

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Financial Statements**  
**Year ended June 30, 2014**

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Financial Statements**  
**Year ended June 30, 2014**

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**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2014**

Within this section of the Bossier Parish Sheriff's ("Sheriff") Office annual financial report, the Sheriff's management is to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2014. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

The Sheriff's assets exceeded its liabilities by \$41,415,474 (net position) for the fiscal year ended June 30, 2014.

The net position is composed of the following:

- Capital assets, net of related debt, of \$28,050,041 representing property and equipment net of accumulated depreciation of \$15,703,067, which is reduced by outstanding lease payable of \$28,750 related to the purchase of capital assets.
- Restricted net position of \$1,941,262 represents the portion restricted for other post-employment benefits.
- Unrestricted net position of \$11,424,171 represents the portion available to maintain the Sheriff's continuing obligation to the citizens of Bossier Parish.

The Sheriff's governmental funds reported total ending fund balance of \$12,059,046 this year. This compares to the prior year ending fund balance of \$9,515,950 resulting in an increase of \$2,543,096 during the current year.

At the end the current fiscal year, unassigned fund balance for the General Fund was \$9,707,646, which represents 33.11% of the total expenditures of the Sheriff's General Fund and 31.2% of total revenues in the General Fund, including other financing sources. Overall, the Sheriff's office continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management Discussion and Analysis introduces the Sheriff's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report, additional information to supplement the basic financial statements.

Exhibit 1 below summarizes the major features of the Sheriff's financial statements, including the portion of the Sheriff's government they cover and the types of information they contain. The remainder of this overview section of this Management's Discussion and Analysis explains the structure of the contents of each of the statements.

Exhibit 1 Major Features of Sheriff's Government and Fund Financial Statements			
	Fund Statements		
	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	The entire Sheriff's governmental unit (excluding fiduciary funds).	The activities of the Sheriff that are not proprietary or fiduciary, such as public safety.	Instances in which the Sheriff is the trustee or agent for someone else's resources.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position.</li> <li>• Statement of activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet.</li> <li>• Statement of revenue, expenditures and changes in fund balances.</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position.</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resource focus.
Type of asset/liability	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included.	All assets and liabilities, both short-term and long-term; the Sheriff's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to private sector using the economic resources measurement focus and the accrual basis of accounting.

The first of these government-wide statements is the Statement of Net Position. The government-wide statement of position presents information that includes all of the Sheriff's assets and liabilities, with the difference reported as net position. Increase or decrease in net position may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when funds are received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 8 and 9.

## FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff uses two kinds of funds, governmental funds and fiduciary funds:

In fund financial statements, governmental funds encompass the same functions reported as governmental activities in government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. The fund statements report short-term fiscal accountability focusing on the use of expendable resources and balances of expendable resources available at the end of the year. The fund statements are utilized in evaluating annual financial requirements of governmental programs and the commitment of expendable resources of the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the government fund Balance Sheet and the government fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary funds consist of agency funds which are reported in the fund financial statements and report taxes collected for the other taxing bodies and deposits held pending court actions. Since these resources are not available to support the Bossier Parish Sheriff's programs, fiduciary funds are not reflected in the government-wide financial statements.

The basic government fund and fiduciary fund financial statements are presented on pages 11 to 16 of this report.

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

## **OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentation. Budgetary comparison schedules for the general fund and the special revenue Fund and schedule of funding progress of post-retirement benefits are included as "required supplementary information". These schedules demonstrate compliance with the Sheriff's adopted and final revised budget and funding of the post retirement liabilities and can be found on page 37 in this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

## **Government-wide Financial Analysis**

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Bossier Parish Sheriff exceeded liabilities by \$41,415,474. The largest portion of the Bossier Parish Sheriffs Net Position reflects its investment in capital assets (e.g., land, buildings and improvements and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

An additional portion of the Bossier Parish Sheriffs Net Position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, overtime, by the Bossier Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation (since construction and/or acquisition) on assets of very long-lived assets having been included in the statement of net position.

### FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's government-wide net position at June 30, 2014, is \$41,415,474. The following table provides a summary of the Sheriff's government-wide assets, liabilities and net position:

Assets	2014		2013	
Cash, cash equivalents, receivables and other assets	\$ 14,119,460	31.99%	\$ 11,444,370	26.60%
Restricted net other post-employment benefit asset	1,941,262	4.40%	2,722,645	6.33%
Capital assets, net of accumulated depreciation	<u>28,078,791</u>	<u>63.61%</u>	<u>28,862,828</u>	<u>67.07%</u>
Total assets	<u>44,139,513</u>	<u>100.00%</u>	<u>43,029,843</u>	<u>100.00%</u>
Liabilities				
Current liabilities	2,060,414	75.64%	1,928,420	74.19%
Long-term liabilities	<u>663,625</u>	<u>24.36%</u>	<u>671,001</u>	<u>25.81%</u>
Total liabilities	<u>2,724,039</u>	<u>100.00%</u>	<u>2,599,421</u>	<u>100.00%</u>
Net position				
Net investment in capital assets	28,050,041	67.73%	28,862,828	71.39%
Restricted	1,941,262	4.69%	2,722,645	6.73%
Unrestricted	<u>11,424,171</u>	<u>27.58%</u>	<u>8,844,949</u>	<u>21.88%</u>
Net position	<u>\$ 41,415,474</u>	<u>100.00%</u>	<u>\$ 40,430,422</u>	<u>100.00%</u>

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for the government activities is 6.85:1.

The Sheriff reported positive balances in net position of the government-wide activities. Net position increased by \$985,052 for government-wide activities from government-wide net position of \$40,430,422 for the end of the prior fiscal year. The Sheriff has \$41,415,474 in net position as of June 30, 2014, of which 67.73% of the government-wide activities' net position is associated with capital assets. The Sheriff uses these capital assets to provide services to the citizens of Bossier Parish in the performance of its public safety activities.

The following table provides a summary of the Sheriff's changes in net position at June 30:

	<u>2014</u>	<u>2013</u>
Revenues		
Program revenues		
Fees, fines and charges for services	\$ 14,007,788	\$ 12,970,184
Operating grants and contributions	450,162	438,777
General revenues		
Taxes		
Property taxes	12,701,058	11,975,681
Sales and use taxes	9,624,992	9,424,565
State revenue sharing	490,039	488,630
Supplemental pay	1,703,747	1,661,020
Interest and investment earnings	11,252	5,630
Miscellaneous	1,012,137	684,553
Total revenues	<u>40,001,175</u>	<u>37,649,040</u>
Program expenses		
Public safety	<u>39,016,123</u>	<u>38,336,355</u>
Total expenses	<u>39,016,123</u>	<u>38,336,355</u>
Change in net position	985,052	( 687,315 )
Beginning net position	<u>40,430,422</u>	<u>41,117,737</u>
Ending net position	<u>\$ 41,415,474</u>	<u>\$ 40,430,422</u>

### Financial Analysis of the Government's Funds

As noted earlier, the Bossier Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2014, combined governmental fund balances of \$12,059,046 showed an increase of \$2,543,096 over June 30, 2013.

### General Fund Budgetary Highlights

There were no budget amendments for the General Fund. For the correctional facility Special Revenue Fund differences between expenditures of the original budget and the final budget amounts were due primarily to an increase in spending for personnel services and capital outlay.

## Capital Asset and Debt Administration

The Sheriff's investment in capital assets, net of accumulated depreciation of \$15,703,067 as of June 30, 2014, was \$28,078,791. See Note 5 for additional information about changes in capital assets during the fiscal year. The following table provides a summary of capital asset activity.

