contributions for the year ended June 30, 2013 were \$8,800.

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway Suite 702; Baton Rouge, LA 70808; (800)937-7604 or (225)926-8086.

**10. CHANGES IN AGENCY FUND BALANCES**

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

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
Agency funds:				
Sheriff's Fund	\$ 219,273	\$ 1,479,519	\$ 1,444,681	\$ 254,111
Tax Collector Fund	651,326	13,138,367	13,698,533	91,160
Commission on Aging Fund	1,104	-	1,016	88
Inmate Welfare Fund	9,228	15,495	21,493	3,230
Deputy Witness Fee Fund	671	100	771	-
Total	<u>\$ 881,602</u>	<u>\$ 14,633,481</u>	<u>\$ 15,166,494</u>	<u>\$ 348,589</u>

**11. LITIGATION & CLAIMS**

There are no lawsuits pending against the Sheriff at June 30, 2013.

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

Part of the Sheriff's office is located in the parish courthouse and parish jail. The Allen Parish Police Jury, as required by statute, pays the cost of maintaining and operating the parish courthouse and the parish jail. These expenditures are not included in the accompanying basic financial statements.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**13. RISK MANAGEMENT**

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, group health and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

**14. POST RETIREMENT BENEFITS OTHER THAN PENSION**

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future years when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Sheriff began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description- The Sheriff contributes to a single-employer defined benefit health care plan ("the Retiree Health Plan"). The plan provides certain healthcare and life insurance benefits for eligible retirees and their spouses through the Sheriff's group health insurance plan, which covers both active and retired members. Pursuant to LA Revised Statute 33:1448(G), the Sheriff is required to pay 100% of the premiums on group health insurance and the first \$10,000 of life insurance for any deputy who, upon retirement, has attained the age of 55 with at least 15 years of service or has retired with 30 years of service at any age. Retirees may choose to continue coverage for their spouse at the retiree's expense. The Sheriff has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy- The monthly premiums for the retiree are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost- The Sheriff's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Sheriff utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability over a 30 year, open amortization period. The Sheriff has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers with plans that have fewer than 100 total members.

The following table shows the components of the Sheriff's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Sheriff's net OPEB obligation

Annual required contribution	\$ 453,181
Interest on net OPEB obligation	37,383
Adjustment to annual required contribution	(56,087)
Annual OPEB Cost	434,477
Contributions made	(126,999)
Increase in net OPEB obligation	307,478
Net OPEB obligation at beginning of year	934,576
Net OPEB obligation at end of year	<u>\$ 1,242,054</u>

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)**

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended 2013, 2012, and 2011 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
06/30/13	\$ 434,477	29.2%	\$ 1,242,054
06/30/12	\$ 440,984	26.3%	\$ 934,576
06/30/11	\$ 386,848	21.2%	\$ 609,468

Funded Status and Funding Progress

Based on the July 1, 2011 actuarial valuation, the most recent valuation, the funded status of the plan as of June 30, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 4,112,038
Actuarial valuations of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,112,038</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 2,401,265
UAAL as a percentage of covered payroll	171%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Sheriff's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of future costs. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because GASB Statement 45 requires an actuarial valuation at least triennially for plans with total participants of fewer than 200, only two years are presented in the schedule at this time. In future years, required trend data will be presented.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**14. POST RETIREMENT BENEFITS OTHER THAN PENSION (CONTINUED)**

In the July 1, 2011 actuarial valuation the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

- 1 Investment return of 4.0% per annum, compounded annually
- 2 Retirement Rates- (Rates are the same for both male and female)
 

Age	Rate
46-49	16.0%
50-54	7.0%
55-64	16.0%
65	26.0%
66+	100.0%
- 3 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement
- 4 85% of members electing coverage are assumed to also elect coverage for a spouse
- 5 Per Capita Medical, Pharmacy, and Life Benefit Cost

	Medical	
	Retiree	Retiree & Spouse
Pre-65	\$502.58	\$ 918.02
Post-65	\$342.83	\$ 758.27

