
RED RIVER PARISH SHERIFF

FINANCIAL REPORT

June 30, 2014



Postlethwaite
& Netterville

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INDEPENDENT AUDITORS' REPORT

Honorable Glen T. Edwards
Red River Parish Sheriff
Coushatta, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. 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, the major fund, and the aggregate remaining fund information of the Red River Parish Sheriff as of June 30, 2014, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, and the schedule of Funding Progress for Other Post-Employment Benefit Plans on pages 3 through 7, 31 and 32, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The Sheriff's sworn statement presented on page 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Sheriff's sworn statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 7, 2015 on our consideration of Red River Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the Sheriff's internal control over financial reporting and compliance.

Postlethwaite + Nettville

Baton Rouge, Louisiana
January 7, 2015

RED RIVER PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

This section of Red River Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position increased \$1,626,698 or 6.6 percent over the course of this year's operations.
- Expenses for the year were \$4.5 million, an increase of \$93,219.
- During the year, the Sheriff's governmental funds expenditures were \$2.2 million less than the \$6.2 million generated in ad valorem taxes, charges for services and operating grants for governmental programs.
- The General Fund's increase in fund balance was approximately \$2.2 million. The General Fund ended the year with a \$26.9 million fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the financial statements, and required supplementary information, and other supplemental information. The financial statements include two kinds of statements that present different views of the Sheriff:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Sheriff's government, reporting the Sheriff's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - The proprietary fund financial statements indicate the degree to which the full cost of operating was covered through revenues received from the parish and other governmental entities.
 - Fiduciary fund statements provide information about the financial relationships in which the Sheriff acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

RED RIVER PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

Government-wide Statements

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net position and how they have changed. Net position—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

- Over time, increases or decreases in the Sheriff's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Sheriff you need to consider additional nonfinancial factors such as changes in the Sheriff's property tax base and growth of Red River Parish.

The government-wide financial statements of the Sheriff include:

- Governmental activities—most of the Sheriff's basic services are included here, such as police and general administration. Ad valorem taxes, state and federal grants, and fees, charges, and commissions for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Sheriff's most significant funds—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

- Governmental funds—Most of the Sheriff's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The Sheriff has one governmental fund – the General Fund.
- Fiduciary funds—Funds which are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations.

RED RIVER PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net position. The Sheriff's net position is comprised of the following assets less liabilities:

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 27,124,521	\$ 24,868,212
Capital Assets, net	<u>306,181</u>	<u>494,671</u>
Total assets	<u>27,430,702</u>	<u>25,362,883</u>
Other Liabilities	176,414	116,494
Other post-employment benefits payable	<u>1,005,463</u>	<u>624,262</u>
Total liabilities	<u>1,181,877</u>	<u>740,756</u>
Net Position		
Net investment in capital assets	306,181	494,671
Unrestricted	<u>25,942,644</u>	<u>24,127,456</u>
Total net position	<u>\$ 26,248,825</u>	<u>\$ 24,622,127</u>

Net position of the Sheriff increased 6.6 percent to approximately \$26.2 million.

RED RIVER PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

Changes in net position of government activities. The Sheriff's total revenues increased by 13.8 percent. (See Table A-2.) Approximately 52 percent of the Sheriff's revenue comes from ad valorem tax collections from Red River Parish and approximately 30 percent comes from sales tax revenue. The remainder comes from prison fees and miscellaneous fees, commissions and other intergovernmental revenue.

The total cost of all programs and services increased approximately \$93,000. The Sheriff's expenses cover all services performed by its office.

Revenues for the Sheriff's governmental activities increased 13.8 percent to \$6.2 million while total expenses increased 2.1 percent to \$4.5 million.

	Governmental Activities	
	2014	2013
General revenues	\$ 5,471,110	\$ 4,753,330
Fees, charges, and commissions for services	409,121	432,983
Operating grants	<u>278,732</u>	<u>225,379</u>
Total Revenues	6,158,963	5,411,692
General Government Expenses	<u>(4,532,265)</u>	<u>(4,439,046)</u>
Change in net position	<u>\$ 1,626,698</u>	<u>\$ 972,646</u>

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental funds reported a fund balance of \$26,948,107, an increase from last year of \$2,196,389. This fund balance provides for operating revenues in periods of decreased revenue.