	2014	2013
Capital assets		
Land	\$ 1,599,816	\$ 1,599,816
Buildings	27,815,580	27,681,950
Law enforcement, weapons and equipment	3,205,359	3,017,638
Vehicles	6,368,725	6,161,411
Office furniture and equipment	3,601,256	3,314,923
Infrastructure	789,268	789,268
Construction in progress	401,854	401,854
Total capital assets	<u>43,781,858</u>	<u>42,966,860</u>
Less accumulated depreciation	<u>15,703,067</u>	<u>14,104,032</u>
Book value – capital assets	<u>\$ 28,078,791</u>	<u>\$ 28,862,828</u>
Percentage depreciated	<u>35.87%</u>	<u>32.83%</u>

At June 30, 2014, the depreciable capital assets for government activities were 35.87% depreciated versus 32.83% in the prior year. Depreciation expense of buildings, computer equipment, office equipment and vehicles was \$2,008,858 for fiscal year 2014 and is included in total expenses for the public safety activity.

Long-term debt: At the end of June 30, 2013, Bossier Parish Sheriff had total bonded debt outstanding, in the form of general obligation bonds, of \$50,000. During the year, all of the liability related to this bonded debt was paid. The Bossier Parish Sheriff entered into a capital lease agreement for equipment during the current year. The lease payable at June 30, 2014, was \$28,750.

### Other Post-Employment Benefits

Effective with the Year ending June 30, 2009, the Bossier Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The Bossier Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The total ARC for the fiscal year ending June 30, 2014 is \$1,754,285 for medical and life combined.

In the fiscal year ending June 30, 2014, Bossier Parish Sheriff's Office made contributions totaling \$236,000 to its post-employment benefits plan by a transfer of assets within the meaning of paragraph 141 of GASB 45 as of the end of the fiscal year. The plan had assets of \$13,228,185 as of June 30, 2014.

### Requests for Information

The financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report contact Mike Rabinowitz, Bossier Parish Sheriff's Office, P.O. Box 850, Benton, Louisiana 71006.

**Government – Wide Financial Statements**

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Statement of Net Position**  
**June 30, 2014**

**Assets**

Cash and cash equivalents	\$ 11,180,857
Receivables	2,832,046
Prepaid expenses	106,557
Total current assets	<u>14,119,460</u>
Net other post-employment benefit asset	1,941,262
Total noncurrent restricted assets	<u>1,941,262</u>
Capital assets, net of accumulated depreciation	<u>28,078,791</u>
Total assets	<u><u>44,139,513</u></u>

**Liabilities and Net Position**

<b>Liabilities</b>	
Accounts payable	735,321
Accrued expenses	1,325,093
Long-term liabilities	
Portion due within one year	
Lease payable	6,950
Accrued compensated absences	634,875
Portion due after one year	
Lease payable	21,800
Total liabilities	<u>2,724,039</u>
<b>Net position</b>	
Net investment in capital assets	28,050,041
Restricted for other post-employment benefits	1,941,262
Unrestricted	<u>11,424,171</u>
Total net position	<u><u>\$ 41,415,474</u></u>

The accompanying notes are an integral part of the financial statements.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Statement of Activities**  
**for the Year ended June 30, 2014**

	Program Revenues		Net (expense) revenue and changes in net position
	Expenses	Fees, fines and charges for services	
Functions/programs			
Governmental activities			
Public safety	\$ 39,014,588	\$ 14,007,788	\$ 450,162
Interest and fees on long-term debt	1,535	-	-
	<u>\$ 39,016,123</u>	<u>\$ 14,007,788</u>	<u>\$ 450,162</u>
Total governmental activities			(\$ 24,556,638)
			( 1,535)
			<u>( 24,558,173)</u>
General revenues			
Taxes -			
Property taxes			12,701,058
Sales and use taxes			9,624,992
State revenue sharing			490,039
Supplemental pay			1,703,747
Interest and investment earnings			11,252
Miscellaneous			1,012,137
			<u>25,543,225</u>
Total general revenues			
			985,052
Change in net position			40,430,422
Net position, July 1, 2013			<u>40,430,422</u>
Net position, June 30, 2014			<u>\$ 41,415,474</u>

The accompanying notes are an integral part of the financial statements.

**Fund Financial Statements**

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Balance Sheet - Governmental Funds**  
**June 30, 2014**

	Major Funds		Other Governmental Fund	Total
	General Fund	Special Revenue Funds	Capital Projects - Construction Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ 10,178,349	\$ 1,000,127	\$ 2,381	\$ 11,180,857
Due from other funds	-	688,236	-	688,236
Receivables	1,976,129	855,918	-	2,832,047
Prepaid insurance	73,643	32,914	-	106,557
<b>Total assets</b>	<b>\$ 12,228,121</b>	<b>\$ 2,577,195</b>	<b>\$ 2,381</b>	<b>\$ 14,807,697</b>
<b>Liabilities and Fund Balances</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 196,918	\$ 74,987	\$ -	\$ 271,905
Due to other funds	688,236	-	-	688,236
Accrued expenses	1,561,678	226,832	-	1,788,510
<b>Total current liabilities</b>	<b>2,446,832</b>	<b>301,819</b>	<b>-</b>	<b>2,748,651</b>
<b>Fund balances</b>				
Nonspendable - prepaid expenses	73,643	32,914	-	106,557
Restricted - public safety	-	2,242,462	-	2,242,462
Assigned - capital projects	-	-	2,381	2,381
Unassigned	9,707,646	-	-	9,707,646
<b>Total fund balances</b>	<b>9,781,289</b>	<b>2,275,376</b>	<b>2,381</b>	<b>12,059,046</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,228,121</b>	<b>\$ 2,577,195</b>	<b>\$ 2,381</b>	<b>\$ 14,807,697</b>

The accompanying notes are an integral part of the financial statements.

**BOSSIER PARISH SHERIFF  
Benton, Louisiana**

**Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Position  
June 30, 2014**

Total fund balances - Governmental Funds		\$ 12,059,046
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Cost of capital assets	43,781,858	
Less accumulated depreciation	<u>( 15,703,067)</u>	28,078,791
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
Capital lease payable	( 28,750)	
Compensated absences payable	<u>( 634,875)</u>	<u>( 663,625)</u>
The net other post-employment benefits asset resulting from contributions in excess of the annual required contributions are not financial resources and therefore are not reported in the funds.		
		<u>1,941,262</u>
Net changes		<u>29,356,428</u>
Total net position - government-wide activities		<u><u>\$ 41,415,474</u></u>

The accompanying notes are an integral part of the financial statements.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
for the Year ended June 30, 2014**