Year	Trend
2012	6.90%
2013	6.80%
2014	6.20%
2015-2016	6.50%
2017-2020	6.40%
2021-2024	6.30%
2025-2029	6.20%
2030-2035	6.10%
2036	6.00%
2037	5.90%
2038	5.80%
2039-2041	5.70%
2042-2045	5.60%
2046-2048	5.50%
2049-2054	5.40%
2055-2062	5.30%
2063-2074	5.20%
2075-2078	5.10%
2079	5.00%
2080-2082	4.80%
2083+	4.70%

- 7 *Mortality* - Life expectancies were based on the following mortality rates:
 

Pre-retirement:	Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2013 using Scale AA.
Post-retirement:	Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2013 using Scale AA.
- 8 *Turnover* -Withdrawal rates from 26% for less than one year in plan to 1.5% for greater than nineteen years in plan. Disability rates from .032% for ages 18-34 to .98% for ages 60 to 65.



ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**15. SUBSEQUENT EVENT REVIEW**

The Sheriff has evaluated subsequent events through December 17, 2013, the date which the financial statements were available to be issued.

**16. ACCOUNTING CHANGE**

The Sheriff adopted Governmental Accounting Standards (GASB 63) for the year ended June 30, 2013. The statement provides guidance for reporting the financial statement elements of *deferred outflows of resources and deferred inflows of resources*. It also reports net position instead of net assets. The Sheriff also adopted GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements" for the fiscal year ended June 30, 2013.

**17. NEW ACCOUNTING PRONOUNCEMENTS**

In April 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 65, "Items Previously Reported as Assets and Liabilities." The statement clarifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of GASB No. 65 must be implemented by the Sheriff for the year ending June 30, 2014. The effect of implementation on the Sheriff's financial statements has not yet been determined.

In June 2012, the GASB approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the Sheriff for the year ending June 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the Sheriff for the year ending June 30, 2015. The effect of implementation of these statements on the Sheriff's financial statements has not yet been determined.

**18. REPORTING REQUIREMENTS FOR WIRELESS E911 SERVICE**

In accordance with LRS (R.S.)33:9101 through 9131 the Sheriff reports the following required information:

- Total emergency telephone service charges collected for the year were \$243,527.
- \$191,016 was spent on the purchase of a new 911 system.
- Status of the implementation of the wireless E911 system- Phase I and II has been completed as of June 30, 2013.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**19. EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand at the end of the year was \$91,160.

1. The amount of taxes collected for the current year is as follows:

<u>Taxing Authority</u>	<u>Taxes Collected</u>
Allen Parish Ambulance Service District No. 1	\$ 451,262
Fire Protection District No. 1	20,634
Fire Protection District No. 2	101,296
Fire Protection District No. 3	115,010
Fire Protection District No. 4	230,532
Fire Protection District No. 5	240,412
Fire Protection District No. 6	157,560
Bayou Blue Gravity Drainage District No. 1	130,462
Kinder Gravity Drainage District No. 2	77,266
Allen Parish Hospital Service District	674,583
Allen Parish Library	802,213
Allen Parish Mosquito Abatement District	636,677
Allen Parish Police Jury	2,472,805
Recreation District No. 1 (Oakdale)	80,498
Recreation District No. 2 (Kinder)	124,354
Recreation District No. 3 (Elizabeth)	29,837
Recreation District No. 5 (Oberlin)	62,218
Recreation District No. 6 (Reeves)	173,038
Allen Parish School Board	3,821,429
Allen Parish Sheriff	1,380,793
Allen Parish Tax Assessor	417,819
Jefferson Davis Parish School Board	82,514
Louisiana Department of Agriculture & Forestry	22,356
Louisiana Tax Commission	2,423
Totals	<u>\$ 12,307,991</u>

