

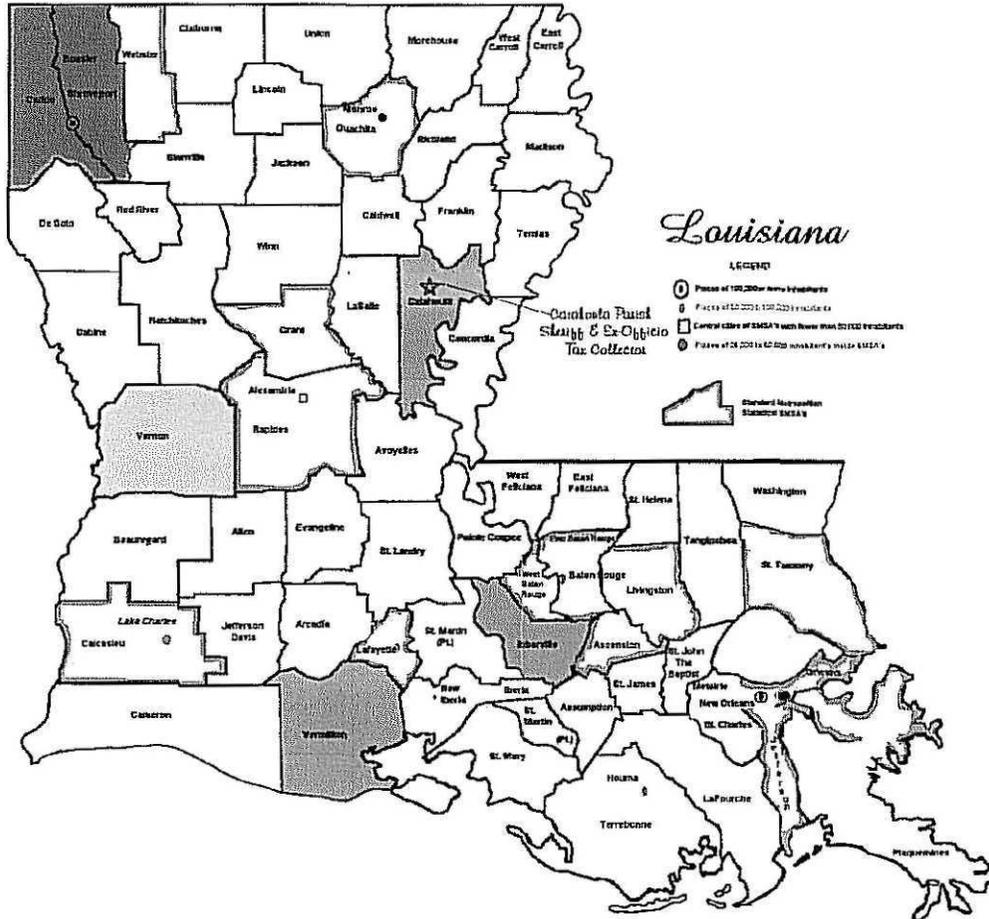
**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

Annual Financial Statements

JUNE 30, 2012

CATAHOULA PARISH SHERIFF

Harrisonburg, Louisiana



* As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff 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, serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera, and provides assistance to other law enforcement agencies within the parish.

CATAHOULA PARISH SHERIFF
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INDEPENDENT AUDITOR'S REPORT

Honorable James G Kelly, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff as of and for the year ended June 30, 2012 which collectively comprise the Catahoula Parish Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Catahoula Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2012, on our consideration of the Catahoula Parish Sheriff's internal control over financial reporting and on our test 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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.

John R. Vercher PC

October 5, 2012

Jena, Louisiana

CATAHOULA PARISH SHERIFF

James G Kelly-Sheriff

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Sheriff's Department, we offer readers of the Catahoula Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff's Department for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the Sheriff's Department's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The liabilities of the Sheriff's Department exceeded its assets at the close of the most recent fiscal year by \$(385,578) (*net assets*). This is a \$594,518 decrease from last year.
- The Sheriff's Department had total revenue of \$6,344,692, in which \$4,195,193 came from reimbursement revenue sources. This is an \$851,050 decrease from last year's revenues, mainly due to a decrease of \$741,477 in reimbursement revenues.
- The Sheriff's Department had total expenditures of \$6,492,549. This is a \$1,017,183 decrease from last year, mainly due to a decrease in prisoner expense in the amount of \$763,262 and a decrease in capital outlay in the amount of \$183,265.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Sheriff's Department's basic financial statements. The Sheriff's Department's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Sheriff is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Sheriff adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff's Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Sheriff's Department's annual report consists of financial statements that show information about the Sheriff's Department's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Sheriff's Department's Most Significant Funds