	Major Funds		Other Governmental Fund	Total
	General Fund	Special Revenue Fund - Correctional Facility Fund	Capital Projects Fund - Construction Fund	
<b>Revenues</b>				
Ad valorem taxes	\$ 12,701,058	\$ -	\$ -	\$ 12,701,058
Sales taxes	9,624,992	-	-	9,624,992
Intergovernmental revenues				
Federal grants	171,894	-	-	171,894
State sources				
Supplemental pay	1,364,851	338,896	-	1,703,747
Revenue sharing	490,039	-	-	490,039
Grants	194,162	-	-	194,162
Local grants	84,106	-	-	84,106
Fees, charges, and commissions for services				
Commissions on licenses and taxes	5,005	-	-	5,005
Civil and criminal fees	1,676,875	-	-	1,676,875
Court attendance	34,680	-	-	34,680
Transporting prisoners	84,216	23,524	-	107,740
Feeding and keeping prisoners	1,828,932	7,913,322	-	9,742,254
Tax notices	17,831	-	-	17,831
Probation fees	589,520	-	-	589,520
Gaming fees	1,386,719	-	-	1,386,719
Other fees	447,164	-	-	447,164
Use of money and property	11,020	-	5	11,025
Miscellaneous	422,398	575,795	-	998,193
<b>Total revenues</b>	<u>31,135,462</u>	<u>8,851,537</u>	<u>5</u>	<u>39,987,004</u>
<b>Expenditures</b>				
Current- public safety				
Personnel services and related benefits	24,103,727	5,732,248	-	29,835,975
Operating services	2,430,537	928,473	-	3,359,010
Materials and supplies	1,628,091	999,278	-	2,627,369
Travel and other charges	131,577	20,542	-	152,119
Debt service	7,595	51,535	-	59,130
Capital outlay	1,017,235	148,072	98,402	1,263,709
<b>Total expenditures</b>	<u>29,318,762</u>	<u>7,880,148</u>	<u>98,402</u>	<u>37,297,312</u>
Excess of revenues (expenditures)	<u>1,816,700</u>	<u>971,389</u>	<u>( 98,397)</u>	<u>2,689,692</u>
<b>Other financing sources and uses</b>				
Operating transfer in	942,981	-	88,180	1,031,161
Operating transfer out	( 236,000)	( 1,031,161)	-	( 1,267,161)
Other financing sources - capital lease agreement	36,345	-	-	36,345
Proceeds from sale of fixed assets	53,059	-	-	53,059
<b>Total other financing sources and uses</b>	<u>796,385</u>	<u>( 1,031,161)</u>	<u>88,180</u>	<u>( 146,596)</u>
<b>Net change in fund balances</b>	2,613,085	( 59,772)	( 10,217)	2,543,096
<b>Fund balances at beginning of year</b>	7,168,204	2,335,148	12,598	9,515,950
<b>Fund balances at end of year</b>	<u>\$ 9,781,289</u>	<u>\$ 2,275,376</u>	<u>\$ 2,381</u>	<u>\$ 12,059,046</u>

The accompanying notes are an integral part of the financial statements.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds to the Statement of Activities  
for the Year ended June 30, 2014**

Net change in fund balances		\$	2,543,096
<p>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.</p>			
Capital outlay	1,263,709		
Capital assets disposals, net	( 38,888)		
Depreciation expense	<u>( 2,008,858)</u>	(	784,037)
<p>The net OPEB asset is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net OPEB asset.</p>			
		(	781,383)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>			
Principal payments			50,000
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.</p>			
Capital lease payable increase in current year	( 28,750)		
Compensated absences increase in current year	<u>( 13,874)</u>	(	<u>42,624)</u>
Net changes			<u>( 1,558,044)</u>
Change in net position of governmental activities		\$	<u><u>985,052</u></u>

The accompanying notes are an integral part of the financial statements.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Statement of Fiduciary Net Position -**  
**Fiduciary Funds**  
**June 30, 2014**

	<u>Retired Employee Benefit Trust Fund</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 80,977	\$ 5,606,916
Investments	13,140,208	-
Accounts receivable from General Fund	<u>7,000</u>	<u>-</u>
Total assets	<u>\$ 13,228,185</u>	<u>\$ 5,606,916</u>
<b>Liabilities</b>		
Unsettled balances due to taxing bodies and others	<u>\$ -</u>	<u>\$ 5,606,916</u>
Total liabilities	<u>\$ -</u>	<u>\$ 5,606,916</u>
<b>Net Position</b>		
Restricted for other postemployment benefits	<u>13,228,185</u>	<u>-</u>
Total liabilities and net position	<u>\$ 13,228,185</u>	<u>\$ 5,606,916</u>

The accompanying notes are an integral part of the financial statements.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Statement of Changes in Fiduciary Net Position -**  
**Retired Employees Benefit Trust Fund**  
**for the Year ended June 30, 2014**

	<u>Retired Employee Benefit Trust Fund</u>
<b>Additions</b>	
Contributions	
General Fund	\$ 236,000
Total contributions	<u>236,000</u>
Investment earnings	
Net increase in fair value of investments	896,147
Dividends	<u>411,131</u>
Total investment earnings	1,307,278
Less investment expense	<u>48,244</u>
Net investment earnings	<u>1,259,034</u>
Total additions	<u>1,495,034</u>
<b>Reductions</b>	-
<b>Change in Net Position</b>	1,495,034
Net Position, July 1, 2013	<u>11,733,151</u>
Net Position, June 30, 2014	<u><u>\$ 13,228,185</u></u>

The accompanying notes are an integral part of the financial statements.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Notes to Financial Statements**  
**June 30, 2014**

**Introduction**

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

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

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

**Note 1 - Reporting entity and summary of significant accounting policies**

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

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

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

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

**Basis of presentation** - The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**Government-Wide Financial Statements (GWFS)** - The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities and funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Net Position - Fiduciary Funds - Agency Funds 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. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or 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** - The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten (10%) percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental fund:

General Fund - The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff and accounts for the operations of the Sheriff. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district and state revenue sharing. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees and transporting of prisoners, etc. General operating expenditures are paid from this fund.

The Sheriff also reports the following fund types:

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

Capital Project Funds - Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The only funds accounted for in this category by the Sheriff are agency funds.

Agency Funds are used to account for assets held in a trustee capacity. The Sheriff's Agency Funds are used as depositories for civil suits, cash bonds, taxes, fees, etc. Disbursements from these funds are made to various parish agencies, litigants in suits, etc., in the manner prescribed by law.

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

The Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus.

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

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within sixty (60) days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain long term compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. The government-wide financial statements 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 an economic asset used.

The following practices are used in recording revenues and expenditures within the governmental funds:

#### **Revenues**

Ad valorem taxes, sales taxes and commissions earned from state revenue sharing are recorded in the year they become due and payable. Ad valorem taxes are assessed for the calendar year, become due and payable on the date the tax rolls are filed with the recorder of the mortgages. Louisiana Revised Statute 47:1994 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Revenue sharing is generally collected in three equal installments in December, March and May of the fiscal year.

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

Interest income on time deposits is recorded as earned.

Substantially all other revenues are recorded when received.

**Expenditures**

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

**Other Financing Sources**

Proceeds from the sale of fixed assets, transfers between funds, and compensation from loss or damaged assets are accounted for as other financing sources and are recognized when the underlying events occur.

The following practices are used in recording additions and reductions within the Fiduciary Funds (agency funds):

**Additions** - The majority of additions are not susceptible to accrual because they are not measurable until received in cash.

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

**Budgetary accounting** - The Sheriff utilizes the following procedures in establishing the budgetary data for the General Fund:

- 1) During May, the Sheriff's office prepares the proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is held on the proposed budget.
- 3) The adopted budget is published in the official journal prior to the commencement of the fiscal year for which the budget is being adopted.
- 4) A public hearing is held for proposed amendments to the budget.
- 5) Amended budget is published in official journal.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget is prepared on the same basis as these financial statements are prepared, specifically the modified accrual basis, as described in the preceding pages. Expenditures may not legally exceed appropriations on a fund basis.

The proposed budget for the year ended June 30, 2014, was made available for public inspection and was published in the Bossier Press-Tribune, more than ten days before the public hearing, which was held on June 29, 2013, at the Bossier Parish Sheriff's office for comments from taxpayers. The budget was amended and published more than ten days before the public hearing, which was held on June 28, 2014, at the Bossier Parish Sheriff's office for comments from taxpayers.

**Encumbrances and budget** - Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**Cash and interest-bearing deposits** - Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits and time deposits. These deposits are stated at cost, which approximates market.

**Investments** - Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State statutes generally authorize the Sheriff to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission. In addition, R.S. 13:5554.1C limits the Bossier Parish Retired Employees Insurance Fund (BREIF) investments to not less than twenty-five percent of the portfolio may be invested in equities, and at least twenty-five percent of the portfolio will be invested in fixed income provided that the average credit quality of the fixed income portion is rated A or higher.