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

19. EX-OFFICIO TAX COLLECTOR (CONTINUED)

2. The amount of taxes assessed and uncollected, and the reason for the failure to do so is as follows:

<u>Taxing Authority</u>	<u>Taxes Uncollected</u>
Allen Parish Ambulance Service District No. 1	\$ 965
Fire Protection District No. 1	5
Fire Protection District No. 2	20
Fire Protection District No. 3	108
Fire Protection District No. 4	938
Fire Protection District No. 5	158
Fire Protection District No. 6	-
Bayou Blue Gravity Drainage District No. 1	96
Kinder Gravity Drainage District No. 2	378
Allen Parish Hospital Service District	1,442
Allen Parish Library	1,742
Allen Parish Mosquito Abatement District	1,382
Allen Parish Police Jury	4,239
Recreation District No. 1 (Oakdale)	214
Recreation District No. 2 (Kinder)	446
Recreation District No. 3 (Elizabeth)	-
Recreation District No. 5 (Oberlin)	41
Recreation District No. 6 (Reeves)	34
Allen Parish School Board	8,536
Allen Parish Sheriff	2,998
Allen Parish Tax Assessor	907
Jefferson Davis Parish School Board	18
Louisiana Department of Agriculture & Forestry	-
Louisiana Tax Commission	-
Totals	<u>\$ 24,667</u>

	<u>Pursuing collection- change in ownership</u>	<u>Pursuing collection- collected after 6/30/13</u>	<u>No property found</u>	<u>Unpaid</u>
Allen Parish Ambulance Service District No. 1	\$ 487	\$ 414	\$ 64	\$ 965
Fire Protection District No. 1	-	-	5	5
Fire Protection District No. 2	-	7	13	20
Fire Protection District No. 3	-	-	108	108
Fire Protection District No. 4	521	371	46	938
Fire Protection District No. 5	-	144	14	158
Bayou Blue Gravity Drainage District No. 1	-	87	9	96
Kinder Gravity Drainage District No. 2	210	150	18	378
Allen Parish Hospital Service District	728	619	95	1,442
Allen Parish Library	523	453	766	1,742
Allen Parish Mosquito Abatement District	415	359	608	1,382
Allen Parish Police Jury	1,261	1,113	1,865	4,239
Recreation District No. 1 (Oakdale)	-	3	211	214
Recreation District No. 2 (Kinder)	246	175	25	446
Recreation District No. 5 (Oberlin)	-	37	4	41
Recreation District No. 6 (Reeves)	-	11	23	34
Allen Parish School Board	2,281	1,991	4,264	8,536
Allen Parish Sheriff	947	824	1,227	2,998
Allen Parish Tax Assessor	272	240	395	907
Jefferson Davis Parish School Board	-	-	18	18
Totals	<u>\$ 7,891</u>	<u>\$ 6,998</u>	<u>\$ 9,778</u>	<u>\$ 24,667</u>

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**20. OCCUPATIONAL LICENSES COLLECTED**

Collections settled during the year for occupational licenses and beer/liquor licenses are as follows:

	Collected	Collection Cost	Settled	Unsettled
Allen Parish Police Jury-				
Occupational	\$ 108,835	\$ (16,325)	\$ (74,027)	\$ 18,483
Beer/liquor	1,150	(173)	(23)	954
Allen Parish Sheriff-				
Commission	-	16,498	(13,064)	3,434
	<u>\$ 109,985</u>	<u>\$ -</u>	<u>\$ (87,114)</u>	<u>\$ 22,871</u>

**21. DISTRIBUTION OF STATE REVENUE SHARING FUNDS**

Collections settled during the year for state revenue sharing funds are as follows:

	Collected	Settled	Unsettled
Allen Parish School Board	\$ 100,822	\$ (100,822)	\$ -
Allen Parish Police Jury	169,436	(169,436)	-
Allen Parish Sheriff	130,287	(130,287)	-
Allen Parish Library	59,936	(59,936)	-
Recreation District No. 3 (Elizabeth)	2,817	(2,817)	-
Recreation District No. 1 (Oakdale)	3,981	(3,981)	-
Allen Parish Tax Assessor	36,501	(36,501)	-
Kinder Gravity Drainage District No. 2	3,822	(3,822)	-
Jefferson Davis Parish School Board	2,256	(2,256)	-
Pension funds	9,528	(9,528)	-
	<u>\$ 519,386</u>	<u>\$ (519,386)</u>	<u>\$ -</u>

