

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF JUNE 30, 2014
AND FOR THE YEAR THEN ENDED

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA

For the Year Ended June 30, 2014

TABLE OF CONTENTS

	Statement	Page
INDEPENDENT AUDITOR'S REPORT -----		1-2
SECTION I - REQUIRED SUPPLEMENTAL INFORMATION		
Management's Discussion and Analysis -----		3-7
SECTION II - GOVERNMENT-WIDE FINANCIAL STATEMENTS		
Statement of Net Position -----	A	8
Statement of Activities -----	B	9
SECTION III - FUND FINANCIAL STATEMENTS		
Governmental Funds:		
Balance Sheet -----	C	10
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Position -----	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund -----	E	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities -----	F	13
Statement of Fiduciary Assets and Liabilities -----	G	14
Statement of Changes - Fiduciary Net Position -----	H	15
NOTES TO THE BASIC FINANCIAL STATEMENTS -----		16-28
SECTION IV - ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule - General Fund -----	1	29
Notes to the Budgetary Comparison Schedule -----		30
Affidavit - Tax Collector Cash -----		31

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA

For the Year Ended June 30, 2014

TABLE OF CONTENTS

	Statement	Page
SECTION V - OTHER REPORTS		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> -----		32-33
SECTION VI - SCHEDULE OF FINDINGS		
Schedule of Findings -----		34
Schedule of Prior Audit Findings -----		35
Schedule of Current Year Audit Findings-----		36



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551

www.silassimmons.com

INDEPENDENT AUDITOR'S REPORT

Honorable Kenneth Hedrick
Concordia Parish Sheriff
Vidalia, 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 Concordia Parish, Louisiana Sheriff as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Concordia Parish, Louisiana 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Parish, Louisiana Sheriff as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 29 through 30 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2014, on our consideration of the Concordia Parish, Louisiana 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 Concordia Parish, Louisiana Sheriff's internal control over financial reporting and compliance.

This report is intended for the information of the Concordia Parish, Louisiana Sheriff and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Natchez, Mississippi
November 18, 2014

SECTION I
REQUIRED SUPPLEMENTAL INFORMATION

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

INTRODUCTION

The discussion and analysis (MD&A) of the Concordia Parish Sheriff's financial performance provides an overall narrative review of the Sheriff's financial activities for the year ended June 30, 2014. The intent of this discussion and analysis is to look at the Sheriff's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the Sheriff's financial performance.

The Concordia Parish Sheriff's office is located on Carter Street in Vidalia, Louisiana, with outlying facilities located in all parts of Concordia Parish.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of the two years ended June 30, 2014, the Concordia Parish Sheriff's net position decreased by \$775,133 in 2014 and decreased by \$2,221,368 in 2013. This resulted in ending net position of \$4,639,362 in 2014 and \$5,414,495 in 2013.

1. The beginning cash balance for the Concordia Parish Sheriff was \$3,244,906 as of June 30, 2012. The ending cash balance at June 30, 2013, was \$2,623,704, and it was \$2,539,111 at June 30, 2014.
2. The Sheriff had \$15,883,936 in revenues for the year ended June 30, 2014, and \$15,950,009 for the year ended June 30, 2013, which primarily consisted of property taxes, grants, prisoner upkeep, and interest income. There was \$16,659,069 in expenditures including depreciation of \$430,645 for the year ended June 30, 2014, and \$18,171,377 in expenditures including depreciation of \$477,348 for the year ended June 30, 2013.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Concordia Parish Sheriff's basic financial statements. The Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

The statement of activities presents information showing how the Sheriff's net position changed during the most recent fiscal year.

The government-wide financial statements outline functions of the Sheriff that are principally supported by property taxes and intergovernmental revenues (governmental activities). Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8 – 9 of this report.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

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 basic governmental fund financial statements can be found on pages 10 - 15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 16 - 28 of this report.

FUND FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a government's financial position. In the case of the Sheriff's, assets exceeded liabilities by \$4,639,362 as of June 30, 2014.

Net Position for the periods ending June 30, 2014 and 2013

The following is a condensed statement of the Concordia Parish Sheriff's net position as of June 30, 2014 and 2013:

	Year ended June 30,	
	2014	2013
Current assets	\$ 2,991,070	\$ 3,035,451
Noncurrent assets - capital assets	4,812,796	5,127,473
Total assets	<u>\$ 7,803,866</u>	<u>\$ 8,162,924</u>
Current liabilities	\$ 226,856	\$ 484,272
Long-term liabilities	2,937,648	2,264,157
Total liabilities	<u>\$ 3,164,504</u>	<u>\$ 2,748,429</u>
Net position		
Investment in capital assets	\$ 4,812,796	\$ 5,127,473
Unrestricted (deficit)	(173,434)	287,022
Total net position	<u>\$ 4,639,362</u>	<u>\$ 5,414,495</u>

A large portion of the Sheriff's net position (\$4,812,796) is its investment in capital assets such as equipment and facilities less related debt expended in the acquisition of those assets. The deficit of \$173,434 is current assets less OPEB and accrued compensated absences liabilities.