The Sheriff's Department's financial statements provide detailed information about the most significant funds. The Sheriff's Department may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

MD&A

Comparative Statement of Net Assets as of June 30, 2012- Governmental Funds

Assets	2011	2012	% Change
Cash & Investments	\$ 531,687	\$ 315,345	-40.7%
Receivables	401,319	736,224	83.5%
Capital Assets, Net of Accumulated Depreciation	449,648	331,707	-26.2%
Total Assets	<u>1,382,654</u>	<u>1,383,276</u>	0.0%
 Liabilities & Net Assets			
Bank Overdraft	94,142	-0-	-100.0%
Accounts, Salaries, & Other Payables	441,622	802,184	81.6%
OPEB Liability	637,950	966,670	51.5%
Total Liabilities	<u>1,173,714</u>	<u>1,768,854</u>	50.7%
 Net Assets			
Invested in Capital Assets, Net of Related Debt	449,648	331,707	-26.2%
Unrestricted	(240,708)	(717,285)	-198.0%
Total Net Assets	<u>\$ 208,940</u>	<u>\$ (385,578)</u>	-284.5%

Comparative Changes in Fund Balances for the Year Ended June 30, 2012 - Governmental Funds

Revenues	2011	2012	% Change
Fees, Fines, & Charges	\$ 227,218	\$ 344,405	51.6%
Taxes	977,014	971,861	-0.5%
Intergovernmental	296,544	291,056	-1.9%
Reimbursement	4,936,670	4,195,193	-15.0%
Loan Proceeds	525,030	450,055	-14.3%
Grants	177,594	49,306	-72.2%
Miscellaneous	55,672	42,816	-23.1%
Total Revenues	<u>7,195,742</u>	<u>6,344,692</u>	-11.8%
 Expenditures			
Administration & Prisoner Expense	6,713,256	5,965,648	-11.1%
Debt Service	536,628	468,799	-12.6%
Capital Outlay	189,568	6,303	-96.7%
Other Expenditures	70,280	51,799	-26.3%
Total Expenditures	<u>7,509,732</u>	<u>6,492,549</u>	-13.5%
 Increase (Decrease) in Fund Balances	 (313,990)	 (147,857)	 52.9%
 Beginning Fund Balances	 <u>711,232</u>	 <u>397,242</u>	 -44.1%
Ending Fund Balances	<u>\$ 397,242</u>	<u>\$ 249,385</u>	-37.2%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2012, the Sheriff's Department had \$331,707 invested in capital assets, including vehicles, furniture, and equipment.

	Capital Assets At Year-End	
	<u>2011</u>	<u>2012</u>
Equipment	\$ 1,132,072	\$ 1,138,375
Accumulated Depreciation	(682,424)	(806,668)
Total Net Assets	<u>\$ 449,648</u>	<u>\$ 331,707</u>

CONTACTING THE SHERIFF'S DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's Department's finances and to show that the Sheriff's Department's accountability for the money it receives. If you have questions about this report or need additional information, contact George Tosspon, Chief Civil Deputy at the Sheriff's Department, phone number (318) 744-5411.

Basic Financial Statements

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Net Assets
June 30, 2012**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 64,010
Investments	251,335
Receivables	14,776
Due From Other Governments	721,448
Capital Assets (Net of Accumulated Depreciation)	331,707
TOTAL ASSETS	<u>1,383,276</u>
LIABILITIES	
Accounts, Salaries, & Other Payables	802,184
OPEB Liability	966,670
TOTAL LIABILITIES	<u>1,768,854</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	331,707
Unrestricted	(717,285)
TOTAL NET ASSETS	<u>\$ (385,578)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2012**

		<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS		
Cash	\$	64,010
Investments		251,335
Receivables		14,776
Due From Other Governments		721,448
TOTAL ASSETS		<u>1,051,569</u>
 LIABILITIES		
Accounts, Salaries, and Other Payables		<u>802,184</u>
TOTAL LIABILITIES		<u>802,184</u>
 FUND BALANCE		
Unassigned		<u>249,385</u>
 TOTAL LIABILITIES & FUND BALANCE	\$	<u><u>1,051,569</u></u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
June 30, 2012**

