

**ALLEN PARISH SHERIFF  
OBERLIN, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**As of and For the Year Ended June 30, 2012**

**STUTZMAN & GATES, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 1238  
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ALLEN PARISH SHERIFF  
OBERLIN, LOUISIANA

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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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Allen Parish Sheriff, component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2012, which collectively comprise the Allen Parish Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Sheriff. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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


In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and Employee Health Care Plan-Schedule of Funding Progress on pages 32 through 36 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Sheriff's financial statements as a whole. The combining statement of fiduciary net assets-agency funds, combining statement of changes in fiduciary net assets-agency funds, schedule of taxes collected and uncollected-tax collector fund, and the affidavit by Sheriff Douglas L. Hebert, III on pages 39 through 42 are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Allen Parish Sheriff has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement to 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.

Stutzman & Gates, LLC



December 20, 2012

**BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Statement of Net Assets-Governmental Activities  
June 30, 2012

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash - Interest bearing	\$ 3,530,318
Cash - Non-interest bearing	108
Investments	831
Receivables	136,802
Prepaid assets	13,542
Due from other governmental units	521,196
Capital assets:	
Land	82,178
Construction in progress-jail	184,950
Depreciable assets, net	1,083,803
<b>TOTAL ASSETS</b>	<u>5,553,728</u>
<b>LIABILITIES</b>	
Accounts and other accrued payables	318,439
Interest payable	4,018
Long-term liabilities:	
Due within one year	113,843
Due after one year	123,695
Net OPEB obligation	934,576
<b>TOTAL LIABILITIES</b>	<u>1,494,571</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,113,393
Restricted:	
Public safety	218,638
Capital outlay	3,266,583
Unrestricted	<u>(539,457)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 4,059,157</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, 2012

FUNCTIONS/ PROGRAMS	Program Revenues			Governmental	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Primary Government:					
Governmental activities:					
Public safety	\$ 5,728,480	\$ 962,672	\$ 431,372	\$ 186,557	\$ (4,147,879)
Interest on long-term debt	36,039	-	-	-	(36,039)
Total governmental activities	<u>\$ 5,764,519</u>	<u>\$ 962,672</u>	<u>\$ 431,372</u>	<u>\$ 186,557</u>	<u>\$ (4,183,918)</u>
<b>GENERAL REVENUES</b>					
Taxes:					
Ad valorem					1,306,079
Sales and use					2,388,536
Grants and contributions not restricted to specific programs-					
State sources					310,823
Interest and investment earnings					8,302
Total General Revenues					<u>4,013,740</u>
CHANGE IN NET ASSETS					(170,178)
NET ASSETS-BEGINNING (AS RESTATED)					4,229,335
NET ASSETS-ENDING					<u>\$ 4,059,157</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, 2012

	General Fund	E-911 Fund	Coushatta Tribe of Louisiana Community Grant Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash - Non-interest bearing	\$ 108	\$ -	\$ -	\$ -	\$ 108
Cash - Interest bearing	241,528	21,672	1,836	3,265,282	3,530,318
Investments	831	-	-	-	831
Receivables:					
Due from other governmental units	521,196	-	-	-	521,196
Due from other funds	-	4,382	-	-	4,382
Other	2,854	27,312	105,335	1,301	136,802
<b>TOTAL ASSETS</b>	<b>\$ 766,517</b>	<b>\$ 53,366</b>	<b>\$ 107,171</b>	<b>\$ 3,266,583</b>	<b>\$ 4,193,637</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 149,003	\$ -	\$ -	\$ -	\$ 149,003
Accrued payroll liabilities	169,436	-	-	-	169,436
Due to other funds	4,382	-	-	-	4,382
<b>Total Liabilities</b>	<b>322,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322,821</b>
<b>Fund balances:</b>					
<b>Restricted:</b>					
Public safety	58,101	53,366	107,171	-	218,638
Capital Outlay	-	-	-	3,266,583	3,266,583
Unassigned	385,595	-	-	-	385,595
<b>Total Fund Balances</b>	<b>443,696</b>	<b>53,366</b>	<b>107,171</b>	<b>3,266,583</b>	<b>3,870,816</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 766,517</b>	<b>\$ 53,366</b>	<b>\$ 107,171</b>	<b>\$ 3,266,583</b>	<b>\$ 4,193,637</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 ASSETS

June 30, 2012

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS  
AT JUNE 30, 2012

\$ 3,870,816

Total net assets reported for governmental activities in the  
Statement of Net Assets 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

1,350,931

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 assets.

13,542

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 assets.

Accrued interest payable

\$ (4,018)

OPEB obligation

(934,576)

Notes and capital leases payable

(237,538)

(1,176,132)

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES  
AT JUNE 30, 2012

\$ 4,059,157

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, 2012

	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	\$ 1,306,079	\$ -	\$ -	\$ -	\$ 1,306,079
Sales taxes	2,388,536	-	-	-	2,388,536
Intergovernmental revenues -					
Federal grants	54,440	-	-	-	54,440
State grants	57,709	-	-	-	57,709
State revenue sharing	135,948	-	-	-	135,948
State supplemental pay	174,875	-	-	-	174,875
Local sources	76,333	-	429,448	-	505,781
Fees, charges and commissions for services:					
Civil and criminal fees	308,777	-	-	-	308,777
Court attendance	4,692	-	-	-	4,692
E-911 reimbursements	218,677	-	-	-	218,677
Feeding and keeping prisoners	119,528	-	-	-	119,528
Transporting prisoners	20,047	-	-	-	20,047
Other	41,581	250,369	-	-	291,950
Interest	4,152	6	13	4,131	8,302
<b>TOTAL REVENUES</b>	<b>4,911,374</b>	<b>250,375</b>	<b>429,461</b>	<b>4,131</b>	<b>5,595,341</b>
<b>EXPENDITURES</b>					
Current -					
Public safety:					
Personal services and related benefits	3,887,581	-	-	-	3,887,581
Operating services	210,741	221,345	-	-	432,086
Operations and maintenance	819,309	-	-	-	819,309
Capital outlay	20,000	-	-	-	20,000
Debt service:					
Principal	134,526	-	-	-	134,526
Interest	39,615	-	-	-	39,615
<b>TOTAL EXPENDITURES</b>	<b>5,111,772</b>	<b>221,345</b>	<b>-</b>	<b>-</b>	<b>5,333,117</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(200,398)</b>	<b>29,030</b>	<b>429,461</b>	<b>4,131</b>	<b>262,224</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	147,810	-	-	186,557	334,367
Operating transfers out	-	-	(324,257)	(10,110)	(334,367)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>147,810</b>	<b>-</b>	<b>(324,257)</b>	<b>176,447</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(52,588)</b>	<b>29,030</b>	<b>105,204</b>	<b>180,578</b>	<b>262,224</b>
<b>FUND BALANCES, BEGINNING (AS RESTATED)</b>	<b>496,284</b>	<b>24,336</b>	<b>1,967</b>	<b>3,086,005</b>	<b>3,608,592</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 443,696</b>	<b>\$ 53,366</b>	<b>\$ 107,171</b>	<b>\$ 3,266,583</b>	<b>\$ 3,870,816</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, 2012

NET CHANGE IN FUND BALANCE-TOTAL GOVERNMENTAL FUNDS	\$ 262,224
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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	\$ 20,000	
Depreciation expense	<u>(260,230)</u>	(240,230)

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	(325,108)
Prior year accrued interest payable exceeded the current year payable	3,576
Principle payments	134,526