General Fund Budgetary Highlights

Over the course of the year, the Sheriff did amend the general fund budget. The general fund budget amendments reflect an increase in revenues of \$221,431 and a decrease in expenditures of \$1,689,222 from the original budget.

RED RIVER PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

CAPITAL ASSETS

At the end of 2014, the Sheriff had invested \$306,181 in capital assets. (See Table A-3.)

Table A-3
Sheriff's Capital Assets
(net of depreciation)

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Land	\$ 22,278	\$ 22,278
Buildings and building improvements	3,821	5,374
Automobiles	212,908	329,867
Equipment, furniture and fixtures	<u>67,174</u>	<u>137,152</u>
Total	<u>\$ 306,181</u>	<u>\$ 494,671</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem taxes for 52 percent and sales taxes for 30 percent of its revenues. The economy is not expected to generate any significant growth and property taxes are not expected to significantly increase. Budgeted expenditures for 2015 are expected to be consistent with 2014.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Red River Parish Sheriff's Office, PO Box 375, Coushatta, LA 71019.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF NET POSITION
June 30, 2014

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 14,822,300
Receivables	250,137
Investments	12,032,604
Prepaid expenses	19,480
Total current assets	<u>27,124,521</u>
NONCURRENT ASSETS	
Capital assets:	
Depreciable, net of accumulated depreciation	<u>306,181</u>
Total assets	<u>27,430,702</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
Accounts payable and accruals	<u>176,414</u>
Total current liabilities	<u>176,414</u>
NONCURRENT LIABILITIES	
Other post-employment benefit	<u>1,005,463</u>
Total noncurrent liabilities	<u>1,005,463</u>
Total liabilities	<u>1,181,877</u>
<u>NET POSITION</u>	
Net Investment in capital assets, net of related debt	306,181
Unrestricted	25,942,644
Total net position	<u>\$ 26,248,825</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF ACTIVITIES
June 30, 2014

	Program Revenues			
Governmental Activities	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
Public Safety	\$4,532,265	\$ 409,121	\$ 278,732	\$ (3,844,412)
General revenues:				
Taxes				5,061,320
State Revenue Sharing				68,365
Interest				306,765
Miscellaneous				34,660
Total general revenues				5,471,110
Change in net position				1,626,698
Net position - beginning				24,622,127
Net position - ending				\$ 26,248,825

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

GOVERNMENTAL FUND BALANCE SHEET
June 30, 2014

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 14,822,300
Receivables	250,137
Investments	12,032,604
Prepaid Expenses	19,480
TOTAL ASSETS	<u>\$ 27,124,521</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 58,467
Accrued Liabilities	117,947
TOTAL LIABILITIES	<u>176,414</u>
<u>FUND BALANCE</u>	
Nonspendable	19,480
Unassigned	26,928,627
TOTAL FUND BALANCE	<u>26,948,107</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 27,124,521</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2014

Total Fund Balances at June 30, 2014 - Governmental Funds		\$ 26,948,107
Cost of capital assets at June 30, 2014	1,377,226	
Less: Accumulated Depreciation as of June 30, 2014:	<u>(1,071,045)</u>	306,181
Other Post-Employment Benefits		<u>(1,005,463)</u>
Net Position at June 30, 2014		<u><u>\$ 26,248,825</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>
<u>REVENUES</u>	
Taxes	\$ 5,061,320
State revenue sharing	68,365
Intergovernmental revenues	278,732
Fees, charges and commissions for services	409,121
Interest Revenue	306,765
Other	34,660
Total Revenues	<u>6,158,963</u>
<u>EXPENDITURES</u>	
Public Safety	
Personal services	3,414,931
Operating services	209,986
Supplies	264,685
Travel	649
Professional services	37,201
Capital outlay	35,122
Total Expenditures	<u>3,962,574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,196,389
NET CHANGE IN FUND BALANCE	2,196,389
FUND BALANCE AT BEGINNING OF YEAR	<u>24,751,718</u>
FUND BALANCE AT END OF YEAR	<u>\$ 26,948,107</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Total Net Changes in Fund Balance for year ended June 30, 2014	\$ 2,196,389
Add: Capital outlay included in expenditures	35,122
Less: Depreciation expense for year ended June 30, 2014	(223,612)
Change in other post-employment benefits	<u>(381,201)</u>
Total Changes in Net Position for year ended June 30, 2014	<u>\$ 1,626,698</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