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

Fund Balance, Total Governmental Funds (Statement C)		\$ 249,385
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
	Capital Assets	1,138,375
	Less Depreciation	<u>(806,668)</u>
		331,707
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
	Other	-0-
	OPEB Liability	<u>(966,670)</u>
		<u>(966,670)</u>
Net Assets of Governmental Activities (Statement A)		\$ <u>(385,578)</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012**

	GOVERNMENTAL ACTIVITIES
REVENUES	
Fees & Charges	\$ 320,487
Taxes	971,861
Fines	23,918
Intergovernmental	291,056
Reimbursement	4,195,193
Loan Proceeds	450,055
Grants	49,306
Insurance Proceeds	17,638
Miscellaneous	25,178
TOTAL REVENUES	6,344,692
 EXPENDITURES	
Administration	3,999,616
Prisoner Expense	1,966,032
Repairs & Maintenance	36,951
Debt Service	468,799
Capital Outlay	6,303
Other Expenditures	14,848
TOTAL EXPENDITURES	6,492,549
 NET CHANGE IN FUND BALANCE	(147,857)
 FUND BALANCES--BEGINNING	397,242
FUND BALANCES--ENDING	\$ 249,385

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2012**

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

Net Change in Fund Balances, Total governmental Funds, Statement E \$ (147,857)

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

Deletion of Assets	-0-	
Capital Outlays	6,303	
Depreciation Expense	<u>(124,244)</u>	(117,941)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	450,055	
Principle Paid	(450,055)	
Change in OPEB Liability	<u>(328,720)</u>	(328,720)

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

-0-

Changes in Net Assets of Governmental Activities, statement B \$ (594,518)

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Assets
June 30, 2012**

	<u>CIVIL FUND</u>	<u>TAX COLLECTION FUND</u>	<u>BOND FUND</u>	<u>TOTAL</u>
ASSETS				
Cash & Cash Equivalents	\$ 49,371	\$ 39,702	\$ 137,275	\$ 226,348
Investments	-0-	115,754	-0-	115,754
Accounts Receivable	-0-	-0-	-0-	-0-
TOTAL ASSETS	<u>49,371</u>	<u>155,456</u>	<u>137,275</u>	<u>342,102</u>
LIABILITIES				
Held for Others Pending Court Action	49,371	-0-	137,275	186,646
Held for Taxing Bodies	-0-	155,456	-0-	155,456
TOTAL LIABILITIES	<u>49,371</u>	<u>155,456</u>	<u>137,275</u>	<u>342,102</u>
NET ASSETS	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

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

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

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

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

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

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities 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 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 requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

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

The Sheriff reports the following major governmental fund:

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

Additionally, the Sheriff reports the following fund types:

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (asset equal liabilities) and do not involve measurement of results of operation. Consequently, the agency funds have no measurement focus, and use the accrual basis of accounting, which is in accordance with accounting principals generally accepted in the United States.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

C. BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund 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 sheriff operations.

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

Revenues

Ad valorem taxes and commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on September 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Substantially all other revenues are recorded when received.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Expenditures

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

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

Capital Assets	\$	331,707
Capital Outlay		6,303
Depreciation		124,244
OPEB Liability		966,670
Change in OPEB Liability	\$	328,720

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

D. CASH & CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

E. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7-10 Years
Vehicles	7-10 Years

G. FUND EQUITY

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

H. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

I. INTERFUND TRANSACTIONS

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

J. ESTIMATES

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

(2) AD VALOREM TAXES

The Sheriff levies taxes on real and business personal property located within its boundaries. The Sheriff utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the Sheriff's property tax roll. The Sheriff bills and collects its own property taxes.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Law Enforcement	27.69	27.69	N/A

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(3) CASH & INVESTMENTS – (CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)

Deposits

It is the Sheriff's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Sheriff's deposits are categorized to give an indication of the level of risk assumed by the Sheriff at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Sheriff or by its agent in the Sheriff's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.
- **Category 3** – Uncollateralized.

	Southern Heritage	Catahoula LaSalle	Total
Bank Balances	\$ 33,950	\$ 652,280	\$ 686,230
Secured As Follows			
FDIC (<i>Category 1</i>)	33,950	250,000	283,950
Securities (<i>Category 2</i>)	-0-	1,998,059	1,998,059
Total	\$ 33,950	\$ 2,248,059	\$ 2,282,009

All deposits were fully secured as of June 30, 2012.