The Sheriff had long-term debt of \$2,937,648 at June 30, 2014, which is completely made up of accruals to pay for compensated absences earned by employees and to provide other post-employment benefits. More information concerning this debt may be found on pages 23-25 of the notes to the financial statements. Total liabilities of \$3,164,504 are equal to 41% of the total assets of the Sheriff.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014

The following is a summary of the statement of activities:

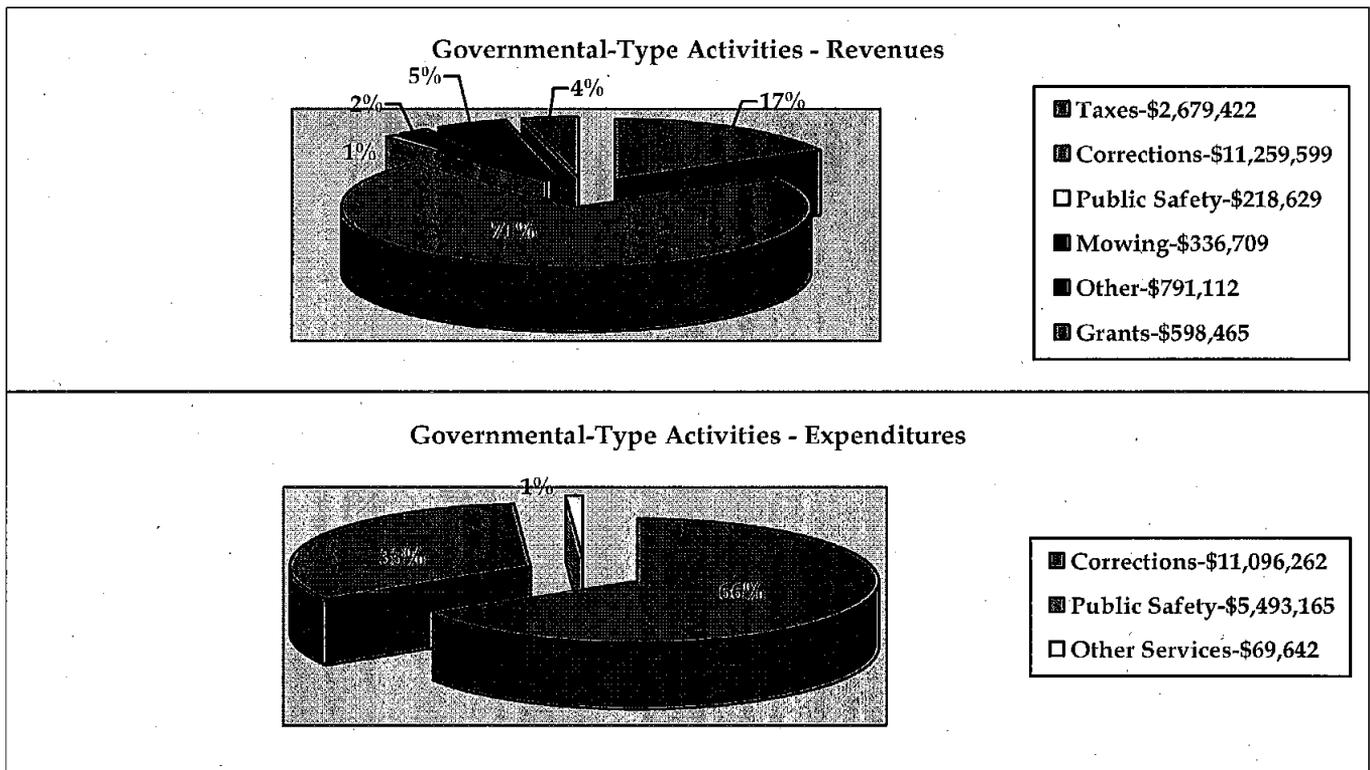
	Year ended June 30,	
	<u>2014</u>	<u>2013</u>
Revenues		
Charges for services		
Public safety	\$ 218,629	\$ 217,519
Corrections	11,259,599	11,012,222
Mowing	336,709	336,709
General revenues		
Ad valorem taxes	2,679,422	2,749,544
State supplemental pay	402,898	382,307
State revenue sharing	130,430	141,736
Interest	7,694	21,410
Other	250,090	316,608
Grants	<u>598,465</u>	<u>771,954</u>
Total revenues	<u>\$ 15,883,936</u>	<u>\$ 15,950,009</u>
Expenses		
Operating expenses		
Public safety	\$ 5,493,165	\$ 6,602,221
Corrections	11,096,262	11,484,081
Mowing	<u>69,642</u>	<u>85,075</u>
Total expenses	<u>\$ 16,659,069</u>	<u>\$ 18,171,377</u>
(Decrease) in net position	\$ (775,133)	\$ (2,221,368)
Net position, July 1	<u>5,414,495</u>	<u>7,635,863</u>
Net position, June 30	<u>\$ 4,639,362</u>	<u>\$ 5,414,495</u>

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

Governmental-Type Activities

The Governmental-Type Activities of the Sheriff include revenues resulting from fines and fees charged, fees charged for the care and feeding of prisoners, and contract fees for mowing and upkeep activities. It also includes grants for law enforcement activities and prisoner functions.