State law authorizes the Sheriff, as the Tax Collector for Bossier Parish, to deposit tax collections in interest-bearing accounts with a bank domiciled in the parish when the funds are collected. Furthermore, state statutes authorize the Tax Collector to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

**Capital assets** - Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains the following threshold levels for capitalizing assets: \$500 or more for office equipment, communication equipment, office furniture and fixtures, and computer equipment; \$3,000 or more for computer software, general equipment, heavy equipment, industrial grade furniture and equipment, and law enforcement equipment; building improvements over \$10,000; and all titled assets and weapons regardless of cost.

Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the useful lives.

Description	Estimated Lives
Buildings and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years

**Compensated absences** - Employees of the Sheriff's office earn from 10 to 20 days of noncumulative vacation leave, depending upon their length of service. Employees resigning during the year may be paid for unused vacation leave at the employee's current rate of pay. However, the vacation leave is noncumulative; therefore, if the vacation days are not used by December 31, the employee cannot carry any vacation days over to the next year.

Employees are allowed up to ten days noncumulative sick leave per calendar year. Employees are not paid for accumulated sick leave upon retirement or resignation.

Compensatory Time is defined as the time off awarded to non-exempt Bossier Sheriff's Office employees for hours worked beyond the normal hours. Any time worked in excess of 40 hours per 7 day period for non-law enforcement personnel or 86 hours per 14 day period for law enforcement personnel shall be

compensated in comp time at a rate of 1.5 hours earned for every hour worked in excess of 40 hours or 86 hours, respectively. Accrued but unused compensatory time shall be cashed out within a reasonable time following termination of employment or at the sole option of the Sheriff.

There is no long term portion of the accrued liability for compensated absences. The current portion of the liability for compensatory time and unused vacation at June 30, 2014, is included in the government-wide financial statements.

**Deferred outflows/inflows of resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Sheriff does not have an item that qualifies for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Sheriff does not have an item that qualifies for reporting in this category.

**Claims and judgments** - Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with current available financial resources. The remainder of any liability is recorded in the government-wide financial statements.

**Net position classifications** - In the government-wide statements, net position are classified and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and related debt.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that does not meet the definition of "restricted" or "net investment in capital assets".

**Fund balance classification** – Beginning with fiscal year 2011, the Sheriff implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending restraints:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Sheriff had \$106,557 in prepaid expenses which is a nonspendable resource as of June 30, 2014.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Sheriff had \$2,242,462 in restricted resources for public safety as of June 30, 2014.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Sheriff. These amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This

classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Sheriff did not have any committed resources as of June 30, 2014.

- **Assigned:** This classification includes amounts that are constrained by the Sheriff's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Sheriff or by an official or body to which the Sheriff delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Sheriff had \$2,381 as assigned resources for capital projects as of June 30, 2014.
- **Unassigned:** This classification includes the residual fund balance for the General Fund and also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. General Fund had \$9,707,646 at June 30, 2014, classified as unassigned.

The Sheriff would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**On-Behalf payments for fringe benefits and salaries** - The Bossier Parish Sheriff receives on-behalf payments from the State of Louisiana to be used for supplemental pay to qualified law enforcement officers. On-behalf payments to the Sheriff totaled \$1,703,747 for the fiscal year ended June 30, 2014. Such payments are recorded as intergovernmental revenue and public safety personnel expenses in the GAAP basis government-wide and general fund financial statements.

**Use of estimates** - The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

**Impact of Recently Issued Accounting Principles** - In 2013, the Bossier Parish Sheriff adopted GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognizes certain items currently reported as assets and liabilities as outflows of resources and inflows of resources. Implementation of GASB Statement 65 did not require the Bossier Parish Sheriff record any adjustments or restate the net position of its governmental activities.

**Note 2 - Budgets and budget basis of accounting**

An annual expenditure budgets are adopted for the General Fund and the Special Revenue Fund. No revisions were made to the General Fund budget; however, revisions made to the original Special Revenue Fund expenditures budget are as follows:

	<u>Original Budget</u>	<u>Total Increase</u>	<u>Revised Budget</u>
Special Revenue Fund	\$ 7,123,000	\$ 706,000	\$ 7,829,000

**Note 3 – Deposits and investments**

**Deposits** - All deposits of the Sheriff are held by area financial institutions. At June 30, 2014, the carrying amount of the Sheriff's cash deposits was as follows:

	Government-Wide Statement of Net Position	Fiduciary Funds Statement of Net Position
Demand deposits	\$ 11,177,707	\$ 5,606,916
Petty cash	3,150	-
Total	<u>\$ 11,180,857</u>	<u>\$ 5,606,916</u>

The bank balances in the General Fund and Fiduciary Funds totaled \$16,795,858. The difference in the bank balances and the carrying amounts presented above is mostly due to outstanding checks at June 30, 2014. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. Of the bank balances, \$250,000 was covered by federal depository insurance (GASB Category 1). In addition, as of June 30, 2014, \$19,191,537 was collateralized with securities held by the pledging financial institution's trust department or agent, but in the Sheriff's name (GASB Category 2).

**Investments** - The Bossier Parish Retired Employees Insurance Fund (BREIF) is included in the Retired Employees Benefits Trust Fund as an investment asset. The Sheriff reports the Retired Employees Benefits Trust Fund as a fiduciary fund. These investments are managed by an investment management company.

As of June 30, 2014, the Sheriff's assets held in the Retired Employees Benefit Trust Fund consisted of the following:

Description	Credit Rating	Percentage of total portfolio	Fair market value
Cash and cash equivalents	N/A	.5%	\$ 80,977
Bond Mutual Funds	A	62.61%	6,466,196
Equity Mutual Funds	N/A	36.33%	6,559,922
Alternative Mutual Funds	N/A	.56%	114,090
Total		100%	<u>\$ 13,221,185</u>

**Note 4 - Receivables**

Receivables at June 30, 2014, are as follows:

	General Fund	Correctional Facility Fund	Total
Sales tax	\$ 860,123	\$ -	\$ 860,123
Intergovernmental revenues:			
Federal grants	64,710	-	64,710
State funds	120,927	-	120,927
Gaming proceeds	114,141	-	114,141
Fees, charges, and commissions for services	570,831	849,493	1,420,324
Reimbursements	213,934	-	213,934
Other	31,463	6,424	37,887
Total	<u>\$ 1,976,129</u>	<u>\$ 855,917</u>	<u>\$ 2,832,046</u>

**Note 5 - Capital assets**

A summary of changes in capital assets used in governmental activities is as follows:

	Balance July 1, 2013	Additions	Disposals	Balance June 30, 2014
Land	\$ 1,599,816	\$ -	\$ -	\$ 1,599,816
Buildings and improvements	27,681,950	152,011	18,381	27,815,580
Vehicles	6,161,411	564,473	357,159	6,368,725
Office furniture and equipment	3,314,923	395,150	26,447	3,601,256
Law enforcement weapons and equipment	3,017,638	152,075	46,724	3,205,359
Infrastructure	789,268	-	-	789,268
Construction in progress	401,854	-	-	401,854
Total cost	<u>42,966,860</u>	<u>\$ 1,263,709</u>	<u>\$ 448,711</u>	<u>43,781,858</u>
Less accumulated depreciation	\$ 14,104,032	\$ 2,008,858	\$ 409,823	\$ 15,703,067
Capital assets, net	<u>\$ 28,862,828</u>			<u>\$ 28,078,791</u>

Depreciation expense of buildings, computer equipment, office equipment and vehicles was \$2,008,858 for fiscal year 2014 and is included in total expenses for the public safety activity.

**Note 6 - Defined benefit pension plan**

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

All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 7, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; \$800 if employed after January 1, 2000; and \$1,000 if employed after January 1, 2013, are required to participate in the System. The retirement benefit cannot exceed 100 percent of the employee's final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months before July 1, 2006, or 60 consecutive or joined months after July 1, 2006, that produce the highest average.