**22. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had actual expenditures over budgeted appropriations for the year ended June 30, 2013:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
E-911 Special Revenue Fund	\$ 282,000	\$ 417,784	\$ 466,974	\$ 49,190
Coushatta Tribe of Louisiana Community Grant Fund	5	288,895	288,896	1

**23. SUBSEQUENT EVENTS**

On September 26, 2013 the Sheriff entered into a capital lease agreement for in-car cameras/video systems. The lease purchase agreement is for \$143,603 for 60 months with the option to purchase for \$1 at the end of the term.

On November 15, 2013 the Sheriff awarded a contract for the construction of a new jail and the contract was signed on December 9, 2013. The contracted cost is \$8,356,000. On July 9, 2013 the Sheriff borrowed \$5,500,000 to be used towards the cost of the new jail. The term of the note is for 30 years with the first payment being due on December 1, 2013. Additional funding for the construction cost and note payments will come from compact funds and a lease agreement with the Allen Parish Police Jury. On April 19, 2013 the Sheriff and the Police Jury entered into an agreement where the Allen Parish Police Jury will pay up to \$240,000 per year until the loan is paid off.

## REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Budgetary Comparison Schedule-General Fund  
For the Year Ended June 30, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	FAVORABLE (UNFAVORABLE)
REVENUES				
Ad valorem taxes	\$ 1,280,000	\$ 1,450,000	\$ 1,452,501	\$ 2,501
Sales taxes	2,300,000	2,341,556	2,579,759	238,203
Intergovernmental revenues -				
Federal grants	45,100	36,500	44,946	8,446
State grants	64,900	52,500	65,819	13,319
State revenue sharing	130,000	130,287	130,287	-
State supplemental pay	165,000	172,026	172,828	802
Local sources	80,000	119,331	132,522	13,191
Fees, charges, and commissions for services:				
Civil and criminal fees	291,000	293,000	193,332	(99,668)
Court attendance	5,000	9,000	8,296	(704)
Feeding and keeping prisoners	130,000	134,000	123,863	(10,137)
Transporting prisoners	22,000	12,000	18,373	6,373
Fines and forfeitures	10,000	4,500	78,639	74,139
Other	21,100	25,432	26,654	1,222
Interest earnings	800	1,500	5,855	4,355
TOTAL REVENUES	4,544,900	4,781,632	5,033,674	252,042
EXPENDITURES				
Current -				
Public safety:				
Personal services and related benefits	3,753,000	3,311,790	3,277,360	34,430
Operating services	223,412	190,200	204,570	(14,370)
Operations and maintenance	773,225	815,390	704,130	111,260
Travel and other charges	9,300	9,500	9,434	66
Capital outlays	17,500	136,414	113,226	23,188
Debt service:				
Principal	96,189	113,843	132,878	(19,035)
Interest	20,000	11,625	18,917	(7,292)
TOTAL EXPENDITURES	4,892,626	4,588,762	4,460,515	128,247
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(347,726)	192,870	573,159	380,289
OTHER FINANCING SOURCES (USES)				
Operating transfers in	135,000	-	-	-
Operating transfers out	-	-	-	-
Proceeds from the issuance of debt	-	29,985	29,985	-
Total other financing sources (uses)	135,000	29,985	29,985	-
NET CHANGE IN FUND BALANCE	(212,726)	222,855	603,144	380,289
FUND BALANCE, BEGINNING	443,696	443,696	443,696	-
FUND BALANCE, ENDING	\$ 230,970	\$ 666,551	\$ 1,046,840	\$ 380,289