The following presents in graphs the information from the Statement of Activities for the Governmental-Type Activities:



The notes to the financial statements should be read to have a full understanding of the data in the government-wide financial statements.

CAPITAL ASSETS AND DEBT

As of June 30, 2014, the Sheriff had \$4,812,796 invested in capital assets net of accumulated depreciation of \$5,286,896. During the fiscal year ended June 30, 2014, the Sheriff added the following capital assets:

2014 Dodge Chargers (2)	\$	43,756
2014 Ford Expedition		26,793
Security cameras		22,051
2008 Dodge Ram truck		8,175
Copier		5,599
Boat		4,000
Copier		2,735
Cell phones		2,859
Total	\$	<u>115,968</u>

As of June 30, 2014, the Sheriff had no bonded indebtedness outstanding.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014**

BUDGET AMENDMENTS

Amendments to the budget for revenues resulted from a change in revenues and expenditures from the amounts estimated at the beginning of the year. For the year audited, the budget was amended once.

MANAGEMENT'S COMMENTS

For fiscal year 2014, Sheriff Kenneth Hedrick's focus was on assigning staff to examine all aspects of the department to discover ways to more efficiently operate CPSO facilities. Accounting software was updated allowing the Fiscal Officer to target spending patterns and provide concise reports to assist the supervisors in reviewing costs. Involving Wardens and department heads in finance meetings challenged them to analyze costs and search for ways to reduce spending.

During this 12 months of leadership, the Sheriff appointed a Training Coordinator to insure all law enforcement personnel receive current, relevant training to insure they can provide the best protection for the Parish. An Auxiliary Deputy force was developed to utilize volunteer officers to serve in a low-risk capacity for coverage at events that serve the Parish residents, such as funeral processions, event security, and traffic assistance. This allowed full-time deputies to spend more time on the roads patrolling the Parish.

The budget for the last several years planned a \$200,000 capital outlay for an addition to the Annex building for additional office space for Investigations, Task Force, and Crime Victim officers. The Sheriff seized an opportunity to rent the former Vidalia Police Department eliminating the need for this expenditure and keeping these funds on reserve.

The Concordia Parish Sheriff's Office continued to provide approximately 280 jobs to Parish residents and maintains the operations of the Concordia Parish Correctional Facility, River Correctional, Concordia Parish Work Release, as well as the Concordia Parish Sheriff's Office. These jobs include the operation of the criminal, civil, and correctional divisions.

For fiscal year 2014, Sheriff Hedrick's goal continues to be accountability and fiscal responsibility. Efforts will continue to challenge CPSO staff to closely examine all expenditures and find effective methods of cutting costs while still fully serving the people of Concordia Parish.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's finances and to show the Sheriff's accountability for the money received. Any questions about this report or request for additional information may be directed to Donna Jones, Administrative Supervisor at (318) 336-5231.

SECTION II
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2014**ASSETS**

Cash and cash equivalents	\$ 1,952,007
Accounts receivable	405,472
Due from other governmental units	547,896
Commodities inventory	37,146
Prepaid expenses	48,549
Capital assets - net	<u>4,812,796</u>
Total assets	<u>\$ 7,803,866</u>

LIABILITIES

Accounts payable	\$ 69,417
Salaries and benefits payable	157,439
Accrued compensated absences	399,798
Net OPEB obligation	<u>2,537,850</u>
Total liabilities	<u>\$ 3,164,504</u>

NET POSITION

Invested in capital assets	\$ 4,812,796
Unrestricted (deficit)	<u>(173,434)</u>
Total net position	<u>\$ 4,639,362</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
		<u>Fines, Fees, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
Public safety	\$ 5,493,165	\$ 218,629	\$ 197,205	\$ (5,077,331)
Correctional	11,096,262	11,259,599	401,260	564,597
Grass mowing	69,642	336,709	-	267,067
Total	<u>\$ 16,659,069</u>	<u>\$ 11,814,937</u>	<u>\$ 598,465</u>	<u>\$ (4,245,667)</u>
General revenues:				
Taxes - ad valorem				\$ 2,679,422
State supplemental pay				402,898
State revenue sharing				130,430
Interest earnings				7,694
Miscellaneous				250,090
Total general revenues				<u>\$ 3,470,534</u>
Change in net position (deficit)				\$ (775,133)
Net position, July 1, 2013				<u>5,414,495</u>
Net position, June 30, 2014				<u>\$ 4,639,362</u>

The accompanying notes are an integral part of this financial statement.