Any member of the System whose first employment making him/her eligible for membership in the system began prior to January 1, 2012, is eligible for normal (regular) retirement if the member has either 12 years or more of credible service and has attained age 55 or 30 years or more of credible service, without regard to age. These employees may elect to receive an actuarially reduced benefit to provide an automatic 2.5% cost of living adjustment annually. An active, contributing member may retire with an actuarially reduced benefit at age 60 or older with at least 10, but less than 12, years of credible service. Any member of the System whose first employment making him/her eligible for membership in the system began on or after January 1, 2012, is eligible for normal (regular) retirement if the member has one of the following: 12 years or more of creditable service and has attained the age 62, 20 years or more of creditable service and has attained age 60, or 30 years or more of creditable service and has attained age 55. These employees may elect to receive an actuarially reduced benefit to provide an automatic 2.5% cost of living adjustment annually.

Regarding deferred benefits, any member of the System who has at least 12 years of creditable service, and who terminates covered employment before attaining normal retirement age is entitled to a deferred retirement beginning at age 55 for those hired prior to January 1, 2012, or age 62 for those whose first employment making him or her eligible for membership in the system began on or after January 1, 2012. The deferred benefit will be computed the same as if he/she had retired in service on his or her 55<sup>th</sup> or 62<sup>nd</sup> birthday. In order to be eligible for a deferred benefit, the member cannot have withdrawn his/her contributions from the Fund.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Dr., Baton Rouge, Louisiana 70802, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the Bossier Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.89 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Bossier Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Bossier Parish Sheriffs contributions to the System for the years ended June 30, 2014, 2013, and 2012 were \$3,163,479, \$2,945,850, and \$2,809,482, respectively, equal to the required contributions for each year.

**Note 7 - Other post-employment benefits**

Plan Description - The Bossier Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees through the Sheriff's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law R.S. 13:5554(G). The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ending June 30, 2009, the Bossier Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively.

The Bossier Parish Sheriff's Office pays 100% of the medical and life coverage for the retirees only, not dependents, who have fifteen years of service and began employment prior to January 1, 2010. The Bossier Parish Sheriff's Office will pay 50% of such coverage for the retiree only (not dependents) who has twenty years of service and began employment after December 31, 2009.

Life insurance coverage is continued to retirees by election and the rate is a blended rate for active and retirees. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, in which case, a zero trend was used. Insurance coverage amounts are reduced to 75% of the original amount at age 65.

Contribution Rates - As noted previously, all premium costs are paid in total by the sheriff's office for active employees.

Fund Policy - Prior to June 30, 2008, the Bossier Parish Sheriff's Office recognized the cost of providing post-employment medical and life insurance benefits (the employer's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

During the fiscal year ended June 30, 2005, the sheriff's office created the Bossier Parish Retired Employees Insurance Fund (BREIF), a trust fund to finance future payments of retired employees' premium costs. The sheriff is required by R.S. 13:5554.1.B to deposit one percent of the monies received in the Bossier Parish Sheriff's budget, twenty-five percent of the revenues received from the tax levied by R.S. 27:391.B, and any other monies that the sheriff may contribute to the trust fund each year until the total amount of monies, including principal and earnings, equals the sum of ten million dollars. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Bossier Parish, provided that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is

equal to the sum of ten million dollars. In the event that the total amount of monies derived from deposits and investment earnings fall below the sum of ten million dollars, no earnings shall be withdrawn.

To provide recommendations concerning the investment of these funds, the sheriff has established an investment advisory board consisting of seven members. As set forth in R.S. 13:5554.1.G, these members are as follows: the comptroller of Bossier Parish Sheriff's Office, five duly elected retired Bossier Parish Sheriff's Office sheriffs or deputies, and one duly elected active Bossier Parish Sheriff's Office deputy.

In the fiscal year ending June 30, 2014, the Bossier Parish Sheriff's Office portion of health care funding and life insurance cost for retired employees totaled \$777,882. This amount was applied toward the Net OPEB Benefit Obligation as shown in the table below on this page.

Annual Required Contribution - Bossier Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

The total ARC for the fiscal year beginning July 1, 2014, is \$1,754,285 for medical and life combined, as set forth below:

	<u>Medical and Life</u>
Normal Cost	\$ 1,013,854
30-year UAAL amortization amount	<u>740,431</u>
Annual required contribution (ARC)	\$ <u>1,754,285</u>

Net Post-Employment Benefit Obligation (Asset) - The table below shows the Sheriff's portion of the Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2014:

	<u>Medical and Life</u>
Beginning net OPEB Obligation (Asset) 7/1/2013	\$( 2,722,645 )
Annual required contribution	1,754,285
Interest on net OPEB Obligation (Asset)	( 136,132 )
Less: ARC Adjustment	<u>177,112</u>
OPEB Cost	1,795,265
Less: Contribution	( 777,882 )
Less: Current year retiree premium	( <u>236,000</u> )
Change in net OPEB Obligation (Asset)	<u>781,383</u>
Ending net OPEB Obligation (Asset) 6/30/2014	\$( <u>1,941,262</u> )

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

Post-Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical & Life Insurance	June 30, 2014	\$ 1,754,285	55.48%	\$( 1,941,262)
Medical & Life Insurance	June 30, 2013	\$ 1,723,196	55.78%	\$( 2,722,645)
Medical & Life Insurance	June 30, 2012	\$ 1,734,046	30.49%	\$( 3,484,673)

**Funded Status and Funding Progress** - In the fiscal year ending June 30, 2009, Bossier Parish Sheriff's Office made a lump sum contribution of \$7,402,610 to its post-employment benefits plan by a transfer of assets within the meaning of paragraph 141 of GASB 45 as of the end of the fiscal year. In the fiscal year ending June 30, 2014, the Bossier Parish Sheriff's office made a lump sum contribution of \$236,000. At June 30, 2014, the assets have grown to \$13,228,185. As of June 30, 2014, the Actuarial Accrued Liability (AAL), was \$23,843,148 (medical and life), which is defined as that portion, as determined by a particular actuarial cost method (the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

The development of the funded ratio and UAAL as a percentage of valuation payroll as of June 30, 2014 are set forth in the following table.

	<u>Total</u>
Actuarial accrued liability (AAL)	\$ 23,843,148
Actuarial value of plan assets	<u>13,228,185</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>10,614,963</u>
Funded ratio (\$13,228,185/\$23,843,148)	55.48%
Covered payroll	\$ 20,499,457
UAAL as a percentage of covered payroll	51.78%

The required schedule of funding progress following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

**Actuarial Cost Method** - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the

current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets - During the fiscal year ended June 30, 2005, the Sheriff created the Bossier Parish Retired Employees Insurance Fund (BREIF), a trust fund to finance future payments of retired employees' premium costs. The earnings of the trust fund are available for withdrawal only for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Bossier Parish, provided that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the trust fund is equal to the sum of ten million dollars. The market value of BREIF as of the valuation date (the beginning of the fiscal year), July 1, 2013, was equal to \$11,733,151 and that market value was used as the actuarial value of assets in this valuation to determine the UAAL and ARC.

Turnover Rate - An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 8%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	12.0%
26 - 40	10.0%
41 - 54	7.0%
55+	5.0%

Post-Employment Benefit Plan Eligibility Requirements - Although employees who first became eligible for membership in the retirement system on or before January 1, 2012 may retire without actuarial reduction in benefits at age 55 and 12 years of service or at 30 years of service, historically they have tended to wait until 30 years of service to enter the Deferred Retirement Option Program ("D.R.O.P.").

To accommodate this historical tendency, we have assumed for employees in this first group who were first eligible in the system on or before January 1, 2012 that actual retirement (and commencement of OPEB benefits) occurs at the end of the D.R.O.P. period, or three years after the earlier of 30 years of service and age 60 and 15 years of service.

Employees who first became eligible for membership in the retirement system after January 1, 2012 may retire without actuarial reduction in benefits at age 62 and 12 years of service, at age 60 and 20 years of service or at age 55 and 30 years of service.