The governmental funds report sales of capital outlay as other revenue, where the statement of activities reports either a gain or loss on the sale

Loss on sale	(1,600)	
Proceeds from sale removed from other revenue	<u>(1,000)</u>	(2,600)

The governmental funds report certain expenditures when paid, where the statement of activities record expenditures in the period benefited as follows:

Prepaid insurance	<u>(2,566)</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (170,178)</u>
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The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
STATEMENT OF FIDUCIARY NET ASSETS  
June 30, 2012

	<u>Agency Funds</u>
<b>ASSETS</b>	
Non-interest bearing deposits	\$ 9,899
Interest bearing deposits	786,217
Investments	<u>85,486</u>
Total assets	<u>\$ 881,602</u>
<b>LIABILITIES</b>	
Due to taxing bodies and others	<u>\$ 881,602</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, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 and anti-drug abuse programs. Additionally, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

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

The financial statements of the Allen Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Such accounting and reporting procedures conform to the requirements of the industry audit guide, Audits of State and Local Governments. In government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) pronouncements issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict Government Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

**A. Reporting Entity**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Allen Parish Sheriff includes all funds, account groups, et cetera, that are within the oversight responsibility of the Allen Parish Sheriff.

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Allen Parish Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

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

**A. Reporting Entity**

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Allen Parish Police Jury financial statements would be misleading if data of the Allen Parish Sheriff was not included, and due to the nature and significances of the relationship, the Sheriff was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the Allen Parish Police Jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

**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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

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

The statement of net assets and the statement of activities display information about the Sheriff as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Fiduciary funds are reported only in the Combined Statement of Fiduciary Net Assets and Combined Statement of Changes in Fiduciary Net Assets at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities and business-type 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 his financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statement is on major funds, each displayed on 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 are at least 10 percent of the corresponding total for all governmental funds of that category or type.

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

**B. Basis of Presentation**

The Sheriff reports the following governmental funds:

**General Fund** – is the primary operating fund of the Sheriff. 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.

**Fiduciary Funds**

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

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

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds, if any, utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.

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

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

**Basis of Accounting**

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlays) are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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 adopted by the Sheriff prior to the commencement of the fiscal year for which the budget is being adopted.
6. 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.

**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.

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

**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. The investments are reported at market value.

**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, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	25-40 years
Equipment and furniture	5-12 years
Vehicles	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**I. 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 notes payable, 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.

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

**J. 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, 2012, the Sheriff had no vested leave benefits required to be reported in accordance with generally accepted accounting principles.

**K. Restricted Net Assets**

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either, 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation.

**L. Equity Classification**

Government-wide financial statements –

The Sheriff's net assets are reported in three parts: (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets.

Fund financial statements –

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and for property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can only be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Allen Parish Sheriff (the Sheriff's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the Sheriff or by an official or body to which the Sheriff delegates the authority,
5. *Unassigned* fund balance category includes amounts that are available for any purpose and are only reported in the general fund.

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.

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

**L. Equity Classification**

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

**M. Revenues, Expenditures, and Expenses**

**Program Revenues**

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Sheriff's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

**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 service are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

**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.

**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.

**N. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**O. 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.

**P. 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. 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 December and become 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.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2012, the law enforcement taxes applicable to the Sheriff's General Fund were levied at the rate of 17.38 mills on property with net assessed valuations totaling \$75,765,412.

Gross taxes levied for the current fiscal year totaled \$1,316,804.

**3. CASH AND INTEREST BEARING DEPOSITS**

**Custodial credit risk – deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government'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.

Cash and interest bearing deposits includes amounts in demand deposits, money market accounts, time deposits and those other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected. At June 30, 2012, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$4,326,542 as follows:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Non-interest bearing deposits	\$ 108	\$ 9,899	\$ 10,007
Interest bearing deposits	3,530,318	786,217	4,316,535
	<u>\$ 3,530,426</u>	<u>\$ 796,116</u>	<u>\$ 4,326,542</u>

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



ALLEN PARISH SHERIFF

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

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

Deposit balances (collected bank balances) at June 30, 2012 are secured as follows:

Bank balances	<u>\$ 4,441,103</u>
Federal deposit insurance	959,899
Pledged securities (category 3)	<u>3,481,204</u>
Total	<u>\$ 4,441,103</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 day of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

**4. INVESTMENTS**

The Sheriff can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The Sheriff's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Sheriff or its agent in the Sheriff's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Sheriff's name.

In accordance with GASB Codification Section 150.165, the Sheriff's investment in LAMP is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by SEC Rule 2-a7, which governs registered money market funds. 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments that fall within the definitions of said statement, be recorded at fair value.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

4. INVESTMENTS (CONTINUED)

However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) rule 2-a-7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2-a-7. At June 30, 2012, the weighted-average yield on the deposits at LAMP was 0.15% and the weighted-average maturity was less than 60 days. LAMP is rated AAAM by Standard & Pools.

At June 30, 2012, the Sheriff's investments totaled \$86,317 as follows:

LAMP investments-General Fund	\$ 831
LAMP investments- Tax Collector Fund (agency fund)	85,486
Total investments	<u>\$ 86,317</u>

5. RECEIVABLES

Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2012 consist of the following:

	<u>General Fund</u>
Grants	\$ 58,101
Fees, charges, and commissions for services:	
Civil and criminal fees	30,047
Feeding and keeping prisoners	8,614
Transporting prisoners	1,284
Sales taxes	423,150
Total	<u>\$ 521,196</u>

Other Receivables

Other receivables at June 30, 2012 are as follows:

Miscellaneous receivable - General Fund	\$ 2,854
Accrued interest - Capital Projects Fund	1,301
Telephone commission - E-911 Special Revenue Fund	27,312
Local source - Coushatta Tribe Community Grant Fund	105,335
Total	<u>\$ 136,802</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, 2012 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 82,178	\$ -	\$ -	\$ 82,178
Construction in progress-jail	184,950	-	-	184,950
<b>Total capital assets not being depreciated</b>	<b>\$ 267,128</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 267,128</b>
<b>Capital assets being depreciated</b>				
Buildings and improvements	\$ 1,017,482	\$ -	\$ -	\$ 1,017,482
Office equipment and furniture	673,513	-	21,389	652,124
Vehicles	1,210,660	20,000	140,487	1,090,173
<b>Total capital assets being depreciated</b>	<b>\$ 2,901,655</b>	<b>\$ 20,000</b>	<b>\$ 161,876</b>	<b>\$ 2,759,779</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	\$ (313,472)	\$ (25,439)	\$ -	\$ (338,911)
Office equipment and furniture	(412,654)	(74,950)	(21,389)	(466,215)
Vehicles	(848,896)	(159,841)	(137,887)	(870,850)
<b>Total accumulated depreciation</b>	<b>\$ (1,575,022)</b>	<b>\$ (260,230)</b>	<b>\$ (159,276)</b>	<b>\$ (1,675,976)</b>

Depreciation expense of \$260,230 for the year was charged to public safety. Major additions include police vehicles.

7. LONG-TERM OBLIGATIONS

The Sheriff's long-term obligations which is for debt issued for the purchase of police cars and cameras via notes payable and 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, 2012.