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
GENERAL FUND EXPENDITURES  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Current				
Public safety:				
Personal services and related benefits:				
Sheriff salary	\$ 140,000	\$ 136,500	\$ 143,094	\$ (6,594)
Deputies' salary	2,504,000	2,406,553	2,338,604	67,949
Hospitalization and life insurance	491,200	419,926	461,139	(41,213)
Pension, deferred compensation, and payroll taxes	617,800	348,811	334,523	14,288
TOTAL PERSONAL SERVICES AND RELATED BENEFITS	3,753,000	3,311,790	3,277,360	34,430
Operating services:				
Auto insurance	85,000	58,600	58,558	42
Collection expense - sales tax	53,000	50,000	67,140	(17,140)
Other liability insurance	55,500	42,000	41,096	904
Other operating services	29,912	39,600	37,776	1,824
TOTAL OPERATING SERVICES	223,412	190,200	204,570	(14,370)
Operations and maintenance				
Auto fuel and oil	330,000	288,000	233,003	54,997
Auto maintenance	70,000	69,985	68,004	1,981
Contract labor	-	42,000	30,305	11,695
Criminal investigation expenditures	25,000	4,200	4,901	(701)
Deputy supplies	1,000	-	-	-
Dues and subscriptions	1,000	22,500	22,030	470
Juvenile	500	-	-	-
Office supplies	88,500	110,000	110,565	(565)
Prisoner feeding and maintenance	57,000	57,000	58,829	(1,829)
Radio operation and maintenance	6,500	7,400	5,982	1,418
Substation costs	4,500	-	-	-
Tax notices	25,750	25,800	25,782	18
Telephone	115,000	80,000	72,981	7,019
Training	7,700	6,500	5,059	1,441
Other	40,775	102,005	66,689	35,316
TOTAL OPERATIONS AND MAINTENANCE	773,225	815,390	704,130	111,260
Travel	9,300	9,500	9,434	66
Capital Outlays:				
Equipment	17,500	136,414	113,226	23,188
TOTAL CAPITAL OUTLAYS	17,500	136,414	113,226	23,188
Debt Service:				
Principal	96,189	113,843	132,878	(19,035)
Interest	20,000	11,625	18,917	(7,292)
TOTAL DEBT SERVICES	116,189	125,468	151,795	(26,327)
TOTAL EXPENDITURES	\$ 4,892,626	\$ 4,588,762	\$ 4,460,515	\$ 128,247

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
E-911 SPECIAL REVENUE FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	FAVORABLE (UNFAVORABLE)
REVENUES				
Commissions - telephone	\$ 265,000	\$ 397,177	\$ 243,527	\$ (153,650)
Intergovernmental revenue - local sources	-	-	3,525	3,525
Interest income	-	-	36	36
TOTAL REVENUES	265,000	397,177	247,088	(150,089)
EXPENDITURES				
Current -				
Public safety:				
Operating services	282,000	417,784	252,009	165,775
Capital outlay	-	-	191,016	(191,016)
Debt service:				
Principal	-	-	19,329	(19,329)
Interest	-	-	4,620	(4,620)
TOTAL EXPENDITURES	282,000	417,784	466,974	(49,190)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(17,000)	(20,607)	(219,886)	(199,279)
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	158,000	158,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	158,000	158,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	(17,000)	(20,607)	(61,886)	(41,279)
FUND BALANCE, BEGINNING	53,366	53,366	53,366	-
FUND BALANCE, ENDING	\$ 36,366	\$ 32,759	\$ (8,520)	\$ (41,279)

The accompanying notes are an integral part of this statement.



ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
COUSHATTA TRIBE OF LOUISIANA COMMUNITY GRANT FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	FAVORABLE (UNFAVORABLE)
REVENUES				
Grant revenue	\$ 421,340	\$ 427,383	\$ 427,348	\$ (35)
Interest income	17	-	37	37
TOTAL REVENUES	421,357	427,383	427,385	2
EXPENDITURES				
Current -				
Public safety:				
Operations and maintenance	5	11	10	1
Capital outlay	-	288,884	288,886	(2)
TOTAL EXPENDITURES	5	288,895	288,896	(1)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	421,352	138,488	138,489	1
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(420,000)	(125,000)	(125,000)	-
Total other financing sources (uses)	(420,000)	(125,000)	(125,000)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,352	13,488	13,489	1
FUND BALANCE, BEGINNING	107,171	107,171	107,171	-
FUND BALANCE, ENDING	\$ 108,523	\$ 120,659	\$ 120,660	\$ 1

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
EMPLOYEE HEALTH CARE PLAN  
Schedule of Funding Progress  
For the Year Ended June 30, 2013

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
July 1, 2009	\$ -	\$ 3,413,531	\$ 3,413,531	0.0%	\$ 2,594,464	132%
July 1, 2011	\$ -	\$ 4,112,038	\$ 4,112,038	0.0%	\$ 2,401,265	171%

The accompanying notes are an integral part of this statement.

## OTHER SUPPLEMENTARY INFORMATION

Allen Parish Sheriff  
Oberlin, Louisiana

General Descriptions

AGENCY FUNDS

SHERIFF'S FUND

To account for funds held in connection with civil suits, Sheriff's sales and garnishments, bonds and fines, and costs and payment of the collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

TAX COLLECTOR FUND

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

COMMISSION ON AGING FUND

The Commission on Aging Fund accounts for monies earned from a local fundraiser. All funds are expended to provide food and plaques for senior citizen events and to cover expenses for Senior Citizen Day at the Allen Parish Fair.

INMATE WELFARE FUND

The Inmate Welfare Fund accounts for receipts and disbursements made to the individual prison inmate accounts.

DEPUTY WITNESS FEE FUND

The Deputy Witness Fee Fund accounts for receipts and disbursements of payments received from the Clerk of Court for services performed by deputies as witnesses.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
AGENCY FUNDS  
Combining Statement of Fiduciary Net Position  
June 30, 2013

	SHERIFF'S FUND	TAX COLLECTOR FUND	COMMISSION ON AGING FUND	INMATE WELFARE FUND	DEPUTY WITNESS FEE FUND	TOTAL
ASSETS						
Interest bearing deposits	\$ 254,111	\$ 91,160	\$ 88	\$ 3,230	\$ -	\$ 348,589
TOTAL ASSETS	<u>\$ 254,111</u>	<u>\$ 91,160</u>	<u>\$ 88</u>	<u>\$ 3,230</u>	<u>\$ -</u>	<u>\$ 348,589</u>
LIABILITIES						
Due to taxing bodies and others	\$ 254,111	\$ 91,160	\$ 88	\$ 3,230	\$ -	\$ 348,589
TOTAL LIABILITIES	<u>\$ 254,111</u>	<u>\$ 91,160</u>	<u>\$ 88</u>	<u>\$ 3,230</u>	<u>\$ -</u>	<u>\$ 348,589</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities

June 30, 2013

	SHERIFF'S FUND	TAX COLLECTOR FUND	COMMISSION ON AGING FUND	INMATE WELFARE FUND	DEPUTY WITNESS FEE FUND	TOTAL
Balances, beginning of year	\$ 219,273	\$ 651,326	\$ 1,104	\$ 9,228	\$ 671	\$ 881,602
Additions:						
Deposits -						
Sheriff's sales, suits, and seizures	596,200	-	-	-	-	596,200
Fines and costs	878,839	-	-	-	-	878,839
Inmates	-	-	-	15,494	-	15,494
Taxes, fees, etc., paid to tax collector	-	13,138,367	-	-	-	13,138,367
Other additions	4,480	-	-	1	100	4,581
TOTAL ADDITIONS	1,479,519	13,138,367	-	15,495	100	14,633,481
TOTAL	1,698,792	13,789,693	1,104	24,723	771	15,515,083
Reductions:						
Taxes, fees, etc., distributed to taxing bodies and others	-	9,233,994	-	-	-	9,233,994
Deposits settled to -						
State agencies	24,155	24,604	-	-	-	48,759
Sheriff's General Fund	255,068	1,582,887	-	-	-	1,837,955
Clerk of Court	79,775	6,015	-	-	-	85,790
Coroner	3,979	-	-	-	-	3,979
Police Jury	273,121	2,764,648	-	-	-	3,037,769
District Attorney	102,106	-	-	-	-	102,106
Judicial Expense Fund	35,577	-	-	-	-	35,577
Indigent Defender Fund	102,501	-	-	-	-	102,501
Litigants and attorneys	476,414	-	-	-	-	476,414
Crime Lab	46,812	-	-	-	-	46,812
Inmates	-	-	-	21,493	-	21,493
Other reductions	45,173	86,385	1,016	-	771	133,345
TOTAL REDUCTIONS	1,444,681	13,698,533	1,016	21,493	771	15,166,494
Balances, end of year	\$ 254,111	\$ 91,160	\$ 88	\$ 3,230	\$ -	\$ 348,589