Until the patterns of retirement (D.R.O.P. entry) are established for the second group who were first eligible in the system after January 2, 2012, we have assumed that actual retirement (and commencement of OPEB benefits) occurs at the end of the D.R.O.P. period, or three years after the earlier of: first, age 55 and 30 years of service and, second: age 60 and 15 years of service.

Investment Return Assumption (Discount Rate) - GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the funding policy by the plan sponsor, we have performed this valuation using a 5% annual investment return assumption

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance and dental.

**Mortality Rate** - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a recent mortality table which the Internal Revenue Service has used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits** - The "value of benefits" has been assumed to be the portion of the premium after the retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the blended rate, as required by GASB 45, for valuation purposes.

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

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

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

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
OPEB Cost	\$ 1,734,046	\$ 1,723,196	\$ 1,795,265
Contribution	275,000	266,000	236,000
Retiree premium	<u>528,665</u>	<u>695,167</u>	<u>777,882</u>
Total contribution and premium	<u>803,665</u>	<u>961,167</u>	<u>1,013,882</u>
Change in net OPEB obligation	\$ <u>930,381</u>	\$ <u>762,029</u>	\$ <u>781,383</u>
% of contribution to cost	15.86%	15.44%	13.15%
% of contribution plus premium to cost	46.35%	55.78%	56.48%

**Note 8 - Long-term liabilities**

The following is a summary of the long-term obligation activity for the year ended June 30, 2014:

<u>Governmental activities:</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Revenue bonds payable	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
Capital lease	-	36,345	7,595	28,750	6,950
Compensated absences	621,000	1,166,003	1,152,129	634,875	634,875
Governmental activity long-term liabilities	<u>\$ 671,000</u>	<u>\$ 1,202,348</u>	<u>\$ 1,209,724</u>	<u>\$ 663,625</u>	<u>\$ 641,825</u>

Revenue bonds payable were comprised of a 2003 series dated November 5, 2003. The balance was paid in February 2014.

Capital Lease Obligation

The Sheriff entered into a capital equipment agreement. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been reported at the present value of the future minimum lease payments as of the inception date. The lease obligation is due in annual installments of \$7,595 which includes interest at 2.24% through February 2018. The equipment purchased under the capital lease totals \$36,944 and is included in the capital assets of the Sheriff. The amortization of this equipment has been included in the Sheriff's depreciation expense. Obligations of the Sheriff's governmental activities under the capital lease at June 30, 2014, are as follows:

Years ending June 30:	<u>Governmental activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 6,950	\$ 645	\$ 7,595
2016	7,106	489	7,595
2017	7,266	329	7,595
2018	7,428	167	7,595
Total lease payments	<u>\$ 28,750</u>	<u>\$ 1,630</u>	<u>\$ 30,380</u>

**Note 9 - Deposits due to others**

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

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>
Tax collector	\$ 3,001,060	\$ 100,049,992	\$ 99,189,750	\$ 3,861,302
Civil	978,016	4,007,895	4,055,496	930,415
Criminal	471,444	2,980,389	2,974,807	477,026
Work Release	200,399	1,408,516	1,380,958	227,957
Inmate	145,654	1,870,517	1,905,955	110,216
Additional services	<u>\$ 4,796,573</u>	<u>\$ 110,317,309</u>	<u>\$ 109,506,966</u>	<u>\$ 5,606,916</u>

**Note 10 - Ad valorem taxes**

The following is a summary of authorized and levied ad valorem taxes which represent separate millages authorized by the voters as of June 30, 2014:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement district	7.72	7.72	None
Special operation and detention center	5.95	5.95	None

The difference between the authorized and levied millage is the result of the reassessment of taxable property required by Article 7, of the Louisiana Constitution of 1974.

In April 2000, voters of the parish approved a one-half of one percent sales and use tax submitted by the Bossier Parish Police Jury. Seventy percent (70%) of the avails of the tax are for the police jury and are used for the acquisition, operation, maintenance, and furnishing of a maximum security jail and courthouse facilities. Those taxes are remitted directly to the parish police jury. The remaining thirty percent (30%) of the avails of the tax, in accordance with an intergovernmental agreement dated April 5, 2000, are remitted directly to the sheriff's office to be used for the purposes of operating and improving a maximum security jail and meeting other costs of law enforcement in the parish. On January 17, 2005, voters of the parish approved a one-fourth of one percent sales and use tax to be used for paying deputy salaries and law enforcement operations. Both taxes are collected by the Bossier Parish Sales Tax Commission. For its collection, services the commission receives one percent (1%) of gross taxes collected.

As of June 30, 2014, the cash balances on hand in the tax collector account are \$3,861,302, which are included in the cash balances reflect in Note 3. During the fiscal year ended June 30, 2014, Sheriff's office, as Tax Collector for Bossier Parish, collected \$93,897,012 of 2013 assessed taxes totaling \$97,063,679, net of homestead exemptions of \$19,047,757. In addition, the Sheriff collected \$1,186,198 of prior year taxes in the fiscal year ended June 30, 2014.

The Sheriff has collected and uncollected taxes as of June 30, 2014, attributable to the following taxing authorities:

<u>Tax Authority</u>	<u>Collected Taxes</u>	<u>Uncollected Taxes</u>
Louisiana Department of Agriculture and Forestry	\$ 24,847	\$ -
Louisiana Tax Commission	8,951	-
Bossier Parish Assessor	3,083,999	51,781
Bossier Parish Police Jury	14,177,136	229,499
Bossier Parish School Board	48,398,664	812,618
Bossier Parish Sheriff	12,547,099	210,667
Bossier Port Commission	2,294,822	38,529
Ambulance	834,048	9,828
District Levee	2,408,178	54,127
Cyprus Black Bayou	871,997	19,828
Red River Waterway Commission	2,147,798	36,062
Fire District No. 1	1,511,220	10,707
Fire District No. 2	1,859,918	1,434
Fire District No. 3	77,748	6
Fire District No. 4	2,736,558	4,233
Fire District No. 5	523,208	9,728
Fire District No. 7	390,821	1,019
	<u>\$ 93,897,012</u>	<u>\$ 1,490,066</u>

These taxes are uncollected for these general reasons:

Taxes not paid - Bankruptcies	\$ 1,132,044
Taxes not paid - Personal property account have lawsuits filed as alternative to tax sale	327,443
Property on adjudicated tax roll	748
Taxes not paid - Mobile homes are not taken to tax sale	29,831
	<u>\$ 1,490,066</u>

**Note 11 - State revenue sharing funds**

The revenue sharing funds provided by Louisiana Act 945 were distributed as follows:

Bossier Parish	
Assessor	\$ 260,936
Police Jury	550,991
School Board	595,240
Sheriff	490,454
District Levee	195,588
Fire protection districts	511
Port Commission	104
City	1
Cyprus Black Bayou	27,120
Red River Waterway Commission	181,730
Pension funds	45,591
Total	<u>\$ 2,348,266</u>

**Note 12 - Protest taxes**

Louisiana Revised Statute 47:2110 provides that taxpayers, at the time of payment of all taxes due, may give notice to the Tax Collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the Tax Collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the Tax Collector refunds the amount due, with interest at the actual rate earned on the money paid under protest from the date the funds were received by the Tax Collector. At June 30, 2014, the Sheriff, as Tax Collector, held protest taxes of \$3,677,070.

**Note 13 – Related party transactions**

Part of the Bossier Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Bossier Parish Police Jury.

**Note 14 - Contingencies, litigation, and claims*****Litigation***

At June 30, 2014, the Sheriff is named as defendant in several lawsuits. In the opinion of the Sheriff's legal counsel, no claims or suits exist for which there is insufficient insurance coverage and resolution of these matters will not have a material adverse effect on the financial condition of the Bossier Parish Sheriff.