June 30, 2014

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 458,552
Total Assets	<u>458,552</u>
LIABILITIES	
Due to others	387,562
Due to taxing bodies	<u>70,990</u>
Total Liabilities	<u>\$ 458,552</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, and fines, costs, and bond forfeitures imposed by the district court.

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The accompanying financial statements of the Red River Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net position and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Section N50.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS (FFS):

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds.

The Sheriff reports the following major governmental funds:

General Fund

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

The Sheriff reports the following non-major fund types:

Agency Fund

The agency fund is used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff's basic financial statements include all funds that are controlled by the Sheriff as an independently elected Parish official. As an independently elected official, the Sheriff is solely responsible for the operations of his office. Other than certain operating expenditures of the Sheriff that are paid or provided by the Red River Parish Police Jury as required by Louisiana Law, the Sheriff is financially independent. Accordingly, the Sheriff is a primary government for reporting purposes.

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, etcetera.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The Governmental Wide Financial Statements (GWFS) and fiduciary fund statements are reported using the economic resources measurement focus. The government wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all property tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2014, was made available for public inspection and comments from taxpayers at the Sheriff's office during June 2013. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. INTERFUND ACTIVITY

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government wide financial statements.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute and the Sheriff's investment policy which allows for investment in obligations of the U.S. Agencies, certificates of deposit and investment grade commercial paper of domestic United States corporations. Investments are carried at fair market value as of the balance sheet date.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. CAPITAL ASSETS

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Sheriff is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

I. COMPENSATED ABSENCES

Full-time employees that have been employed one year earn one week of vacation and two weeks of sick leave and employees that have been employed two or more years earn two weeks of vacation and two weeks of sick leave per year. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Sick leave does carryover from one fiscal year to the next and can be accumulated up to a maximum of four weeks; however there are no vesting privileges. Therefore, no liability for compensated absences had been recorded in the accompanying financial statements.

J. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions. To handle such risk of loss, the Sheriff maintains commercial insurance policies, workers' compensation insurance, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended June 30, 2014.

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.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. NET POSITION

For the government-wide statement of net position, the net position is classified and displayed in three components:

Net investment in capital assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the Sheriff’s office or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff’s highest level of decision-making authority.

Assigned – represents balances that are constrained by the government’s intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

N. SALES TAX

The Red River Parish Sheriff receives a one percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for salaries and benefits of deputies and acquiring, maintaining and operating of sheriff's vehicles and equipment.

2. LEVIED TAXES

The Red River Parish Sheriff levies taxes on real and business personal property located within its boundaries. Ad valorem taxes are assessed on a calendar year basis, levied and become due on November 15 of each year. The following is a summary of authorized and levied ad valorem taxes as of June 30, 2014:

	Authorized Millage	Levied Millage	Expiration Date
Law enforcement	13.71	13.71	Statutory

3. CHANGES IN FIDUCIARY NET POSITION

A summary of changes in fiduciary net position due to taxing bodies and others follows:

	Balance at Beginning of year	Addition	Reduction	Balance at end of year
Agency funds:				
Fines, bonds and costs fund	\$ 334,828	\$ 352,081	\$ 333,102	\$ 353,807
Civil fund	40,377	166,813	173,435	33,755
Tax collections fund	37,681	22,114,094	22,080,785	70,990
Total	\$ 412,886	\$ 22,632,988	\$ 22,587,322	\$ 458,552

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

4. RECEIVABLES

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

Class of Receivable

Taxes	\$ 138,727
Fees, charges, and commissions for tax services and intergovernmental	55,924
Interest	<u>55,486</u>
Total	<u>\$ 250,137</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2014, are as follows:

Governmental activities:

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital Assets June 30, 2013	\$ 22,278	\$ 31,068	\$1,288,758	\$1,342,104
Additions	-	-	35,122	35,122
Costs of Capital Assets, June 30, 2014	<u>22,278</u>	<u>31,068</u>	<u>1,323,880</u>	<u>1,377,226</u>
Accumulated depreciation June 30, 2013	-	25,694	821,739	847,433
Additions	-	1,553	222,059	223,612
Accumulated depreciation, June 30, 2014	-	<u>27,247</u>	<u>1,043,798</u>	<u>1,071,045</u>
Capital assets, net of accumulated depreciation at June 30, 2014	<u>\$ 22,278</u>	<u>\$ 3,821</u>	<u>\$280,082</u>	<u>\$306,181</u>

For the year ended June 30, 2014, depreciation expense was \$223,612.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

6. CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2014, the Sheriff has unrestricted cash and cash equivalents (book balances) as follows:

Governmental Funds:	
Petty Cash	\$ 600
Interest bearing and non-interest bearing demand deposits	<u>14,821,700</u>
Total governmental funds	<u>14,822,300</u>
Fiduciary Funds:	
Interest-bearing demand deposits	<u>458,552</u>
Total fiduciary funds	<u>448,552</u>
Total	<u>\$ 15,280,852</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

7. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At June 30, 2014, the government's bank balance of \$15,315,895 was not exposed to custodial credit risk.

8. INVESTMENTS

The Sheriff maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Sheriff may invest in obligations of the U.S. Treasury and U.S. Agencies, certificates of deposit and commercial paper of domestic United States corporations. Investments are carried at fair market value as of the balance sheet date.

As of June 30, 2014, the Sheriff's investment balances were as follows:

Federal Agency Obligations	\$11,502,654
Certificates of Deposit	<u>529,950</u>
Total	<u>\$12,032,604</u>

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENTS (continued)

Interest Rate Risk

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

As of June 30, 2014 the Sheriff had the following investment types and maturities for investments subject to interest rate risk:

	Fair Value	Remaining Maturity				
		Less than one year	1 - 5	6 - 10	11 - 15	16 - 20
Federal Agency Obligation	\$ 11,502,654	\$ -	\$ 819,762	\$ 6,620,222	\$ 3,397,761	\$ 664,909
Certificate of Deposit	529,950	-	139,650	201,674	188,626	-
	<u>\$ 12,032,604</u>	<u>\$ -</u>	<u>\$ 959,412</u>	<u>\$ 6,821,896</u>	<u>\$ 3,586,387</u>	<u>\$ 664,909</u>

Credit Risk

As of June 30, 2014, the Sheriff investments in Federal Agency Obligations were rated AAA by Moody's Investors Service.

Concentration of Credit Risk

Excluding investments issued or guaranteed by the U.S. Government, the Sheriff has no investments in any single organization that represent five percent or more of the Sheriff's investments.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the total investments government has a custodial credit risk exposure for the investment balance because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities.

The Sheriff does not have a policy addressing interest rate risk or credit risk.

9. CHANGES IN LONG-TERM DEBT

The following is a summary of long term debt transactions of the Red River Sheriff for the year ended June 30, 2014:

	OPEB
Balance at July 1, 2013	\$ 1,005,463
Increases	-
Balance at June 30, 2014	<u>\$ 1,005,463</u>

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. PENSION PLAN

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

Laws that govern the Fund are located in the Louisiana Revised Statutes beginning with 11:2171 etc. which specifically pertains to the Sheriffs' Pension Fund, and 11:11 etc. which governs all public retirement systems in Louisiana.

Membership in the Fund is required for all eligible sheriffs and deputies. All salaried employees of the Sheriffs' Pension and Relief Fund and the Louisiana Sheriffs' Association who meet certain requirements are also eligible to become members of the Fund. Members are vested after twelve years of service time.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$1,000 per month, and who were 18 or older at the time of original employment are required to participate in the System. An employee hired prior to January 1, 2012, who retires at or after age 55 with at least 12 years of creditable service, or at any age with 30 years of creditable service is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service. An employee hired on or after January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent of his final average compensation each year of creditable 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 the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 1225 Nicholson Dr., Baton Rouge, Louisiana, 70802, or by calling (225)219-0501.