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
 Supplemental Information Schedule  
 Community Grant Agreement-Coushatta Tribe of Louisiana  
 For the Year Ended June 30, 2013

Revenues:

Gaming revenue	\$ 427,348
Investment earnings	37
Total revenues	<u>\$ 427,385</u>

Expenditures:

Bank charges	\$ 10
Capital outlay:	
Four 2013 Ford Taurus police units	109,223
Three 2013 Ford Explorer police units	90,089
New server for jail and software	89,574
Transfer to Capital Projects Fund-new jail construction	125,000
Total expenditures	<u>\$ 413,896</u>

The accompanying notes are an integral part of this schedule.

STATE OF LOUISIANA,

PARISH OF ALLEN.

**AFFIDAVIT**

**DOUGLAS L. HEBERT, III, SHERIFF OF ALLEN PARISH**

BEFORE ME, the undersigned authority, personally came and appeared DOUGLAS L. HEBERT, III, the sheriff of Allen Parish, Louisiana, who after being duly sworn, deposed and said:

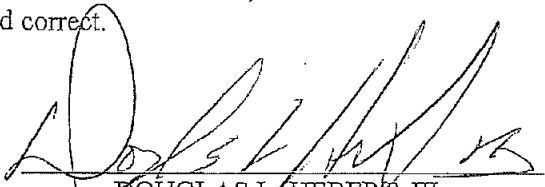
The following information is true and correct:

\$91,160 is the amount of cash on hand in the tax collector bank accounts on June 30, 2013.

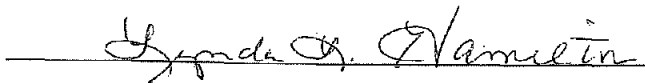
HE FURTHER deposed and said:

All itemized statements of the amount of taxes collected for tax year 2012, 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.

  
DOUGLAS L. HEBERT, III  
SHERIFF OF ALLEN PARISH, LOUISIANA

SWORN TO AND SUBSCRIBED, before me, Notary, this 17th day of December, 2013, in my office in Oberlin, Allen Parish, Louisiana.

 (Signature)  
Lynda L. Hamilton (Print) #: 37444  
Notary Public

With life (Commission)



## INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

# Stutzman & Gates, LLC

## Certified Public Accountants

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

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

Honorable Douglas L. Hebert, III  
Allen Parish Sheriff  
Oberlin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Allen Parish Sheriff as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Allen Parish Sheriff's basic financial statements and have issued our report thereon dated December 17, 2013.

#### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. See items 2013-1, 2013-2, 2013-3 and 2013-4.

### **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the Allen Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2013-3 and 2013-4.