***Grants***

The Sheriff participates in several federal and state assisted grant programs. These programs are subject to program compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Sheriff believes that the amount of disallowances, if any, which may arise from future audits will not be material.

***Risk management***

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omission. These risks are handled by the Sheriff through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Sheriff's insurance coverage for each of the past three years.

**Required Supplementary Information**

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**General Fund - Budgetary Comparison Schedule**  
**Year ended June 30, 2014**

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues</b>				
Ad valorem taxes	\$ 11,831,000	\$ 11,831,000	\$ 12,701,058	\$ 870,058
Sales tax	9,415,000	9,415,000	9,624,992	209,992
Federal grants	128,000	128,000	171,894	43,894
State supplemental pay	1,368,000	1,368,000	1,364,851	( 3,149)
State revenue sharing	488,000	488,000	490,039	2,039
Other state grants	108,000	108,000	194,162	86,162
Local grant	75,000	75,000	84,106	9,106
Commissions on licenses and taxes	19,000	19,000	5,005	( 13,995)
Civil and criminal fees	1,389,000	1,389,000	1,676,875	287,875
Court attendance	33,000	33,000	34,680	1,680
Transporting of prisoners	89,000	89,000	84,216	( 4,784)
Feeding and keeping of prisoners	1,654,000	1,654,000	1,828,932	174,932
Tax notices	64,000	64,000	17,831	( 46,169)
Probation fees	550,000	550,000	589,520	39,520
Gaming fees	1,264,000	1,264,000	1,386,719	122,719
Use of money and property	395,000	395,000	458,184	63,184
Other revenue	55,000	55,000	422,398	367,398
<b>Total revenue</b>	<b>28,925,000</b>	<b>28,925,000</b>	<b>31,135,462</b>	<b>2,210,462</b>
<b>Expenditures</b>				
Personnel services	24,265,000	24,265,000	24,103,727	161,273
Operating services	2,255,000	2,255,000	2,430,537	( 175,537)
Materials and supplies	1,543,000	1,543,000	1,628,091	( 85,091)
Travel and other charges	122,000	122,000	131,577	( 9,577)
Debt service	11,000	11,000	7,595	3,405
Capital outlay	540,000	540,000	1,017,235	( 477,235)
<b>Total expenditures</b>	<b>28,736,000</b>	<b>28,736,000</b>	<b>29,318,762</b>	<b>( 582,762)</b>
<b>Excess of revenues over expenditures</b>	<b>189,000</b>	<b>189,000</b>	<b>1,816,700</b>	<b>1,627,700</b>
<b>Other financing sources and uses</b>				
Operating transfers in	1,000,000	1,000,000	942,981	( 57,019)
Operating transfers out	( 229,000)	( 229,000)	( 236,000)	( 7,000)
Insurance proceeds	16,000	16,000	36,345	20,345
Proceeds from sale of fixed assets	30,000	30,000	53,059	23,059
<b>Total other financing sources and uses</b>	<b>817,000</b>	<b>817,000</b>	<b>796,385</b>	<b>( 20,615)</b>
<b>Net changes in fund balances</b>	<b>1,006,000</b>	<b>1,006,000</b>	<b>2,613,085</b>	<b>1,607,085</b>
<b>Fund balance at beginning of year</b>	<b>7,168,204</b>	<b>7,168,204</b>	<b>7,168,204</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 8,174,204</b>	<b>\$ 8,174,204</b>	<b>\$ 9,781,289</b>	<b>\$ 1,607,085</b>

See Independent Auditor's Report.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Correctional Facilities Fund - Budgetary Comparison Schedule**  
**Year ended June 30, 2014**

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State supplemental pay	\$ 271,000	\$ 271,000	\$ 338,896	\$ 67,896
Transporting of prisoners	18,000	18,000	23,524	5,524
Feeding and keeping of prisoners	7,017,000	7,017,000	7,913,322	896,322
Other revenue	387,000	387,000	575,795	188,795
<b>Total revenue</b>	<b>7,693,000</b>	<b>7,693,000</b>	<b>8,851,537</b>	<b>1,158,537</b>
<b>Expenditures</b>				
Personnel services	5,205,000	5,738,000	5,732,248	5,752
Operating services	931,000	931,000	928,473	2,527
Materials and supplies	893,000	957,000	999,278	( 42,278)
Travel and other charges	7,000	7,000	20,542	( 13,542)
Debt service	51,000	51,000	51,535	( 535)
Capital outlay	36,000	145,000	148,072	( 3,072)
<b>Total expenditures</b>	<b>7,123,000</b>	<b>7,829,000</b>	<b>7,880,148</b>	<b>( 51,148)</b>
<b>Excess of revenues over expenditures</b>	<b>570,000</b>	<b>( 136,000)</b>	<b>971,389</b>	<b>1,107,389</b>
<b>Other financing sources and uses</b>				
Operating transfers out	( 1,000,000)	( 1,088,000)	( 1,031,161)	56,839
<b>Total other financing sources and uses</b>	<b>( 1,000,000)</b>	<b>( 1,088,000)</b>	<b>( 1,031,161)</b>	<b>56,839</b>
<b>Net changes in fund balances</b>	<b>( 430,000)</b>	<b>( 1,224,000)</b>	<b>( 59,772)</b>	<b>1,164,228</b>
<b>Fund balance at beginning of year</b>	<b>2,335,148</b>	<b>2,335,148</b>	<b>2,335,148</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 1,905,148</b>	<b>\$ 1,111,148</b>	<b>\$ 2,275,376</b>	<b>\$ 1,164,228</b>

See Independent Auditor's Report.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Schedule of Funding Progress for Other Post-Employment Benefit Plan**  
**June 30, 2014**

		(a)	(b)	(b-a)	(a/b)	( c )	(b-a/c)
<u>Fiscal Year End</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/2012	7/1/2010	\$ 10,431,448	\$ 19,536,438	\$ 9,104,990	53.39%	\$ 19,212,472	47.39%
6/30/2013	7/1/2012	\$ 11,733,151	\$ 22,707,760	\$ 10,974,609	51.67%	\$ 19,760,318	55.54%
6/30/2014	7/1/2012	\$ 13,228,185	\$ 23,843,148	\$ 10,614,963	55.48%	\$ 20,499,457	51.78%

See Independent Auditor's Report.

**SUPPLEMENTARY INFORMATION**  
**Fiduciary Fund Type – Agency Funds**

Agency Funds are used to account for assets held as an agent for other governments.

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

**Civil Fund** - The Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments and payment of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

**Criminal Fund** - The Criminal Fund accounts for the collection and settlement of fines, bonds, and forfeitures levied by the district court and settlement of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

**Work Release Fund** - The Work Release Fund accounts for money earned by inmates. Funds are deposited when earned and disbursed to inmate accounts and to the Correctional Facility for fees.