	Debt and Capital Leases	Other Post- Employment Benefits	Total
Long-term obligations at June 30, 2011 -restated	\$ 372,064	\$ 609,468	\$ 981,532
Additions	-	325,108	325,108
Reductions	(134,526)	-	(134,526)
<b>Long-term obligations at June 30, 2012</b>	<b>\$ 237,538</b>	<b>\$ 934,576</b>	<b>\$ 1,172,114</b>

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

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

\$108,500 note payable dated August 20, 2008; due in annual installments of \$24,911 through January 20, 2014; interest at 6 percent; secured by five police vehicles	\$ 23,599
\$149,334 note payable dated February 20, 2008; annual installments of \$33,476 through February 25, 2014; interest at 6 percent; secured by six police vehicles	41,985
\$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	103,202
\$132,273 capital lease dated January 12, 2012; due in annual installments of \$14,640 through September 3, 2014; interest at 4.5 percent; secured by 30 police cameras	<u>68,752</u>
Total Long-Term Debt	<u>\$ 237,538</u>

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

Year Ending June 30,	Principle	Interest	Total
2013	\$ 113,843	\$ 11,625	\$ 125,468
2014	73,095	5,660	78,755
2015	50,600	1,842	52,442
Total	<u>\$ 237,538</u>	<u>\$ 19,127</u>	<u>\$ 256,665</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 \$600,032 in short-term debt. The Sheriff paid this debt along with \$19,763 in interest before June 30, 2012. The ending balance on the short-term debt is zero.

**8. RETIREMENT COMMITMENTS**

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, P.O. Box 3163, Monroe, Louisiana 71210-3136, or by calling (318)362-3191.

**8. RETIREMENT COMMITMENTS (CONTINUED)**

All Sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were 18 or older at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 3 1/3 percent. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. State statute requires covered employees to contribute a percentage of their salaries, 10.0% effective October 1, 2004, to the System. Effective March 1, 2008, the Sheriff increased the percentage of employee contributions funded by the Sheriff from 4 percent to 10 percent or the entire employee portion of the contributions. As provided by Louisiana Revised Statutes 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contributions for the year ended June 30, 2012 were 12.5% of covered employees' salaries.

The payroll for the Sheriff's employees covered by the System for the year ended June 30, 2012 was \$2,438,177; the Sheriff's total payroll was \$2,744,649. The Sheriff contributed \$304,776 as the employer's share to the System during the year, while the employees' share amounted to \$243,817. However, the Sheriff completely funded the employees' pension contributions. Thus, the Sheriff's total pension contributions in the current year amounted to \$548,593. The Sheriff's employer contributions to the retirement system for the years ending June 30, 2012, 2011, and 2010 were \$304,776, \$318,148, and \$285,391, respectively, equal to the required contributions for each year.

**Deferred Compensation Plan**

The Allen Parish Sheriff offers his employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all qualifying Sheriff employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**9. CHANGES IN AGENCY FUND BALANCES**

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

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
Agency funds:				
Sheriff's Fund	\$ 358,972	\$ 1,338,296	\$ 1,477,995	\$ 219,273
Tax Collector Fund	531,223	12,463,962	12,343,859	651,326
Commission on Aging Fund	1,104	-	-	1,104
Inmate Welfare Fund	4,161	21,480	16,413	9,228
Deputy Witness Fee Fund	721	950	1,000	671
Total	<u>\$ 896,181</u>	<u>\$ 13,824,688</u>	<u>\$ 13,839,267</u>	<u>\$ 881,602</u>

#### 10. CONTINGENCIES AND COMMITMENTS

The Sheriff is a defendant in a lawsuit that arose in the normal course of operations. The Sheriff's legal counsel has reviewed the claim and lawsuit in order to evaluate the likelihood of an unfavorable outcome to the Sheriff. As of the date of this report, the Sheriff's legal counsel believes that the final and probable judgment as a result of this suit would be covered by insurance and would not have a material adverse effect on the Sheriff's financial statements.

#### 11. 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.

#### 12. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. To handle such risk of loss, the Sheriff maintains commercial insurance coverage covering automobile liability, medical payments, uninsured motorist and collision, and surety bond coverage. In addition to the above policies, the Sheriff maintains a public official's policy and law enforcement liability policy. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amount. There have been no significant reductions in the insurance coverage during the year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

#### 13. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2012, include \$616,724 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

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

*Plan Description.* The Sheriff contributes to a single-employer defined benefit healthcare 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 member. Benefit provisions are established by the Sheriff. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ended June 30, 2010, the Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. Using this method, the beginning OPEB liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2009) will be amortized and recognized as an expense over thirty years.

*Funding Policy.* Pursuant to Louisiana Revised Statutes 33:1448(G), the Sheriff is required to pay premiums on group health insurance and the first \$10,000 of group life insurance for the Sheriff and deputy sheriffs retired with at least fifteen years of service who are at least fifty-five years of age. The number of participants currently eligible to receive benefits is thirty. For the year ended June 30, 2012 the Sheriff contributed \$115,876 to the plan.

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

*Annual OPEB Cost and Net OPEB Obligation.* The Sheriff's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Sheriff's ARC is the sum of the normal cost plus the contribution to amortize the actuarial accrued liability (AAL). A 4% discount rate and amortization period of 30 years (the maximum amortization period allowed by GASB 45) have been used for the post employment benefits.

Annual required contribution	\$ 453,181
Interest of prior year net OPEB obligation	24,379
Adjustment to annual required contribution	<u>(36,576)</u>
Annual OPEB Cost	440,984
Contributions made	<u>(115,876)</u>
Increase in net OPEB obligation	325,108
Net OPEB obligation at beginning of year	<u>609,468</u>
Net OPEB obligation at end of year	<u>\$ 934,576</u>

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the fiscal years ended 2012, 2011, and 2010 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
06/30/12	\$ 440,984	26%	\$ 934,576
06/30/11	\$ 386,848	21%	\$ 609,468
06/30/10	\$ 386,848	21%	\$ 304,734

*Funded Status and Funding Process.* As of June 30, 2012, the AAL for benefits was \$4,112,038, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,401,265, and the ratio of unfunded actuarial accrued liability to the covered payroll was 171%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

*Actuarial Methods and Assumptions.* The ARC is determined using the Unit Credit Cost Method. This method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long-term assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

**15. SUBSEQUENT EVENT REVIEW**

The Sheriff has evaluated subsequent events through December 20, 2012, the date which the financial statements were available to be issued.

**16. PRIOR PERIOD ADJUSTMENT**

The Sheriff has adjusted the beginning fund balance of the General Fund due to an uncollectible accounts receivable being written off. These receivables were for LACE receivables that were accrued in prior years but were not enforceable for collection by the Sheriff. The beginning fund balance for this fund was decreased by \$108,173 to \$496,284. Beginning net assets, change in net assets, and net change in fund balance for prior periods were decreased by the same amount.

Beginning net assets were also adjusted to reflect prepaid insurance not being recorded in the prior year and the beginning note payables balance being corrected. Beginning net assets and change in net assets for prior periods were increased by \$16,106 to reflect prior year prepaid insurance and the beginning net assets and change in net assets for prior periods were decreased by \$11,491 to correct the beginning note payables balance.

**17. NEW ACCOUNTING PRONOUNCEMENTS**

In December 2010, the Governmental Accounting Standards Board (GASB) approved Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. In June 2011, the Governmental Accounting Standards Board (GASB) approved statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". The statement changes how governments will organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet). Under this standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets. The provisions of GASB Nos. 62 and 63 must be implemented by the Sheriff for the year ending June 30, 2013. The effect of implementation on the Sheriff's financial statements has not yet been determined.