(4) RECEIVABLES

The receivables of \$736,224 at June 30, 2012, are as follows:

Class of Receivables		
Accounts Receivable	\$	14,776
Intergovernmental		721,448
Total	\$	736,224

Allowance for doubtful accounts is considered not material and is not presented.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(5) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2012, is as follows:

<u>Governmental Activities</u>	<u>Balance 07/01/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/12</u>
General Fund Capital Assets	\$ 1,005,125	\$ 6,303	\$ -0-	\$ 1,011,428
Correctional Center Capital Assets	126,947	-0-	-0-	126,947
Total Fixed Assets	<u>1,132,072</u>	<u>6,303</u>	<u>-0-</u>	<u>1,138,375</u>
General Fund	(572,946)	(120,111)	-0-	(693,057)
Correctional Center	(109,478)	(4,133)	-0-	(113,611)
Total Accumulated Depreciation	<u>(682,424)</u>	<u>(124,244)</u>	<u>-0-</u>	<u>(806,668)</u>
Capital Assets, Net	<u>\$ 449,648</u>	<u>\$ (117,941)</u>	<u>\$ -0-</u>	<u>\$ 331,707</u>

(6) PENSION PLAN

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

All Sheriffs and all deputies who are found to be physically fit, who can earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all services rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminated with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established 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, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Catahoula Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% 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 are required and available from insurance premium taxes. The contribution requirements of plan members and the Catahoula 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 Catahoula Parish Sheriff's contributions to the System for the year ending June 30, 2012 was \$ _____, equal to the required contributions for the year.

(7) NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION (ASSET) FOR THE YEAR ENDED JUNE 30, 2012

Post-Employment Benefits

Plan Description – The Catahoula Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 15 years of service.

Life insurance coverage is continued to retirees by election and the blended rate for active employees and retirees is \$0.348 per \$1,000 of insurance. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the volume in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below 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. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees but not for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

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

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Fund Policy – Until 2009, the Catahoula Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Catahoula Parish Sheriff’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2012 and 2011, the Catahoula Parish Sheriff’s portion of health care and life insurance funding cost for retired employees totaled \$61,474 and \$56,920, respectively.

Effective July 1, 2009, the Catahoula Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

	2012	2011
Normal cost	\$ 238,555	\$ 229,380
30-year UAL amortization amount	163,013	156,743
Annual required contribution (ARC)	\$ 401,568	\$ 386,123

Net Post-employment Benefit Obligation (Asset) – The table below shows the Catahoula Parish Sheriff’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	2012	2011
Beginning Net OPEB Obligation	\$ 637,950	\$ 314,352
Annual required contribution	401,568	386,123
Interest on Net OPEB Obligation	25,518	12,574
ARC Adjustment	(36,893)	(18,179)
OPEB Cost	390,193	380,518
Contribution	-	-
Current year retiree premium	(61,474)	(56,920)
Change in Net OPEB Obligation	328,720	323,598
Ending Net OPEB Obligation	\$ 966,670	\$ 637,950

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

The following table shows the Catahoula Parish Sheriff's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2012	\$ 390,193	15.75%	\$ 966,670
June 30, 2011	\$ 380,518	14.96%	\$ 637,950

Funded Status and Funding Progress – In 2012 and 2011, the Catahoula Parish Sheriff made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2009 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2012 was \$2,931,603 which is defined as that portion, as determined by a particular actuarial cost method (the Catahoula Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2012</u>	<u>2011</u>
Actuarial Accrued Liability (AAL)	\$ 2,931,603	\$ 2,818,849
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 2,931,603	\$ 2,818,849
 Funded Ratio (AVP/AAL)	 0.00%	 0.00%
 Covered Payroll (active plan members)	 \$ 3,294,328	 \$ 3,311,237
UAAL as a percentage of covered payroll	88.99%	85.13%

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 the Catahoula Parish Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Catahoula Parish Sheriff 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 the Catahoula Parish Sheriff 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.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

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 – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 7%. In addition, we have assumed an additional 60% turnover for "Corrections" employees with less than two years of service.

Post Employment Benefit Plan Eligibility Requirements – Historically, employees have entered D.R.O.P. after age 55 and 20 years of service, or age 65 and 15 years of service. We have therefore assumed that employees retire three years after that historical retirement age as just described. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

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). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical, dental and life insurance for the retirees and dependents. Since blended rates (active and retired) were provided, unblended rates applicable both before and after Medicare eligibility were estimated and were used pursuant to GASB 45's mandate. It was estimated that the pre-Medicare retiree rates were 130% of the blended rate and post-Medicare rates were 80% of the blended rate.