SECTION III
FUND FINANCIAL STATEMENTS

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2014

ASSETS

Cash and cash equivalents	\$ 1,952,007
Accounts receivable	405,472
Due from other governmental units	547,896
Commodities inventory	37,146
Prepaid expenses	<u>48,549</u>
Total assets	<u>\$ 2,991,070</u>

LIABILITIES

Accounts payable	\$ 69,417
Salaries and benefits payable	<u>157,439</u>
Total liabilities	<u>\$ 226,856</u>

FUND BALANCE

Unassigned	<u>\$ 2,764,214</u>
Total liabilities and fund balance	<u>\$ 2,991,070</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Total Fund Balances for Governmental Funds (Statement C)	\$ 2,764,214
Total Net Position reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Capital assets, net	4,812,796
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued compensated absences	(399,798)
Net OPEB obligation	<u>(2,537,850)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 4,639,362</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

REVENUES

Ad valorem taxes	\$ 2,679,422
Intergovernmental revenues	
Federal funds:	
Grants: Correctional	10,116
Public safety	164,905
State funds:	
State revenue sharing	130,430
State supplemental pay	402,898
State grants: Correctional	391,144
Public safety	32,300
Mowing contract	336,709
Miscellaneous	250,090
Fees, charges, and commissions:	
Sheriff's sales	26,063
Fines and forfeitures	31,510
Civil and criminal fees	161,056
Feeding and keeping prisoners - jail	123,397
Feeding and keeping prisoners - CPCF	10,784,274
Telephone commissions - CPCF	351,928
Interest income	7,694
Total revenues	<u>\$ 15,883,936</u>

EXPENDITURES

Public safety:	
Personnel services and related benefits	\$ 3,516,249
Operating services	1,352,958
Materials and supplies	8,797
Travel and other charges	34,835
Capital outlay	110,369
Total public safety	<u>\$ 5,023,208</u>
Correctional facility:	
Personnel services and related benefits	\$ 8,781,064
Operating services	1,563,345
Materials and supplies	231,361
Capital outlay	5,599
Total correctional facility	<u>\$ 10,581,369</u>
Grass mowing contract:	
Operating services	\$ 25,144
Materials and supplies	41,180
Total grass mowing contract	<u>\$ 66,324</u>
Total expenditures	<u>\$ 15,670,901</u>
Excess of revenues over expenditures	\$ 213,035
Fund balance at beginning of year	<u>2,551,179</u>
Fund balance at end of year	<u>\$ 2,764,214</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
 VIDALIA, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2014

Net Change in Fund Balance at June 30, 2014, governmental activities, Statement E	\$	213,035
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$	115,968
Depreciation expense		<u>(430,645)</u>
		(314,677)
<p>Expenditures in statement of activities that do not involve current financial resources:</p>		
Accrued compensation absences expense decrease		127,798
Net other post-employment obligation expensed		<u>(801,289)</u>
Changes in Net Position at June 30, 2014, governmental activities, Statement B	\$	<u>(775,133)</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2014

	<u>Sheriff's Funds</u>	<u>Tax Collector Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 107,154	\$ 128,861	\$ 351,089	\$ 587,104
Accounts receivable	<u>70,828</u>	<u>18,607</u>	<u>-</u>	<u>89,435</u>
Total assets	<u>\$ 177,982</u>	<u>\$ 147,468</u>	<u>\$ 351,089</u>	<u>\$ 676,539</u>
<u>LIABILITIES</u>				
Due to taxing bodies and others	<u>\$ 177,982</u>	<u>\$ 147,468</u>	<u>\$ 351,089</u>	<u>\$ 676,539</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
STATEMENT OF CHANGES - FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Sheriff's Funds	Tax Collector Fund	Inmate Fund	Total
Unsettled balance due to taxing bodies and others at beginning of year	\$ 147,348	\$ 142,181	\$ 410,528	\$ 700,057
ADDITIONS				
Deposits:				
Fines, forfeitures, and costs	\$ 678,552	\$ -	\$ -	\$ 678,552
Suits and seizures	252,510	-	-	252,510
Garnishments	124,209	-	-	124,209
Taxes, fees paid tax collector	-	14,090,377	-	14,090,377
State revenue sharing	-	427,663	-	427,663
Interest earned	246	34,487	-	34,733
Inmate income	-	-	3,317,155	3,317,155
Total additions	\$ 1,055,517	\$ 14,552,527	\$ 3,317,155	\$ 18,925,199
DEDUCTIONS				
Deposits, taxes, fees settled to:				
Concordia Parish:				
Sheriff's general fund	\$ 298,363	\$ 2,823,043	\$ 572,914	\$ 3,694,320
Clerk of Court	59,402	-	-	59,402
Police Jury	173,138	1,668,207	-	1,841,345
School Board	-	5,395,661	-	5,395,661
Library	-	1,153,065	-	1,153,065
Assessor	-	588,723	-	588,723
Concordia Council on Aging	-	521,158	-	521,158
Health service	-	235,834	-	235,834
Monterey Fire Protection District	-	85,432	-	85,432
Concordia Fire District No. 2	-	531,230	-	531,230
Concordia Recreation District No. 1	-	104,159	-	104,159
Concordia Recreation District No. 2	-	56,743	-	56,743
Concordia Recreation District No. 3	-	344,834	-	344,834
City of Vidalia	-	144,542	-	144,542
Louisiana Tax Commission	-	4,790	-	4,790
Bureau of Land Management	-	83,572	-	83,572
Louisiana Forestry Service	-	6,233	-	6,233
Fifth District Levee Board	-	522,066	-	522,066
Litigants	228,108	-	-	228,108
Other cash disbursed	265,872	277,948	2,803,680	3,347,500
Total deductions	\$ 1,024,883	\$ 14,547,240	\$ 3,376,594	\$ 18,948,717
Unsettled balances due to taxing bodies and others at end of year	\$ 177,982	\$ 147,468	\$ 351,089	\$ 676,539

The accompanying notes are an integral part of this financial statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

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, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Concordia Parish, Louisiana 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 standards setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," issued in June 1999.