**18. SUBSEQUENT EVENTS**

After June 30, 2012 the Sheriff issued tax anticipation notes for short-term debt to assist with temporary deficits in cash flow for the latter part of 2012. The Sheriff has drawn down a total of \$450,000. On October 4, 2012 the Sheriff entered into a capital lease agreement for a new E-911 system. The lease purchase agreement is for \$158,000 for 60 months with the option to purchase for \$1 at the end of the term.



REQUIRED SUPPLEMENTARY INFORMATION

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Budgetary Comparison Schedule-General Fund  
For the Year Ended June 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,210,000	\$ 1,275,976	\$ 1,306,079	\$ 30,103
Sales taxes	2,340,000	2,291,869	2,388,536	96,667
<b>Intergovernmental revenues -</b>				
Federal grants	60,000	43,200	54,440	11,240
State grants	65,000	46,800	57,709	10,909
State revenue sharing	130,000	135,948	135,948	-
State supplemental pay	185,000	161,834	174,875	13,041
Local sources	98,000	76,937	76,333	(604)
<b>Fees, charges, and commissions for services:</b>				
Civil and criminal fees	267,500	290,696	308,777	18,081
Court attendance	7,000	4,785	4,692	(93)
E-911 reimbursements	280,000	218,677	218,677	-
Feeding and keeping prisoners	140,500	135,792	119,528	(16,264)
Transporting prisoners	35,000	20,744	20,047	(697)
Other	68,000	50,660	41,581	(9,079)
Interest earnings	1,500	875	4,152	3,277
<b>TOTAL REVENUES</b>	<b>4,887,500</b>	<b>4,754,793</b>	<b>4,911,374</b>	<b>156,581</b>
<b>EXPENDITURES</b>				
<b>Current -</b>				
<b>Public safety:</b>				
Personal services and related benefits	4,258,000	3,960,349	3,887,581	72,768
Operating services	255,500	224,825	210,741	14,084
Operations and maintenance	664,450	762,590	819,309	(56,719)
Travel and other charges	5,000	9,252	-	9,252
Capital outlays	12,000	37,253	20,000	17,253
<b>Debt service:</b>				
Principal	134,000	123,523	134,526	(11,003)
Interest	9,000	21,371	39,615	(18,244)
<b>TOTAL EXPENDITURES</b>	<b>5,337,950</b>	<b>5,139,163</b>	<b>5,111,772</b>	<b>27,391</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<b>(450,450)</b>	<b>(384,370)</b>	<b>(200,398)</b>	<b>183,972</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	130,000	150,873	147,810	(3,063)
Operating transfers out	-	-	-	-
Total other financing sources (uses)	130,000	150,873	147,810	(3,063)
<b>NET CHANGE IN FUND BALANCE</b>				
	<b>(320,450)</b>	<b>(233,497)</b>	<b>(52,588)</b>	<b>180,909</b>
<b>FUND BALANCE, BEGINNING ( AS RESTATED)</b>				
	496,284	496,284	496,284	-
<b>FUND BALANCE, ENDING</b>				
	<b>\$ 175,834</b>	<b>\$ 262,787</b>	<b>\$ 443,696</b>	<b>\$ 180,909</b>

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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Current				
Public safety:				
Personal services and related benefits:				
Sheriff salary	\$ 135,000	\$ 136,382	\$ 136,644	\$ (262)
Deputies' salary	2,935,000	2,650,076	2,608,005	42,071
Hospitalization and life insurance	478,000	531,390	515,582	15,808
Pension, deferred compensation, and payroll taxes	710,000	642,501	627,350	15,151
<b>TOTAL PERSONAL SERVICES AND RELATED BENEFITS</b>	<b>4,258,000</b>	<b>3,960,349</b>	<b>3,887,581</b>	<b>72,768</b>
Operating services:				
Auto insurance	97,000	79,208	70,775	8,433
Collection expense - sales tax	60,000	52,500	55,732	(3,232)
Other liability insurance	60,000	55,257	49,643	5,614
Other operating services	38,500	37,860	34,591	3,269
<b>TOTAL OPERATING SERVICES</b>	<b>255,500</b>	<b>224,825</b>	<b>210,741</b>	<b>14,084</b>
Operations and maintenance				
Auto fuel and oil	230,000	326,950	356,107	(29,157)
Auto maintenance	80,000	77,570	90,818	(13,248)
Criminal investigation expenditures	20,000	23,650	16,045	7,605
Deputy supplies	12,000	781	489	292
Dues and subscriptions	20,000	961	13,893	(12,932)
Election expense	10,000	7,500	-	7,500
E-911 expenditures	15,000	-	20,301	(20,301)
Juvenile	2,000	500	6,524	(6,024)
Office supplies	65,000	88,064	87,281	783
Prisoner feeding and maintenance	75,000	56,070	46,318	9,752
Radio operation and maintenance	5,000	6,923	6,061	862
Substation costs	-	4,316	6,290	(1,974)
Tax notices	29,000	25,606	31,510	(5,904)
Telephone	72,000	113,949	86,203	27,746
Training	6,000	7,615	7,572	43
Other	23,450	22,135	35,526	(13,391)
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>664,450</b>	<b>762,590</b>	<b>810,938</b>	<b>(48,348)</b>
Travel	5,000	9,252	8,371	881
Capital Outlays:				
Equipment	12,000	37,253	20,000	17,253
<b>TOTAL CAPITAL OUTLAYS</b>	<b>12,000</b>	<b>37,253</b>	<b>20,000</b>	<b>17,253</b>
Debt Service:				
Principal	134,000	123,523	134,526	(11,003)
Interest	9,000	21,371	39,615	(18,244)
<b>TOTAL DEBT SERVICES</b>	<b>143,000</b>	<b>144,894</b>	<b>174,141</b>	<b>(29,247)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,337,950</b>	<b>\$ 5,139,163</b>	<b>\$ 5,111,772</b>	<b>\$ 27,391</b>

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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Commissions - telephone	\$ 255,000	\$ 265,567	\$ 250,369	\$ (15,198)
Interest income	-	-	6	6
<b>TOTAL REVENUES</b>	<u>255,000</u>	<u>265,567</u>	<u>250,375</u>	<u>(15,192)</u>
<b>EXPENDITURES</b>				
Current - Public safety: Operating services	282,000	221,343	221,345	(2)
<b>TOTAL EXPENDITURES</b>	<u>282,000</u>	<u>221,343</u>	<u>221,345</u>	<u>(2)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(27,000)</u>	<u>44,224</u>	<u>29,030</u>	<u>(15,194)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>24,336</u>	<u>24,336</u>	<u>24,336</u>	<u>.</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ (2,664)</u>	<u>\$ 68,560</u>	<u>\$ 53,366</u>	<u>\$ (15,194)</u>

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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Grant revenue	\$ 400,000	\$ 429,448	\$ 429,448	\$ -
Interest income	10	17	13	(4)
<b>TOTAL REVENUES</b>	<u>400,010</u>	<u>429,465</u>	<u>429,461</u>	<u>(4)</u>
<b>EXPENDITURES</b>				
Current -				
Public safety:				
Operations and maintenance	-	5	-	5
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>400,010</u>	<u>429,460</u>	<u>429,461</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(400,000)	(431,427)	(324,257)	107,170
Total other financing sources (uses)	<u>(400,000)</u>	<u>(431,427)</u>	<u>(324,257)</u>	<u>107,170</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>10</u>	<u>(1,967)</u>	<u>105,204</u>	<u>107,171</u>
<b>FUND BALANCE, BEGINNING</b>	<u>1,967</u>	<u>1,967</u>	<u>1,967</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,977</u>	<u>\$ -</u>	<u>\$ 107,171</u>	<u>\$ 107,171</u>

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, 2012

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, 2010	\$ -	\$ 3,413,531	\$ 3,413,531	0.0%	\$ 2,591,464	132%
July 1, 2011	\$ -	\$ 3,413,531	\$ 3,413,531	0.0%	\$ 2,651,236	129%
July 1, 2012	\$ -	\$ 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

## FIDUCIARY 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 from vending machine income and used for inmate welfare.