Funding Policy. The employee contribution rate cannot be less than 9.8% or more than 10.25% of earnable compensation. Contributions are deducted from the member's salary and remitted monthly by the Sheriff. Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For the years ended June 30, 2014 and 2013, the employers contributed 13.89% and 13.25% of members' salaries. Also, the Fund annually receives revenue sharing funds, 0.5% of the aggregate amount of the ad valorem tax shown to be collected by the tax roll of each respective parish, and additional funds as indicated by valuation and apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premium taxes described in R.S. 22:1419. The Red River Parish Sheriff's contributions to the System, including the employee's portion for the years ending June 30, 2014, 2013, and 2012, were \$527,315, \$499,267, and \$505,856, respectively.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

The Red River Parish Sheriff provides certain continuing health care and life insurance for its retired employees. The employees become eligible for these benefits upon actual retirement. These benefits are determined based on the employee's age and length of service. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Sheriff's Association. The plan does not issue a publically available financial report.

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, Red River Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (Red River 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 2014 and 2013, Red River Parish Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$170,046 and \$80,878, respectively.

Effective July 1, 2009, Red River 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) which required recognition of the expense over the term of employment. This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – Red River 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.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$ 624,262	\$ 310,763
Annual required contribution	561,579	397,596
Interest on Net OPEB Obligation	15,607	4,862
ARC Adjustment	<u>(25,939)</u>	<u>(8,081)</u>
OPEB Cost	551,247	394,377
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(170,046)</u>	<u>(80,878)</u>
Change in Net OPEB Obligation	<u>381,201</u>	<u>313,499</u>
Ending Net OPEB Obligation	\$ <u>1,005,463</u>	\$ <u>624,262</u>

The following table shows Red River 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, 2014	\$551,247	30.85%	\$1,005,463
June 30, 2013	\$ 394,377	20.51%	\$ 624,262
June 30, 2012	\$ 158,423	26.60%	\$ 310,763

Funded Status and Funding Progress – In 2014 and 2013, Red River 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 Alternative Measurement Method, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014 was \$5,191,216 which is defined as that portion, as determined by a particular actuarial cost method (Red River 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.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 5,191,216	\$ 5,191,216
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 5,191,216</u>	<u>\$ 5,191,216</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 3,815,000	\$ 2,147,383
UAAL as a percentage of covered payroll	136.07%	241.75%

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

The Red River Parish Sheriff's office uses the Alternative Measurement Method to calculate the cost of the post employment benefits plan. The assumptions included a 2.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0% scaling down to ultimate rates of 4.7% per year. The actuarial assumptions also include a payroll growth of 1.0% per annum. The Sheriff's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The amortization period used by the Sheriff's office was 30 years.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

12. LITIGATION AND CLAIMS

In the opinion of the sheriff's legal counsel, the sheriff was not a defendant in any active lawsuits as at June 30, 2014.

13. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE POLICE JURY

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

14. SUBSEQUENT EVENTS

In preparing the financial statements, the Red River Parish Sheriff has evaluated events and transactions for potential recognition or disclosure through January 7, 2015, and has determined that no events occurred that require disclosure.

15. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand and available for settlements as of June 30, 2014 was \$70,990.

As of June 30, 2014, \$14,988 of the taxes assessed in Red River Parish from the 2013 tax roll was not collected. The uncollected taxes are the result of no responses to collection efforts. These properties will have tax liens placed on them.

The amount of taxes collected for the current year by taxing authority is as follows:

<u>Entity</u>	<u>Mills/Rate</u>	<u>Assessed Taxes</u>	<u>Uncollected Taxes</u>	<u>Current Taxes Collected</u>
Parish Tax	3.41	\$ 765,430	\$ 1,009	\$ 764,421
Parish Tax Inside	1.70	16,313	25	16,288
Forestry Tax	\$ 0.08	8,818	7	8,811
Red River Levee District	4.55	640,831	(263)	641,094
Red River Levee Per Acre	\$ 0.05	3,834	6	3,828
Red River Per Mile	\$ 60	3,353	0	3,353
Bossier Levee	4.11	19,532	0	19,532
Louisiana Tax Commission – Public Utilities	0.10	7,619	0	7,619