B. REPORTING ENTITY

The Sheriff is an independently elected official; however, the Sheriff is fiscally dependent on the Concordia 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 for the Sheriff's office. Because the Sheriff is fiscally dependent on the Police Jury, the Sheriff is a component unit of the Concordia 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.

C. FUND ACCOUNTING

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.

Governmental Funds

Governmental funds account for all or most of the Sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Sheriff. The following is the Sheriff's governmental funds:

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds (continued)

General Fund - the primary operating fund of the Sheriff and it accounts for all financial resources, except those 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.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. 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), for deposits held pending court action, and deposits held for inmates. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund, of Statements C and D, 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, of Statements C and D, 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 the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

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

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Expenditures

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the 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 exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). 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 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.

E. BUDGETS

The Sheriff uses the following budget practices:

1. The Sheriff prepares a proposed budget for the general fund in June of each year for the year beginning July 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Sheriff.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets are adopted on a modified accrual basis.
7. The budget was amended once during the year ended June 30, 2014.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. 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.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. INVENTORIES

Inventory of the Sheriff's General Fund consists of food purchased by the Sheriff and commodities granted by various governmental agencies. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenses when consumed. All purchased inventory items are stated at cost, which is determined by the first-in, first-out method.

H. PREPAID ITEMS

Certain payments for insurance reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. CAPITAL ASSETS

Capital assets, which include land, buildings, furniture, fixtures and equipment, and vehicles, are reported in the statement of net position. Capital assets are capitalized at historical cost or estimated cost if historical is not available.

Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Vehicles	5 - 10 years
Buildings	20 - 40 years
Furniture, fixtures, and equipment	5 - 20 years

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

J. COMPENSATED ABSENCES

The Sheriff has the following policy relating to vacation and sick leave:

After one year of service, employees of the Sheriff's office receive five working days of noncumulative vacation leave. For each year thereafter, they receive a total of ten working days of noncumulative vacation leave. Employees receive the same number of cumulative sick leave days, which are not payable upon termination or retirement.

The Sheriff's recognition and measurement criteria for compensated absences follows: GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES (continued)

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The current portion of the liability for compensated absences is not reported in the fund financial statements. The liability is reported in the government-wide Statements A and B.

K. ESTIMATES

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

NOTE 2 - LEVIED TAXES

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of the following year. The taxes are based on assessed values determined by the Concordia Parish Tax Assessor and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deduction for assessor's compensation and pension fund contributions.

The following is a summary of Concordia Parish levied ad valorem taxes for 2014:

Description	Levied Millage	Authorized Millage	Expiration Date
Parish Tax:			
General alimony tax	2.27 M	2.27 M	N/A
Library	8.50 M	8.50 M	2018
Highway, drainage, and building upkeep 2017		10.00 M	10.00 M
Health unit	1.81 M	1.81 M	2020
Assessor	4.34 M	4.34 M	N/A

- continued -

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 2 - LEVIED TAXES (continued)

Description	Levied Millage	Authorized Millage	Expiration Date
Sheriff's law enforcement	8.61 M	8.61 M	N/A
Sheriff's special	11.98 M	11.98 M	2016
School construction	2.84 M	2.84 M	N/A
School new construction	12.41 M	12.41 M	2014
School maintenance	25.00 M	25.00 M	2022
Fifth Louisiana Levee District	3.86 M	3.86 M	N/A
Recreation District No. 1	3.00 M	3.00 M	2017
Recreation District No. 2	6.39 M	6.39 M	2017
Recreation District No. 3	3.99 M	3.99 M	2016
Fire District No. 1	9.59 M	9.59 M	2016
Fire District No. 2 maintenance	6.91 M	6.91 M	2020
Forestry tax	\$.08/ Acre	\$.08/ Acre	N/A
Council on Aging	4.00 M	4.00 M	2017

The following are the principal taxpayers and related ad valorem tax revenue for the Sheriff:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for Sheriff
Catalyst Old River	Hydro Electric	\$ 37,659,530	28%	\$ 4,015,254
Union Underwear Co., Inc.	Clothing	14,643,120	11%	1,507,079
Total		<u>\$ 52,302,650</u>	<u>39%</u>	<u>\$ 5,522,333</u>

The following is a summary of Concordia Parish ad valorem taxes assessed and collected (cash basis) and the taxes receivable at June 30, 2014:

	Taxes Assessed	Taxes Collected	Taxes Uncollected 6/30/2014
Parish tax:			
Police Jury - general alimony	\$ 1,604,810	\$ 1,602,644	\$ 2,166
Library	1,111,726	1,110,226	1,500
Police Jury - highway and drainage	3,269,782	3,265,369	4,413
Health unit	236,732	236,413	319
Assessor	567,634	566,868	766
Sheriff's law enforcement	1,126,133	1,124,593	1,540
Sheriff's special	1,566,881	1,564,766	2,115
School new construction	1,623,124	1,620,933	2,191
School maintenance	371,447	370,946	501
Fifth Louisiana Levee District	504,857	504,176	681
Recreation District No. 1	104,290	104,149	141
Recreation District No. 2	59,051	58,971	80
Recreation District No. 3	346,014	345,547	467
Fire District No. 1	85,697	85,581	116
Fire District No. 2	533,327	532,607	720
City of Vidalia	144,599	144,404	195
Forestry Tax	7,333	7,323	10
Council on Aging	523,165	522,459	706
	<u>\$ 13,786,602</u>	<u>\$ 13,767,975</u>	<u>\$ 18,657</u>

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 2 - LEVIED TAXES (continued)

The uncollected taxes at June 30, 2014, were as follows:

Amount collected subsequent to June 30, 2014	\$	9,979
Uncollected amounts were movable properties that have not been collected and cannot be located		<u>8,678</u>
	\$	<u>18,657</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2014, the Sheriff has cash and cash equivalents, book balances, totaling \$2,539,111 as follows:

Interest-bearing demand deposits	\$	1,391,598
Time deposits		<u>1,147,513</u>
Total	\$	<u>2,539,111</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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. At June 30, 2014, the Sheriff had \$2,458,044 in deposits (collected bank balances). These deposits are secured from risk by \$1,832,911 of federal deposit insurance and \$625,133 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

NOTE 4 - ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2014, are as follows:

River corrections	\$	209,771
Other		<u>195,701</u>
Total	\$	<u>405,472</u>

At June 30, 2014, no allowance for doubtful accounts was required, since all amounts were deemed collectible.

NOTE 5 - DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other government units at June 30, 2014, were as follows:

State of Louisiana:		
Prisoner upkeep	\$	447,659
State grants		28,417
Supplemental pay		31,500
Other		<u>40,320</u>
Total	\$	<u>547,896</u>

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 6 - CAPITAL ASSETS

A summary of the Concordia Parish Sheriff's capital assets follows:

	<u>Balance 6/30/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2014</u>
Capital assets not being depreciated				
Land	\$ 180,500	\$ -	\$ -	\$ 180,500
Capital assets being depreciated				
Furniture, fixtures, and equipment	\$ 3,408,786	\$ 115,968	\$ (137,073)	\$ 3,387,681
Buildings and improvements	<u>6,531,511</u>	<u>-</u>	<u>-</u>	<u>6,531,511</u>
Total	<u>\$ 9,940,297</u>	<u>\$ 115,968</u>	<u>\$ (137,073)</u>	<u>\$ 9,919,192</u>
Less accumulated depreciation				
Furniture, fixtures, and equipment	\$ (2,734,587)	\$ (229,881)	\$ 137,073	\$ (2,827,395)
Buildings and improvements	<u>(2,258,737)</u>	<u>(200,764)</u>	<u>-</u>	<u>(2,459,501)</u>
Total	<u>\$ (4,993,324)</u>	<u>\$ (430,645)</u>	<u>\$ 137,073</u>	<u>\$ (5,286,896)</u>
Total being depreciated	<u>\$ 4,946,973</u>	<u>\$ (314,677)</u>	<u>\$ -</u>	<u>\$ 4,632,296</u>
Capital assets, net	<u>\$ 5,127,473</u>	<u>\$ (314,677)</u>	<u>\$ -</u>	<u>\$ 4,812,796</u>

Depreciation expense was charged to governmental activities as follows:

Public safety	\$ 243,581
Corrections	183,746
Grass mowing	<u>3,318</u>
Total	<u>\$ 430,645</u>

NOTE 7 - LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 527,596</u>	<u>\$ -</u>	<u>\$ (127,798)</u>	<u>\$ 399,798</u>	<u>\$ 399,798</u>

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - PENSION PLAN

Plan Description - Substantially all employees of the Concordia Parish Sheriff's Office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All sheriffs, deputies, and other employees who are found to be physically fit, who earn at least \$400 per month depending on year employed, and who were at least age 18 years or older at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 3.33 percent for each year of total service. In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Members are not required to make any contributions to the Plan. The Concordia Parish Sheriff's Office is required to contribute at an actuarially determined rate. The combined rate is 23.25% of annual covered payroll. The Concordia Parish Sheriff's Office's contributions for the year ending June 30, 2014 and 2013, were \$1,860,443 and \$1,769,102, respectively, equal to the required contributions for each year.

The Louisiana Sheriff Pension and Relief Fund issues a publicly available Actuarial Valuation and required supplementary information. That information may be obtained by writing to Sheriff's Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, LA 70806 or by calling (800) 586-9049.