### 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 PARISII SHERIFF  
Oberlin, Louisiana  
AGENCY FUNDS  
Combining Statement of Fiduciary Net Assets  
June 30, 2012

	SHERIFF'S FUND	TAX COLLECTOR FUND	COMMISSION ON AGING FUND	INMATE WELFARE FUND	DEPUTY WITNESS FEE FUND	TOTAL
<b>ASSETS</b>						
Non-interest bearing deposits	\$ -	\$ -	\$ -	\$ 9,228	\$ 671	\$ 9,899
Interest bearing deposits	219,273	565,840	1,104	-	-	786,217
Investments	-	85,486	-	-	-	85,486
<b>TOTAL ASSETS</b>	<b>\$ 219,273</b>	<b>\$ 651,326</b>	<b>\$ 1,104</b>	<b>\$ 9,228</b>	<b>\$ 671</b>	<b>\$ 881,602</b>
<b>LIABILITIES</b>						
Due to taxing bodies and others	\$ 219,273	\$ 651,326	\$ 1,104	\$ 9,228	\$ 671	\$ 881,602

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF

Oberlin, Louisiana

AGENCY FUNDS

Combining Statement of Changes in Fiduciary Net Assets

June 30, 2012

	SHERIFFS FUND)	TAX COLLECTOR FUND	COMMISSION ON AGING FUND	INMATE WELFARE FUND	DEPUTY WITNESS FEES FUND	TOTAL
Balances, beginning of year	\$ 358,972	\$ 531,223	\$ 1,104	\$ 4,161	\$ 721	\$ 896,181
<b>Additions:</b>						
Deposits -						
Sheriff's sales, suits, and seizures	266,332	-	-	-	-	266,332
Fines and costs	1,071,895	-	-	-	950	1,072,845
Inmate vending machines	-	-	-	21,480	-	21,480
Taxes, fees, etc., paid to tax collector	-	12,463,962	-	-	-	12,463,962
Other additions	69	-	-	-	-	69
<b>TOTAL ADDITIONS</b>	<b>1,338,296</b>	<b>12,463,962</b>	<b>-</b>	<b>21,480</b>	<b>950</b>	<b>13,824,688</b>
<b>TOTAL</b>	<b>1,697,268</b>	<b>12,995,185</b>	<b>1,104</b>	<b>25,641</b>	<b>1,671</b>	<b>14,720,869</b>
<b>Reductions:</b>						
Taxes, fees, etc., distributed to taxing bodies and others	-	8,262,784	-	-	-	8,262,784
Deposits settled to -						
State agencies	33,578	20,857	-	-	-	54,435
Sheriff's General Fund	236,126	1,450,577	-	-	-	1,686,703
Clerk of Court	88,940	-	-	-	-	88,940
Coroner	4,431	-	-	-	-	4,431
Police Jury	345,403	2,608,770	-	-	-	2,954,173
District Attorney	123,102	-	-	-	-	123,102
Judicial Expense Fund	40,531	-	-	-	-	40,531
Indigent Defender Fund	116,546	-	-	-	-	116,546
Litigants and attorneys	318,636	-	-	-	-	318,636
Crime Lab	56,955	-	-	-	-	56,955
Inmate welfare expenditures	-	-	-	16,413	-	16,413
Other reductions	113,747	871	-	-	1,000	115,618
<b>TOTAL REDUCTIONS</b>	<b>1,477,993</b>	<b>12,343,859</b>	<b>-</b>	<b>16,413</b>	<b>1,000</b>	<b>13,839,267</b>
Balances, end of year	\$ 219,273	\$ 651,326	\$ 1,104	\$ 9,228	\$ 671	\$ 881,602

The accompanying notes are an integral part of this statement.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
TAX COLLECTOR FUND  
Schedule of Taxes Collected and Uncollected  
June 30, 2012

The taxes collected by the Allen Parish Sheriff on behalf of the various taxing authorities and the amounts of taxes remaining uncollected as of June 30, 2012, with respect to the 2011 tax roll are as follows:

<u>Taxing Authority</u>	<u>Taxes Collected</u>	<u>Taxes Uncollected</u>
Allen Parish Ambulance Service District No. 1	\$ 443,727	\$ 861
Allen Parish Fire Protection Districts		
Fire Protection District No. 1	20,562	-
Fire Protection District No. 2	99,689	-
Fire Protection District No. 3	110,991	29
Fire Protection District No. 4	222,296	771
Fire Protection District No. 5	230,134	256
Fire Protection District No. 6	173,341	-
Allen Parish Gravity Drainage Districts		
Bayou Blue Gravity Drainage District No. 1	127,933	-
Kinder Gravity Drainage District No. 2	76,894	322
Allen Parish Hospital Service District	668,254	1,296
Allen Parish Library	809,763	1,066
Allen Parish Mosquito Abatement District	601,517	792
Allen Parish Police Jury	2,457,846	2,643
Allen Parish Recreation Districts		
Recreation District No. 1 (Oakdale)	74,391	31
Recreation District No. 2 (Kinder)	123,633	377
Recreation District No. 3 (Elizabeth)	28,316	21
Recreation District No. 5 (Oberlin)	61,343	68
Recreation District No. 6 (Reeves)	166,788	-
Allen Parish School Board	3,499,331	4,930
Allen Parish Sheriff	1,301,914	1,715
Allen Parish Tax Assessor	393,271	518
Jefferson Davis Parish School Board	85,402	-
Louisiana Department of Agriculture & Forestry	22,304	-
Louisiana Tax Commission	2,321	-
<b>Totals</b>	<b>\$ 11,801,961</b>	<b>\$ 15,696</b>

Uncollected Taxes: The taxes that remained uncollected as of June 30, 2012, were not collected due to one or more of the following reasons: (1) bankruptcy cases filed by the taxpayer; (2) the property assessed was movable and could not be located and/or could not be sold at tax sale; (3) the property assessed was considered orphan oil/gas wells or related equipment and was not sold at tax sale.

Cash and Investments - Tax Collector Fund: As of June 30, 2012, the Allen Parish Sheriff held the following amounts of cash and investments on behalf of the taxing authorities, the majority of which represent taxes paid under protest:

Cash in Banks	\$ 565,840
Investments (LAMP Account)	\$ 85,486

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA,

PARISH OF ALLEN.

**AFFIDAVIT**

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

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

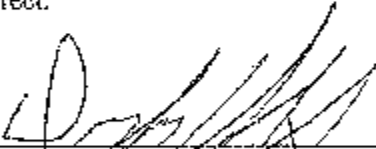
The following information is true and correct:

\$565,840 is the amount of cash on hand in the tax collector bank accounts on June 30, 2012, and \$85,486 is the amount of cash from the tax collector fund invested in LAMP accounts.