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.

OPEB Costs and Contributions			
	FY 2010	FY 2011	FY 2012
OPEB Cost	\$ 371,272	\$ 380,518	\$ 390,193
Contribution	-	-	-
Retiree premium	56,920	56,920	61,474
Total contribution and premium	56,920	56,920	61,474
Change in net OPEB obligation	\$ 314,352	\$ 323,598	\$ 328,720
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	15.33%	14.96%	15.75%

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(8) ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$802,184 at June 30, 2012 are as follows:

Prison Expense	\$	703,166
Salaries		38,837
Withholdings		41,722
Accounts		18,459
Total	\$	<u>802,184</u>

(9) SHORT-TERM DEBT

GASB Statement No. 38 requires details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans.

- a. A schedule of changes in short-term debt, disclosing beginning and end-of-year balances, increases, and decreases is as follows:

<u>Beginning Debt</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Debt</u>
\$ <u>-0-</u>	\$ <u>450,055</u>	\$ <u>(450,055)</u>	\$ <u>-0-</u>

- b. The purpose for which the short-term debt being issued was for operating purposes.

(10) CHANGES IN AGENCY FUND BALANCES

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

	<u>Balance 7-1-11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6-30-12</u>
Civil Fund	\$ 58,733	\$ 269,833	\$ (279,195)	\$ 49,371
Tax Collector Fund	150,916	3,526,452	(3,521,912)	155,456
Bond Fund	105,705	306,915	(275,345)	137,275
Total	\$ <u>315,354</u>	\$ <u>4,103,200</u>	\$ <u>(4,076,452)</u>	\$ <u>342,102</u>

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(11) TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2012, the tax collector has cash and equivalents (book balances) totaling \$155,456 as follows:

Ad valorem taxes	\$	39,702
Protest taxes		<u>115,754</u>
Total	\$	<u>155,456</u>

(12) AD VALOREM TAXES COLLECTED

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

Sheriff	\$	975,495
School Board		953,752
Police Jury		753,454
Assessor		272,674
Tensas Basin District		92,031
Larto Recreational District		29,804
Enterprise Recreational District		28,984
Fire District #1		13,027
Fire District #2		25,451
Fire District #4		76,419
Fire District #5		29,949
Forestry Commission		12,281
Maitland Recreational District		8,427
Hospital District # 2		5,573
Louisiana Tax Commission		<u>607</u>
Total	\$	<u>3,277,928</u>

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(13) TAX UNCOLLECTED AND UNSETTLED

At June 30, 2012, the tax collector had the following uncollected and/or unsettled taxes:

Sheriff	\$	2,691
School Board		1,676
Police Jury		2,112
Assessor		752
Tensas Basin District		108
Larto Recreational District		-0-
Enterprise Recreational District		977
Fire District #1		406
Fire District #2		-0-
Fire District #4		-0-
Fire District #5		481
Forestry Commission		-0-
Maitland Recreational District		-0-
Hospital District # 2		-0-
Louisiana Tax Commission		10
Total	\$	<u>9,213</u>

The balance is broken down as follows:

Protested	\$	9,213
No Owner Found		-0-
Pending Before Tax Commission		-0-
Total	\$	<u>9,213</u>

(14) DEFICIT IN NET ASSETS

At June 30, 2012, total liabilities exceeded total assets by \$385,578, causing a deficit in net assets.

Required Supplemental Information

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Governmental Funds
Schedule of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2012**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Fees & Charges	\$ 82,000	\$ 269,097	\$ 320,487	\$ 51,390
Taxes	1,053,252	972,668	971,861	(807)
Fines	82,500	-0-	23,918	23,918
Intergovernmental	275,358	422,439	291,056	(131,383)
Reimbursement	-0-	4,637,412	4,195,193	(442,219)
Loan Proceeds	450,000	450,000	450,055	55
Grants	-0-	-0-	49,306	49,306
Insurance Proceeds	-0-	-0-	17,638	17,638
Miscellaneous	235,236	175,059	25,178	(149,881)
TOTAL REVENUES	<u>2,178,346</u>	<u>6,926,675</u>	<u>6,344,692</u>	<u>(581,983)</u>
EXPENDITURES				
Administration	1,687,333	1,709,881	3,999,616	(2,289,735)
Prisoner Expense	3,850	4,520,902	1,966,032	2,554,870
Repairs & Maintenance	-0-	32,362	36,951	(4,589)
Debt Service	450,000	468,799	468,799	-0-
Capital Outlay	-0-	35,532	6,303	29,229
Other Expenditures	22,334	19,434	14,848	4,586
TOTAL EXPENDITURES	<u>2,163,517</u>	<u>6,786,910</u>	<u>6,492,549</u>	<u>294,361</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,829</u>	<u>\$ 139,765</u>	(147,857)	<u>\$ (287,622)</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>397,242</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 249,385</u>	