NOTE 9 - POST-EMPLOYMENT BENEFITS

Plan Description. The Concordia 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 only (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 and the blended rate for active employees and retirees is \$0.348 per \$1,000 of insurance. The employer pays 100% of the cost of the retiree's life insurance after retirement. There is an age-related reduction formula after retirement (reducing to 75% of pre-retirement coverage at age 65 and to 50% at age 70.) The employer cost is based on the blended active/retired rate and there is thus an additional implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 9 - POST-EMPLOYMENT BENEFITS (continued)

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

Fund Policy. Until 2009, the Concordia Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (Concordia Parish Sheriff's Office'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. In 2013 and 2012, Concordia Parish Sheriff's Office's portion of health care and life insurance funding cost for retired employees totaled \$87,429, and \$91,952, respectively.

Effective July 1, 2009, the Concordia 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). This amount was applied toward the net OPEB benefit obligation as shown in the following table.

Annual Required Contribution. Concordia Parish Sheriff's Office'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:

	2014	2013
Normal cost	\$ 575,430	\$ 553,298
30-year UAAL amortization amount	465,587	447,680
Annual required contribution (ARC)	<u>\$ 1,041,017</u>	<u>\$ 1,000,978</u>

Net Post-employment Benefit Obligation (Asset). The table below shows Concordia Parish Sheriff's Office's net other post-employment benefit (OPEB) obligation (asset) for fiscal year ending June 30:

	2014	2013
Beginning net OPEB obligation	\$ 1,736,561	\$ 945,746
Annual required contribution	\$ 1,041,017	\$ 1,000,978
Interest on net OPEB obligation	69,462	37,830
ARC adjustment	(100,425)	(54,693)
OPEB cost	\$ 1,010,054	\$ 984,115
Contribution	-	-
Current year retiree premium	(208,765)	(193,300)
Change in net OPEB obligation	<u>\$ 801,289</u>	<u>\$ 790,815</u>
Ending net OPEB obligation	<u>\$ 2,537,850</u>	<u>\$ 1,736,561</u>

The following table shows Concordia 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 for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2014	\$ 1,010,054	20.67%	\$ 2,537,850
June 30, 2013	\$ 984,115	19.64%	\$ 1,736,561

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 9 - POST-EMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress. In 2014 and 2013, the Concordia Parish Sheriff's Office made no contributions to its post-employment benefits Plan. The Plan was not funded, had no assets, and hence had a funded ratio of zero. As of July 1, 2009, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014, was \$8,373,160 which is defined as that portion, as determined by a particular actuarial cost method (Concordia Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 8,373,160	\$ 8,051,115
Actuarial Value of Plan Assets	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 8,373,160</u>	<u>\$ 8,051,115</u>
Funded Ratio (Act. Val. Assets/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 6,985,252	\$ 7,646,332
UAAL as a percentage of covered payroll	119.87%	105.29%

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 Concordia Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Concordia 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 Concordia 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. There are not any assets. It is anticipated that in future valuations, should funding take place, there will be a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 9 - POST-EMPLOYMENT BENEFITS (continued)

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 12%.

Post-employment Benefit Plan Eligibility Requirements. Historically, most employees have not retired until 20 to 30 years of service. We have therefore assumed that employees retire three years after the earliest of the following: 30 years of service at any age, age 55 and 20 years of service; or, age 60 and 15 years of service. The three years is to accommodate the D.R.O.P. period. Entitlement to benefits continues through Medicare to death.

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

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution, and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, 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.

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 benefits for the retiree only. The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

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.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 9 - POST-EMPLOYMENT BENEFITS (continued)

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

	OPEB Costs and Contributions		
	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
OPEB Cost	\$ 279,002	\$ 984,115	\$ 1,010,054
Contribution			
Retiree premium	<u>91,952</u>	<u>193,301</u>	<u>208,765</u>
Total	<u>\$ 91,952</u>	<u>\$ 193,301</u>	<u>\$ 208,765</u>
Change in net OPEB obligation	<u>\$ 187,050</u>	<u>\$ 790,814</u>	<u>\$ 801,289</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	32.96%	19.64%	20.67%

NOTE 10 - EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Sheriff's office is located in the parish courthouse. Expenditures for operation and maintenance of the parish courthouse, as required by state statute, are paid by the Concordia Parish Police Jury and are not included in the accompanying financial statements.

NOTE 11 - LITIGATION

The Sheriff's office was involved in various lawsuits at June 30, 2014. It is not possible at present for the Concordia Parish Sheriff's legal counsel to predict the outcome or the range of potential loss, if any, that may result from those actions. No provision for any liability that may result has been made in the financial statements, but the lawsuits are considered to be within the Sheriff's insurance limits and therefore should not have any effect on its financial statements. The Concordia Parish Sheriff is not aware of any claims or assessments that should be reflected in the accompanying financial statements.