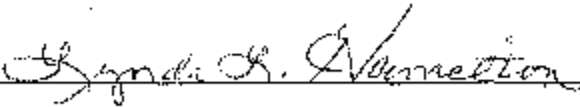
HE FURTHER deposed and said:

All itemized statements of the amount of taxes collected for tax year 2011, by taxing authority, are true and correct.

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

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

SWORN TO AND SUBSCRIBED, before me, Notary, this 20<sup>th</sup> day of December, 2012, in Oberlin, Allen Parish, Louisiana.

  
\_\_\_\_\_  
Name of Notary: Lynda L. Hammett # 77444  
Notary Public in and for  
ALLEN PARISH, LOUISIANA

My Commission Expires: With Life

# Stutzman & Gates, LLC

## Certified Public Accountants

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

### 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, LA

We have audited 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, 2012, which collectively comprise the Allen Parish Sheriff's basic financial statements and have issued our report thereon dated December 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*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. We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses. See 2012-9 and 2012-11.*

*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. We consider the deficiencies described in the accompany schedule of findings to be significant deficiencies. See 2012-1, 2012-2, 2012-3, 2012-4, 2012-5, 2012-6, 2012-7, 2012-8, and 2012-10.*

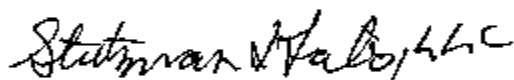
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allen Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 as items 2012-3, 2012-6, 2012-7, 2012-8, 2012-10, and 2012-11.

The Allen Parish Sheriff's response to the findings identified in our audit are on pages 56 through 57 in the Allen Parish Sheriff's Corrective Action Plan. We did not audit the Allen Parish Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management the Allen Parish Sheriff, others within the entity, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Stutzman & Gates, LLC



December 20, 2012

**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>  X  </u> Yes	<u>    </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**

**2012-1 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:	See the Allen Parish Sheriff's Corrective Action Plan.

**2012-2 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:	See the Allen Parish Sheriff's Corrective Action Plan.

**2012-3 Local Government Budget Act – Budgetary Authority and Control**

Condition:	Since actual revenues and other sources failed to meet budgeted revenues and other sources by 5.7% in the E-911 Fund, the Sheriff may be in violation of Louisiana Revised Statutes 39:1310 - The Local Governmental Budget Act.
Criteria:	La. Rev. Stat. §39:1311 (A) (1). Whenever total actual revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, fail to meet budgeted revenues and other sources 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 revenues and other sources plus projected revenues and other sources fail to meet budgeted revenues and other sources by five percent or more.
Views of responsible officials and planned corrective actions:	See the Allen Parish Sheriff's Corrective Action Plan.



#### 2012-4 Controls Over Occupational Licenses

Condition:	The Sheriff did not have adequate controls in place to ensure that all occupational licenses owed to the Allen Parish Police Jury were collected during the year ended June 30, 2012. The Sheriff did not maintain a listing of the notices sent out to businesses for renewal of their licenses. Without such a list there is no assurance that all occupational licenses were paid. Also the Sheriff did not have in place a system to ensure that new businesses entering the parish would be notified of the requirement of paying an occupational license and that those new businesses did so.
Criteria:	The Allen Parish Sheriff, as Ex Officio Tax Collector for Allen Parish, is charged with collecting occupational licenses owed to the Allen Parish Police Jury.
Effect:	Without having adequate controls for the collection of these fees the parish possibly did not receive all monies due to it for occupational licenses. Also because the Sheriff charges a commission for the collection of the fees, the Allen Parish Sheriff possibly did not collect all commissions owed to it.
Cause:	Lack of sufficient administrative oversight and controls.
Recommendation:	The Sheriff should maintain a listing of all occupational license renewals sent out. As each license is paid it should be noted on the listing. Once the due date for occupational license renewals has passed this list should be reviewed and any businesses not having paid should be contacted. If possible the task of occupational license renewals should be done through the Sheriff's software program that is used to track the payment of other taxes, fines, etc. The Sheriff should devise a plan to ensure that all new businesses that start up in the unincorporated areas of Allen Parish are notified that they must pay an occupational license. One possible way would be to work with the electric companies located within the parish so that before the business has electric service to their place of business the business owner must show that they have paid their occupational license.
Views of responsible officials and planned corrective actions:	See the Allen Parish Sheriff's Corrective Action Plan.

#### 2012-5 Controls Over Inmate Commissary Sales

Condition:	Food stuffs such as chips, cold drinks, etc. were purchased by the Sheriff for resale to the inmates and employees of the jail. The Sheriff did not keep an inventory of the items bought. The food stuffs were kept in a locked room that the warden had the key to. A trustee was given the items to resale in the jail but there was not a listing of the exact items he was given. The trustee would sell the items and then give the warden the money collected. The trustee would not return the items not sold to the warden but would keep them in a locked refrigerator or cabinet inside the jail. There was no receipt written for the money transferred from the trustee to the warden. The cash collected was then sent to the accounting department but no receipt showing how much was being sent accompanied the cash. A receipt was given from the accounting department to employee bringing the cash. This receipt was given to the warden.
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ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Findings  
For the Year Ended June 30, 2012

Criteria:	For proper controls over inventory and the sales of this inventory there should be documentation maintained that traces the disposition of these items from purchase through the deposit of the monies from the sale of each item.
Effect:	Without the proper controls over the inventory and sale of the commissary items at the jail the Sheriff cannot be assured that the inventory and the cash received from the sales of these items is properly safeguarded from possible theft and misuse.
Cause:	Lack of sufficient administrative oversight and controls.
Recommendation:	The Sheriff should either institute the proper controls needed to ensure that the commissary inventory and cash received from the sales of these items are safeguarded from possible theft or misuse or study the feasibility of having an outside service administer the sales of commissary items within the jail.
Views of responsible officials and planned corrective actions:	See the Allen Parish Sheriff's Corrective Action Plan.

**2012-6 Controls Over Fixed Assets**

Condition:	The Sheriff did not maintain a listing of all land, buildings, improvements other than buildings, and equipment for the year ended June 30, 2012. Also the Sheriff did not perform random inspections of fixed assets owned by the entity during the year.
Criteria:	<p>LA Revised Statute 24:515 B. (1) The head of every auditee subject to examination and audit under the provisions of R. S. 24:513(A) shall maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to the date of purchase of such property or equipment, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed of. The records shall be made available to the legislative auditor or, when the audit is conducted by a certified public accountant, the certified public accountant, at the time of examination and audit of the auditee.</p> <p>Also for strong internal controls over the custody of fixed assets a surprise inspection of randomly selected items should be performed during each year by personnel that do not have any duties in connection with the custody of the fixed assets.</p>
Effect:	LA Revised Statute 24:515 B. (1) was not followed during the year ended June 30, 2012. Internal controls over the custody of fixed assets were inadequate.
Cause:	Lack of sufficient administrative oversight and controls.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Findings  
For the Year Ended June 30, 2012

**Recommendation:** The Sheriff should take an inventory of all fixed assets under the control of the entity and compare it to the depreciation schedule utilized during the audit for the year ended June 30, 2012. This inventory should have all the elements required in LA Revised Statute 24:515 B. (1). All assets should have a tag attached to them and the tag number should be part of the fixed asset listing. The Sheriff should perform surprise inspections of randomly selected fixed assets from this list at various times during each year. Any discrepancies should be investigated immediately.

**Views of responsible officials and planned corrective actions:** See the Allen Parish Sheriff's Corrective Action Plan.