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2012**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Catahoula Parish Sheriff's Office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

STATE OF LOUISIANA, PARISH OF CATAHOULA

AFFIDAVIT

James Kelly, Sheriff of Catahoula Parish

BEFORE ME, the undersigned authority, personally came and appeared, James Kelly, the Sheriff of Catahoula Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 155,456 is the amount of cash on hand in the tax collector account on June 30, 2012;

He further deposed and said:

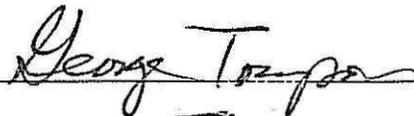
All itemized statements of the amount of taxes collected for tax year 2011, by taxing authority, are true and correct.

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



Signature
Sheriff of Catahoula Parish

SWORN to and subscribed before me, Notary, this 30 day of Oct, 2012, in my office in HARRISON BERG, Louisiana.

 (Signature)
GEORGE TASSPAN (Print), # 73533
Notary Public
June 30, 2016 (Commission)

**Other
Reports**

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

Honorable James G Kelly, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff, a component unit of the Catahoula Parish Police Jury, as of and for the year ended June 30, 2012, which collectively comprise the Catahoula Parish Sheriff's basic financial statements and have issued our report thereon dated October 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

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

Compliance

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

- **2012-C-1 Budget Variances**

The Catahoula Parish Sheriff's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Catahoula Parish Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties; however, this document is public record and its use is not limited.

John R. Vercher PC

October 5, 2012
Jena, Louisiana

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2012**

We have audited the basic financial statements of the Catahoula Parish Sheriff as of and for the year ended June 30, 2012 and have issued our report thereon dated October 5, 2012. We conducted our audit in accordance with generally accepted auditing standards 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. Our audit of the financial statements as of June 30, 2012 resulted in an unqualified opinion.

Section I Summary of Auditor's Results

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

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not-Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012**

Section II – Financial Statement Findings

2012-C-1 Budget Variances (Compliance)

Condition: The Catahoula Parish Sheriff had an unfavorable revenue variance of \$581,983 or 8.4% in its Governmental Fund Budget for the year ended June 30, 2012.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: The Sheriff's Office over budgeted the prison reimbursement, causing an unfavorable revenue variance.

Effect of Condition: The government fund having an unfavorable revenue variance.

Recommendation: The budget should be amended when there is an unfavorable variance of more than 5%.

Client Response and Corrective Action: The management of the Sheriff's Office will begin amending its budget so that there is no unfavorable variance of more than 5%.

Contact Person: George Tosspon

Anticipated Completion Date: June 30, 2013

Section III Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Sheriff's Office's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2012-M-1 Negative Net Assets

Finding: The Catahoula Parish Sheriff had a deficit balance in net assets of \$(385,578) at June 30, 2012 because of the Other Post Employment Benefit (OPEB) Obligation.

Recommendation: The Sheriff's Office should begin funding its OPEB Obligation when the office's financial situation allows funding.

Sheriff's Response: When the Sheriff's Office is financially able, the office will begin funding its OPEB Obligation.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Sheriff, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2011.

PRIOR YEAR FINDINGS:

2011-C-1 Budget Variances (Unresolved)

Condition: The Catahoula Parish Sheriff had an unfavorable revenue variance of \$486,611 or 6.80% in its Governmental Fund Budget for the year ended June 30, 2011.

Management's Corrective Action: The management of the Sheriff's Office did not amend its budget so that there is no unfavorable variance of more than 5%.

2011-M-1 Deficit Fund Balance (Resolved)

Condition: The Catahoula Parish Sheriff had a deficit fund balance of \$(134,445) at June 30, 2011 in its General Fund.

Management's Corrective Action: The Sheriff's Office transferred monies from the Correctional Center Fund to the General Fund when the amount exceeded the available fund balance.