NOTE 12 - RISK MANAGEMENT

The Concordia Parish Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

SECTION IV
ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 2,775,000	\$ 2,775,000	\$ 2,679,422	\$ (95,578)
Intergovernmental revenues				
Federal fund:				
Grants:				
Correctional	41,215	41,215	10,116	(31,099)
Public safety	60,836	60,836	164,905	104,069
State funds:				
State revenue sharing	130,000	130,000	130,430	430
State supplemental pay	396,066	396,066	402,898	6,832
State grants:				
Correctional	421,000	421,000	391,144	(29,856)
Public safety	87,933	87,933	32,300	(55,633)
Mowing contract	337,000	337,000	336,709	(291)
Miscellaneous	123,750	123,750	250,090	126,340
Fees, charges, and commissions				
Sheriff's sales	33,000	33,000	26,063	(6,937)
Fines and forfeitures	35,000	35,000	31,510	(3,490)
Civil and criminal fees	157,000	157,000	161,056	4,056
Feeding and keeping prisoners - jail	130,000	130,000	123,397	(6,603)
Feeding and keeping prisoners - CPCF	11,058,910	10,725,853	10,784,274	58,421
Telephone commissions	481,000	481,000	351,928	(129,072)
Interest income	11,000	11,000	7,694	(3,306)
Total revenues	<u>\$ 16,278,710</u>	<u>\$ 15,945,653</u>	<u>\$ 15,883,936</u>	<u>\$ (61,717)</u>
Expenditures				
Public safety	\$ 5,000,000	\$ 5,000,000	\$ 5,023,208	\$ (23,208)
Correctional facility	11,212,710	10,879,653	10,581,369	298,284
Grass mowing contract	66,000	66,000	66,324	(324)
Total expenditures	<u>\$ 16,278,710</u>	<u>\$ 15,945,653</u>	<u>\$ 15,670,901</u>	<u>\$ 274,752</u>
Excess of revenues over expenditures	\$ -	\$ -	\$ 213,035	\$ 213,035
Fund balance - beginning of year	<u>2,551,179</u>	<u>2,551,179</u>	<u>2,551,179</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,551,179</u>	<u>\$ 2,551,179</u>	<u>\$ 2,764,214</u>	<u>\$ 213,035</u>

See Independent Auditor's Report.

**CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014**

General Budget Policies

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 Concordia Parish Sheriff's office during the month of June for comments from taxpayers. The budget is established and controlled by the Sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

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

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Sheriff. Legally, the Sheriff must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Sheriff to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

STATE OF LOUISIANA, PARISH OF Concordia

AFFIDAVIT

D. Kenneth Hedrick (Sheriff's Name), Sheriff of Concordia (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, D. Kenneth Hedrick (Name), the sheriff of Concordia Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 128,861 is the amount of cash on hand in the tax collector account on June 30, 2014 (Date);

He further deposed and said:

All itemized statements of the amount of taxes collected for 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.

Kenneth Hedrick
Signature
Sheriff of Concordia
(Parish)

SWORN to and subscribed before me, Notary, this 8th day of September 2014, in my office in the Vidalia, Louisiana.
(City/Town)

Patricia White (Signature)

Patricia White (Print), # 8853

Notary Public
Expired at Death (Commission)

PATRICIA WHITE
EX-OFFICIO NOTARY
ID #8853
CONCORDIA PARISH
SHERIFF DEPT.

**SECTION V
OTHER REPORTS**



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551

www.silassimmons.com

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

Honorable Kenneth Hedrick
Concordia Parish Sheriff
Vidalia, 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, each major fund, and the aggregate remaining fund information of the Concordia Parish, Louisiana Sheriff, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Concordia Parish, Louisiana Sheriff's basic financial statements and have issued our report thereon dated November 18, 2014.

Internal Control Over Financial Reporting

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

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

This report is intended solely for the information and use of management of the Concordia Parish Sheriff and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Natchez, Mississippi
November 18, 2014

SECTION VI
SCHEDULE OF FINDINGS

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Section I: Summary of Auditor's Reports

1. Type of auditor's report issued on the primary government financial statements:

Governmental activities

Unqualified

2. Internal control over financial reporting:

a. Material weakness(es) identified?

No

b. Significant deficiency(s) identified that are not considered to be material weaknesses?

No

3. Noncompliance material to the primary government financial statements?

No

CONCORDIA PARISH SHERIFF
 VIDALIA, LOUISIANA
 SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2013

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal Control and Compliance Material to Financial Statements:				
2013-1	2013	<p><u>Late Filing of Audit Report</u> The Sherriff's audited financial statements were not completed and submitted to the Legislative Auditor's Office by the statutory date of December 31, 2013. The Sheriff was unable to compile complete and accurate records in time to be completed by the statutory deadline.</p> <p><u>Recommendation</u> We recommend that the Sherriff have all their information ready to be audited early enough to be filed by December 31.</p>	Yes	This finding has been corrected.

Section II - Internal Control and Compliance Material to Federal Awards:

None	N/A	N/A
------	-----	-----

Section III - Management Letter:

None	N/A	N/A
------	-----	-----

CONCORDIA PARISH SHERIFF
VIDALIA, LOUISIANA
SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Reference No.	Description of Finding	Corrective Action Planned	Anticipated Completion Date
Section I - Internal Control and Compliance Material to Financial Statements:			
N/A			
Section II - Internal Control and Compliance Material to Federal Awards:			
N/A			
Section III - Management Letter:			
N/A			