**2012-7 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, 2012 the Sheriff did not disburse the ad valorem taxes collected by the required time for the following months of collection (with date of disbursement): December 2011 (January 11, 2012), February 2012 (March 13, 2012), March 2012 (April 13, 2012), April 2012 (May 17, 2012) and May 2012 (June 14, 2012). We do note that the Sheriff disbursed the ad valorem tax collections due to the Allen Parish Sheriff for the December 2011 collections on January 3, 2012. Also the Sheriff disbursed the ad valorem tax collections due to the Allen Parish Sheriff for the March 2012 collections on April 9, 2012.

**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:** See the Allen Parish Sheriff's Corrective Action Plan.

**2012-8 Payment for Telephone Services Not Used**

Condition:	<p>During the year ended June 30, 2012 the Sheriff paid for telephone services that there was no resulting benefit from the expenditure for these services. From July 2011 through April 2012 the Sheriff paid for cellular telephone service to one provider even though the Sheriff had requested that this service be discontinued. The same condition applied for another cellular telephone service provider for the months of December 2011 through May 2012. These invoices were paid even though there was no activity on these accounts and the service had been requested to be discontinued. The amounts paid to the two cellular telephone providers during these time periods equaled \$2,993.73 and \$2,102.10.</p> <p>Also during the year ended June 30, 2012 the E-911 system was charged for two phone lines that it no longer utilized. These phone lines were originally used as a back-up system when the E-911 system was first implemented. The phone lines are located at other law enforcement agencies in Allen Parish. The E-911 system did not need these lines once additional dispatchers were hired to operate the system. The amount paid for these two phone lines during 2012 totaled \$2,483.01. The additional dispatchers were hired approximately eight to ten years ago.</p>
Criteria:	<p>Proper internal controls over expenditures requires that a responsible individual review invoices for correctness and accuracy before payment of the expenditure. Also Article VII, Section 14 of the 1974 Louisiana Constitution charges that no property or things of value shall be granted to anyone.</p>
Effect:	<p>By paying for telephone services not needed and/or not required to pay for the Sheriff may have violated Article VII, Section 14 of the 1974 Louisiana Constitution.</p>
Cause:	<p>Lack of sufficient administrative oversight and controls.</p>
Recommendation:	<p>The Sheriff should have the two phone lines not needed for the E-911 system disconnected. The Sheriff should also try to recover the monies paid to the two cellular telephone providers since the service was requested to be discontinued and the providers failed to do so. All invoices should be reviewed by a responsible individual for correctness and accuracy before payment.</p>
Views of responsible officials and planned corrective actions:	<p>See the Allen Parish Sheriff's Corrective Action Plan.</p>

**2012-9 Controls Over Expenditures**

Condition:	The Sheriff did not have adequate internal controls in place for the purchasing and payment for goods and service during the year ended June 30, 2012. The process for authorization and payment of invoices did not include the following steps: (1) attachment of invoices to checks for signature, (2) use of purchase orders, (3) notation of review and approval of invoices by a responsible individual prior to payment. Due to the weak internal controls over expenditures the Sheriff paid for services and goods that he received no benefit. See 2012-8 and 2012-11.
Criteria:	Proper internal controls over expenditures should include the use of purchase orders; the attachment of invoices to all checks to be signed; the review of all invoices prior to payment by a responsible individual not engaged in the preparation of disbursements for payment; notation of review and approval by that person prior to payment.
Effect:	Due to the weak internal controls over expenditures the Sheriff paid for services and goods that he received no benefit for. See 2012-8 and 2012-11.
Cause:	Lack of sufficient administrative oversight and controls.
Recommendation:	The Sheriff should utilize a purchase order system that will ensure proper authorization of all expenditures. The Sheriff should designate an individual that will be charged with the duty of reviewing all invoices prior to payment. That person should receive all checks for signature accompanied by an original invoice and purchase order authorizing the purchase. All invoices should be reviewed for accuracy and completeness and that individual should document on each invoice their approval prior to payment.
Views of responsible officials and planned corrective actions:	See the Allen Parish Sheriff's Corrective Action Plan.

**2012-10 Controls Over Traffic Tickets**

Condition:	The Sheriff did not have proper controls over the disposition of traffic tickets during the year ended June 30, 2012. There was no accounting for the numerical sequence for traffic ticket books once the books were issued to ensure the final disposition of each ticket. Traffic ticket books issued to deputies were not reconciled/agreed with the issued citations. There was no accounting for the final disposition of all citations. During our review of the procedures related to traffic ticket books we noted the following: (1) 152 tickets were found in boxes that appeared to have been issued but not turned into to the District Attorney, (2) 70 tickets that were voided but not entered into the system for final disposition.
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ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Findings  
For the Year Ended June 30, 2012

Criteria:	<p>Good controls over traffic tickets require an accounting for the numerical sequence of traffic tickets. Also records should be maintained that account for the final disposition of all citations. Traffic citations should not be reduced or dismissed "outside" of traffic court. LA Revised Statute 32:398.2 states - each traffic enforcement officer upon issuing a traffic citation to an alleged violator of any provision of the motor vehicle laws of this state or of any traffic ordinance of any city or town shall deposit the original citation or a copy of such traffic citation with a court having jurisdiction over the alleged offense or with the appropriate traffic violations bureau. It shall be unlawful for any traffic enforcement officer or any other officer or public employee to dispose of a traffic citation or copies thereof or of the record of the issuance of the citation in a manner other than as required herein. The chief administrative officer of each traffic enforcement agency in the state shall require all traffic officers under his supervision to return to him a copy of every traffic citation which was issued by the officer for the violation of a traffic law or ordinance, and in addition shall require the return of all copies of every traffic citation which has been spoiled or upon which an entry has been made without having issued the citation to the alleged violator. The chief administrative officer shall also maintain or cause to be maintained in connection with every traffic citation issued by an officer under his supervision a record of the disposition of the charge by the court or its traffic violations bureau in which the original or a copy of the traffic citation was deposited. LA Revised Statute 32:398.3 states- Illegal cancellation of traffic citation; penalty; audit of citation records; publication-A. Any person who cancels or solicits the cancellation of any traffic citation, in any manner other than as provided in this Part, shall be guilty of a misdemeanor, and shall, upon conviction, be fined not more than five hundred dollars or imprisoned for not more than six months or both. B. Each record of traffic citations required in this Part shall be audited quarterly by the appropriate fiscal officer of the governmental agency to which the traffic enforcement agency is responsible.</p>
Effect:	<p>Controls over traffic tickets were inadequate and LA Revised Statutes 32:398.2 and 32:398.3 may have been violated.</p>
Cause:	<p>Lack of sufficient administrative oversight and controls.</p>
Recommendation:	<p>The Sheriff should immediately turnover to the District Attorney all traffic tickets that were issued but never entered into the court system. The Sheriff should institute procedures that ensure that all issued traffic ticket books are accounted for through their final disposition. This should include a periodic review by a responsible individual not involved in the issuance of the traffic ticket books and a quarterly audit of traffic tickets conducted.</p>
Views of responsible officials and planned corrective actions:	<p>See the Allen Parish Sheriff's Corrective Action Plan.</p>

### 2012-11 Controls Over Fuel Credit Cards/Purchases

**Condition:** The Sheriff did not have adequate controls over credit cards used for the purchase of fuel during the year ended June 30, 2012. The Sheriff did not have adequate controls over the usage of fuel during the year ended June 30, 2012. The Sheriff did not have adequate controls over the review and payment of fuel invoices during the year ended June 30, 2012. Fuel cards were used for the purchase of fuel by the department's personnel. Each deputy was given a fuel card but there was no record of which card was given to each deputy. There was no system in place to ensure that deputies that no longer were employed by the Sheriff had turned in their fuel card. Deputies were required to turn in a vehicle mileage log showing miles driven and fuel purchased. The vehicle mileage logs were used to check for the reasonableness of fuel usage by each deputy on a monthly basis. Any discrepancies and non-submittal of vehicle mileage logs were reported to the administrative staff.