### **Allen Parish Sheriff's Response to Findings**

The Allen Parish Sheriff's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Allen Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Stutzman & Gates, LLC  
Sulphur, Louisiana  
December 17, 2013

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Findings and Responses  
For the Year Ended June 30, 2013

**Section I Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified.

*a. Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Material weakness(es) identified?	<u>      </u>	Yes	<u>  X  </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	<u>  X  </u>	Yes	<u>      </u>	None reported
Noncompliance material to financial statements noted?	<u>  X  </u>	Yes	<u>      </u>	No

Federal Awards

N/A

**Section II - Financial Statement Findings**

**2013-1 Segregation of Duties**

Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this significant deficiency in internal control by supervision and review procedures.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Findings and Responses  
For the Year Ended June 30, 2013

**2013-2 Controls Over Financial Reporting**

Condition:	In our judgment, the personnel of the Allen Parish Sheriff do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).
Criteria:	The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. SAS No. 112 emphasizes that the auditor cannot be part of your system of internal control over financial reporting.
Effect:	Misstatements in financial statements could go undetected.
Recommendation:	In our judgment, due to the lack of resources available to management to correct this significant deficiency in financial reporting, we recommend management mitigate this significant deficiency in internal control by having a heightened awareness of all transactions being reported.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible. Management will carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

**2013-3 Local Government Budget Act – Budgetary Authority and Control**

Condition:	Actual expenditures and other uses exceeded budgeted expenditures and other uses by 11.8% in the E-911 Fund in the year ended June 30, 2013.
Criteria:	La. Rev. Stat. §39:1311 (A) (2). Whenever total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding budgeted expenditures and other uses by five percent or more, the budget shall be amended.
Effect:	Violation of local government budget act.
Recommendation:	The Allen Parish Sheriff should amend the budget whenever actual expenditures and other uses plus projected expenditures and other uses exceed budgeted expenditures and other uses by five percent or more.
Views of responsible officials and planned corrective actions:	We concur with the recommendation. Management will amend the budget whenever necessary in the future.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Findings and Responses  
For the Year Ended June 30, 2013

**2013-4 Disbursement of Ad Valorem Tax Collections Not Timely**

Condition:	The Sheriff, acting as the tax collector for Allen Parish, is required to disburse the tax collections by the tenth of the month following collection. For the year ended June 30, 2013 the Sheriff did not disburse the ad valorem taxes collected by the required time for the following months of collection (with date of disbursement): August 2012 (October 15, 2012), September 2012 (November 27, 2012), November 2012 (January 4, 2013), December 2012 (January 11, 2013). All ad valorem taxes collected after December 2012 were disbursed within the required time.
Criteria:	LA Revised Statute 47:2060 A. (1) requires that the tax collector disburse the collections of the preceding month in the first ten days of every month.
Effect:	LA Revised Statute 47:2060 A. (1) was not followed in the above instances.
Cause:	Lack of sufficient administrative oversight and controls.
Recommendation:	The Sheriff must follow LA Revised Statute 47:2060 A. (1). The Sheriff should take an active interest in the timely remittance of the taxes collected and disbursed by reviewing the dates of disbursement or by assigning this duty to someone that is not involved in the collection and disbursement of taxes.
Views of responsible officials and planned corrective actions:	We concur with this recommendation and procedures have been instituted to prevent this from happening in the future.

**Section III – Federal Award Findings and Questioned Costs**

None.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2013

**2012-1 Segregation of duties:**

Corrective Action Taken: This is an ongoing finding that cannot be corrected due lack of financial resources and the size of the entity.

**2012-2 Controls over financial reporting:**

Corrective Action Taken: This is an ongoing finding that cannot be corrected due lack of financial resources and the size of the entity.

**2012-3 Local government budget act:**

Corrective Action Taken: Yes.

**2012-4 Controls over occupational licenses:**

Corrective Action Taken: Yes.

**2012-5 Controls over inmate commissary sales:**

Corrective Action Taken: Yes.

**2012-6 Controls over fixed assets:**

Corrective Action Taken: Yes.

**2012-7 Disbursement of ad valorem tax collections not timely:**

Not corrected: See 2013-4.

**2012-8 Payment for telephone services not used:**

Corrective Action Taken: Yes.

**2012-9 Controls over expenditures:**

Corrective Action Taken: Yes.

**2012-10 Controls over traffic tickets:**

Corrective Action Taken: Yes.

**2012-11 Controls over fuel credit cards/purchases:**

Corrective Action Taken: Yes.