**Inmate Fund** - The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

**BOSSIER PARISH SHERIFF**  
**Benton, Louisiana**

**Fiduciary Funds - Agency Funds**  
**Combining Schedule of Fiduciary Net Position**  
**June 30, 2014**

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Work Release Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
<b>Assets</b>						
Cash	\$ 3,861,302	\$ 930,415	\$ 477,026	\$ 227,957	\$ 110,216	\$ 5,606,916
Total assets	<u>\$ 3,861,302</u>	<u>\$ 930,415</u>	<u>\$ 477,026</u>	<u>\$ 227,957</u>	<u>\$ 110,216</u>	<u>\$ 5,606,916</u>
 <b>Liabilities</b>						
Due to taxing bodies and others	\$ 3,861,302	\$ 930,415	\$ 477,026	\$ 227,957	\$ 110,216	\$ 5,606,916
Total liabilities	<u>\$ 3,861,302</u>	<u>\$ 930,415</u>	<u>\$ 477,026</u>	<u>\$ 227,957</u>	<u>\$ 110,216</u>	<u>\$ 5,606,916</u>

**BOSSIER PARISH SHERIFF**

Benton, Louisiana

**Fiduciary Funds - Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
for the Year ended June 30, 2014**

	Tax Collector Fund	Civil Fund	Criminal Fund	Work Release Fund	Inmate Fund	Total
Balances, June 30, 2013	\$ 3,001,060	\$ 978,016	\$ 471,444	\$ 200,399	\$ 145,654	\$ 4,796,573
<b>Additions</b>						
Ad valorem taxes:						
Current year	94,022,781	-	-	-	-	94,022,781
Current year protested	1,441,047	-	-	-	-	1,441,047
Prior year	1,186,198	-	-	-	-	1,186,198
State revenue sharing	2,348,266	-	-	-	-	2,348,266
Parish licenses	8,809	-	-	-	-	8,809
Interest on:						
Checking accounts	2,109	-	-	-	-	2,109
Delinquent taxes	73,732	-	-	-	-	73,732
Prior year taxes	10,050	-	-	-	-	10,050
Protest taxes	3,000	-	-	-	-	3,000
Sheriff's sales	-	3,707,652	-	-	-	3,707,652
Bonds, fines and costs	326,436	-	2,980,389	-	-	3,306,825
Inmate deposits	-	-	-	1,408,516	1,870,517	3,279,033
Redemptions	619,756	-	-	-	-	619,756
Other additions	7,808	300,243	-	-	-	308,051
<b>Total additions</b>	<b>100,049,992</b>	<b>4,007,895</b>	<b>2,980,389</b>	<b>1,408,516</b>	<b>1,870,517</b>	<b>110,317,309</b>
<b>Reductions</b>						
Louisiana Dept. of Agriculture & Forestry	21,153	-	-	-	-	21,153
Louisiana Tax Commission	9,034	-	-	-	-	9,034
<b>Bossier Parish:</b>						
Assessor	3,408,305	-	-	-	-	3,408,305
Sheriff's General Fund	13,156,856	1,014,352	460,821	-	-	14,632,029
Police Jury	14,554,670	-	895,896	-	-	15,450,566
School Board	48,406,969	-	-	-	-	48,406,969
Clerk of Court	8,150	178,356	220,130	-	-	406,636
Red River Waterway Commission	2,303,786	-	-	-	-	2,303,786
Fire protection districts	6,959,912	-	-	-	-	6,959,912
District Levee	2,538,234	-	-	-	-	2,538,234
Cypress Black Bayou Recreation and Water Conservation District	886,557	-	-	-	-	886,557
Ambulance District	819,202	-	-	-	-	819,202
Caddo/Bossier Port Commission	2,266,955	-	-	-	-	2,266,955
<b>Twenty-sixth Judicial District:</b>						
District Attorney	-	-	298,154	-	-	298,154
Judge's fund	-	-	45,378	-	-	45,378
Indigent defender board	-	-	353,495	-	-	353,495
Pension funds	2,750,338	-	-	-	-	2,750,338
Refunds and redemptions	853,223	-	-	-	-	853,223
North Louisiana Crime Lab	-	-	169,814	-	-	169,814
Attorneys and litigants	-	2,370,752	-	-	-	2,370,752
Louisiana Commission on Law Enforcement	-	-	8,893	-	-	8,893
Louisiana Traumatic Head and Spinal Cord Injury	-	-	17,690	-	-	17,690
Other reductions	246,406	492,036	504,536	1,380,958	1,905,955	4,529,891
<b>Total reductions</b>	<b>99,189,750</b>	<b>4,055,496</b>	<b>2,974,807</b>	<b>1,380,958</b>	<b>1,905,955</b>	<b>109,506,966</b>
Balances, June 30, 2014	\$ 3,861,302	\$ 930,415	\$ 477,026	\$ 227,957	\$ 110,216	\$ 5,606,916

See Independent Auditor's Report.

**BOSSIER PARISH SHERIFF  
Benton, Louisiana**

**State of Louisiana, Parish of Bossier**

**AFFIDAVIT**

**Julian Whittington, Sheriff of Bossier Parish**

BEFORE ME, the undersigned authority, personally came and appeared, Julian Whittington, the Sheriff of Bossier Parish, State of Louisiana, who after being duly sworn, deposit and said:

The Following information is true and correct:

The amount of cash on hand in the tax collector account on June 30, 2014, is \$3,861,302.

He further deposed and said:

All itemized statements of the amount of taxes collected for the tax year 2013, 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.



Julian Whittington, Sheriff  
Sheriff & Ex-Officio Tax Collector of Bossier Parish

SWORN to and subscribed before me, Notary, this 3rd day of November 2014, in my office in Shreveport, Louisiana.



Signature

Mary Kerry, Notary Public #62368  
Bossier Parish, Louisiana

Mary A. Kerry, ID # 62368 Commission is for Life  
Notary Public, Bossier Parish, Louisiana  
My Commission Is For Life

## INDEPENDENT AUDITOR'S REPORT

The Honorable Julian C. Whittington  
Bossier Parish Sheriff  
Benton, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Bossier Parish Sheriff as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information, which includes each fiduciary fund type of the Bossier Parish Sheriff, as of June 30, 2014, 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.

### ***Emphasis of Matter***

The Bossier Parish Sherriff has adopted the provisions of GASB 65, *Items Previously Recognized as Assets and Liabilities*.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the schedule of funding progress of other post-employment benefit plan, on pages 1 through 6 and 35 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bossier Parish Sheriff's basic financial statements. The combining fiduciary funds balance sheet and statement of changes in assets and liabilities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fiduciary funds balance sheet and statement of changes in assets and liabilities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2014, on our consideration of the Bossier Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bossier Parish Sheriff's internal control over financial reporting and compliance.

CARR, RIGGS & INGRAM, LLC

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
November 3, 2014

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

The Honorable Julian C. Whittington  
Bossier Parish Sheriff  
Benton, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of the Bossier Parish Sheriff, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Bossier Parish Sheriff's basic financial statements, and have issued our report thereon dated November 3, 2014.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bossier 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

CARR, RIGGS & INGRAM, LLC  
CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
November 3, 2014

**BOSSIER PARISH SHERIFF  
Benton, Louisiana**

**Schedule of Findings and Questioned Costs  
June 30, 2014**

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

**A. Financial Statement Audit**

Type of auditor's report issued on the basic financial statements: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified that are not considered to be material weaknesses? **No**

Noncompliance material to the basic financial statements noted? **No**

Was a management letter issued? **No**

**B. Federal Awards**

At June 30, 2014, the Bossier Parish Sheriff did not meet the requirements to have a single audit in accordance with OMB Circular A-133; therefore, this section is not applicable.

**Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards***

**Current Year Findings and Responses**

**None**

**Prior Year Findings and Responses**

**Finding 2013-1 – Government-Wide Financial Statements**

Year of Origination – June 30, 2013

*Condition:*

Material journal entries affecting prior period government-wide financial statements were detected as a result of the audit procedures performed which indicates that the controls were not effective enough to prevent material misstatement. The OPEB asset had not been recorded since 2009. Also, a compensated absence liability for unused vacation and comp time had not ever been recorded on the government-wide financial statements. The prior period adjustment required to correct the beginning net position by increasing net position by \$3,484,683 to record the OPEB asset and reducing net position by \$597,903 to record the accrued compensated absences liability. This resulted in a net adjustment of \$2,886,780.

*Status:*

Resolved

*Corrective Action Taken:*

Bossier Parish Sheriff implemented a process to ensure that proper documentation and support is provided for the GASB No. 34 conversion entries.

**Section III – Federal Award Findings and Responses**

**Current Year Findings and Responses**

Not Applicable

**Prior Year Findings and Responses**

Not Applicable