We reviewed all fuel purchase invoices paid for the time period from July 1, 2011 through June 30, 2012 for reasonableness based on the maximum number of gallons that could be purchased at one fill up. We also used the time of fill up also as a test for reasonableness for the amount of usage per day. From discussions with department personnel we concluded that the most any department vehicle (except a truck used for a maintenance crew) could hold in any one fill up was 25 gallons. We also concluded that under normal circumstances patrol deputies might fill up twice a day at the most.

From our review of these fuel invoices based on the above conclusions we found that there were four fuel credit cards that had purchases that did not meet our expectations as to number of gallons per fill up and/or number of purchases per day. There was a total of 20,755 gallons of fuel that we believe were not used for department duties. The dollar value of these purchases amounted to \$74,566. From our review of the time of purchase showing on the fuel invoices there were purchases that did not meet our expectations as to number of fill ups per day for each of the four cards as follows: one card had 4 days with multiple fill ups; another card had 28 days with multiple fill ups; another card had 85 days with multiple fill ups and another card had 105 days with multiple fill ups. The majority of these fill ups were only minutes apart at different pump stations at the same facility. Some of these days included up to 8 fill ups per day. Most fill ups averaged 32 to 38 gallons per fill up, however we noted on the following dates individual fill ups of: April 27, 2012 of 70 gallons; May 24, 2012 of 76 gallons; May 29, 2012 of 83 gallons and also on May 29, 2012 of 70 gallons.

The Louisiana Legislative Auditor and the Allen Parish District Attorney have been notified of this finding, as required by LA Revised Statute 24:523.

The Louisiana State Police have investigated this matter and a former employee of the Sheriff's department has been arrested.

ALLEN PARISH SHERIFF  
Oberlin, Louisiana  
Schedule of Findings  
For the Year Ended June 30, 2012

**Criteria:** Controls over fuel purchases/usage/credit cards should require that (a) each vehicle that uses the card to maintain a vehicle mileage log; (b) the driver enter the correct odometer reading when fueling his/her vehicle; (c) the card only be used for the assigned vehicle; (d) management review the card statements to ensure that the number of gallons received, miles traveled, and miles per gallon are reasonable; and (e) management compare the vehicle log monthly with the card monthly statement.

**Effect:** By paying for fuel purchased that was not for departmental use, the Sheriff may have violated Article VII, Section 14 of the 1974 Louisiana Constitution. Failure to implement strong internal controls over the usage of fuel could result in the misuse of fuel within the department.

**Cause:** Lack of sufficient administrative oversight and controls.

**Recommendation:** The Sheriff should implement the above controls immediately. All fuel cards should be discontinued and new ones issued with a record of each person receiving a fuel card. When an employee leaves the department that card should be turned in and if it is not, the card should be deactivated immediately. We also recommend that the Sheriff find out if it is feasible to place a maximum amount of either gallons purchased or dollar amount per day for each card with that card being shut off when it reaches that maximum amount and a warning transmitted to the administration via the internet or by a telephone call. The Sheriff should seek restitution for any fuel purchases that were not for departmental business.

**Views of responsible officials and planned corrective actions:** See the Allen Parish Sheriff's Corrective Action Plan.

**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, 2012

**2011-1 I/C 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.

**2011-1 C Local Governmental Budget Act:**

Corrective Action Taken: Yes.



**Douglas L. Hebert III**  
**ALLEN PARISH SHERIFF**

December 20, 2012

**VIEWS OF RESPONSIBLE OFFICIALS  
AND PLANNED CORRECTIVE ACTIONS**

This document has been prepared in response to the findings contained in the Allen Parish Sheriff's Annual Financial Report and Independent Auditor's Report for the year ending June 30, 2012.

Douglas L. Hebert, III is the duly elected Sheriff of the parish of Allen, Louisiana and assumed office on July 1, 2012. A complete review of the policy and procedure of the department began on that date and continues. We began implementing corrective measures immediately.

Planned corrective action is as follows:

**2012-1 Segregation of Duties**

Although this is a small department which lacks the proper manpower to completely segregate duties, steps have been taken to mitigate any deficiencies in segregation of duties by supervision and review.

**2012-2 Controls Over Financial Reporting**

Management will maintain a heightened awareness of all transactions being reported.

**2012-3 Local Government Budget Act – Budget Authority and Control**

Careful review of revenues shall be conducted on a regular basis. If it is determined that project revenues and other sources are failing to meet budgeted revenues, the budget shall be amended.

**2012-4 Controls Over Occupation Licenses**

A deputy has been assigned to conduct a review of businesses to determine whether occupational licenses are current. A computer generated list of businesses will be created for invoicing and payment processing. The assistance of electric companies and the sales tax collector will be solicited to ensure that all new businesses purchase an occupational license prior to conducting business.

**2012-5 Controls Over Inmate Commissary Sales**

Sheriff has contracted with an outside service company to administer sales of commissary items. All records are maintained in a computer system which tracks deposits and expenditures of inmates.

**2012-6 Controls Over Fixed Assets**

Inventory of all fixed assets will be created and comparison made to the depreciation schedule utilized during audit. We anticipate completion of this listing by March 31, 2013. All assets shall have a tag and number which shall be part of the fixed asset listing. Surprise random inspections shall be conducted from this list at various times during the year. Discrepancies shall be investigated immediately.

**2012-7 Disbursement of Ad Valorem Tax Collection Not Timely**

An immediate review of dates of disbursement shall be conducted by Sheriff or his appointee who is not involved in the collection and disbursement of taxes.

**2012-8 Payment for Telephone Services not Used**

A review of phone service has been conducted. A request for cancellation of unnecessary phone lines was made in July, 2012. A demand was made to Verizon and AT&T for refund of monies paid on accounts receiving no service. Payment has been received from Verizon. The AT&T account has not yet been resolved. Invoices will be reviewed for correctness and accuracy prior to payment.

**2012-9 Controls over Expenditures**

A purchase order system has been implemented to ensure proper authority of all expenditures. Invoices will be reviewed thoroughly prior to payment. The original invoice and purchase order shall be attached to all checks. Approval of invoices will be documented prior to payment.

**2012-10 Controls over Traffic Tickets**

All traffic tickets issued were turned over to the Allen Parish District Attorney on December 18, 2012. Procedures have been implemented to ensure proper accounting of traffic ticket books and tickets issued. Periodic audit shall be conducted.

**2012-11 Controls over Fuel Credit Cards/Purchases**

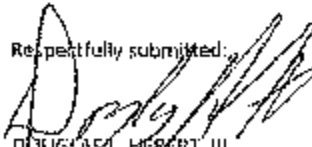
Controls have been instituted to ensure proper documentation of assignment of credit cards.

Use of cards requires:

- 1) Vehicle mileage log
- 2) Entry of odometer reading prior to fueling
- 3) Unique driver identifier
- 4) Limitation on allowed charge

Department is seeking restitution for all fuel purchases not for department purposes.

Respectfully submitted:



DOUGLAS L. HERBERT, III  
SHERIFF