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

15. EX-OFFICIO TAX COLLECTOR (continued)

<u>Entity</u>	<u>Mills/Rate</u>	<u>Assessed Taxes</u>	<u>Uncollected Taxes</u>	<u>Current Taxes Collected</u>
Louisiana Tax Commission – Financial Institutions	.015	242	0	242
Library Tax	6.66	1,559,163	2,068	1,557,095
Health Unit Tax	1.90	444,805	590	444,215
Public Facilities Tax	2.86	669,550	888	668,662
School Consolidation	3.10	725,737	967	724,770
School Constitutional	4.41	1,032,415	1,375	1,031,040
School C/R/E	4.81	1,126,058	1,500	1,124,558
School Maintenance and Operation	15.34	3,591,226	4,785	3,586,441
School Salaries and Benefits	15.21	3,560,789	4,744	3,556,045
Sheriff Tax	13.71	3,209,627	4,276	3,205,351
Red River Waterway	2.34	546,686	730	545,956
Fire District	7.10	1,662,169	2,205	1,659,964
Council on Aging	0.95	222,402	295	222,107
Red River Tax Assessor	9.05	<u>2,118,687</u>	<u>2,810</u>	<u>2,115,877</u>
Total		<u>\$21,935,286</u>	<u>\$ 28,017</u>	<u>\$21,907,269</u>

REQUIRED
SUPPLEMENTAL INFORMATION

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual
<u>REVENUES</u>			
Taxes	\$ 4,700,000	\$ 5,179,500	\$ 5,061,320
State revenue sharing	67,500	67,000	68,365
Intergovernmental revenue	218,000	270,636	278,732
Fees, charges, and commissions for services:	357,000	356,460	409,121
Interest and investment income	15,000	(284,165)	306,765
Other	100,500	90,000	34,660
Total Revenues	<u>5,458,000</u>	<u>5,679,431</u>	<u>6,158,963</u>
<u>EXPENDITURES</u>			
General Government			
Personal services and related benefits	5,200,000	3,815,000	3,414,931
Operating services	300,000	240,000	209,986
Material and supplies	300,000	278,000	264,685
Travel and other charges	10,000	1,623	649
Professional services	60,000	36,000	37,201
Capital outlay	200,000	10,155	35,122
Total Expenditures	<u>6,070,000</u>	<u>4,380,778</u>	<u>3,962,574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(612,000)	1,298,653	2,196,389
<u>OTHER FINANCING SOURCES (USES)</u>			
	-	-	-
NET CHANGE IN FUND BALANCE	(612,000)	1,298,653	2,196,389
FUND BALANCE AT BEGINNING OF YEAR	<u>24,355,149</u>	<u>24,751,718</u>	<u>24,751,718</u>
FUND BALANCE AT END OF YEAR	<u>\$ 23,743,149</u>	<u>\$ 26,050,371</u>	<u>\$ 26,948,107</u>

RED RIVER PARISH SHERIFF'S OFFICE
COUSHATTA, LOUISIANA

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
June 30, 2014

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u>
6/30/2012	\$ -	\$ 1,957,260	\$ 1,957,260	0.0%	\$ 2,248,254	87.1%
6/30/2013	\$ -	\$ 5,191,216	\$ 5,191,216	0.0%	\$ 2,147,383	241.7%
6/30/2014	\$ -	\$ 5,191,216	\$ 5,191,216	0.0%	\$ 3,815,000	136.1%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>(a) Annual OPEB Cost</u>	<u>(b) Annual Contributed</u>	<u>(b/a) Percentage of Annual OPEB Costs Contributed</u>	<u>(a-b) Increase (Decrease) to Net OPEB Obligation</u>	<u>(PY + (a-b)) Net OPEB Obligation</u>
6/30/2012	\$ 158,423	\$ 42,134	26.60%	\$ 116,289	\$ 310,763
6/30/2013	\$ 394,377	\$ 80,878	20.51%	\$ 313,499	\$ 624,262
6/30/2014	\$ 551,247	\$ 170,046	30.85%	\$ 381,201	\$ 1,005,463

OTHER SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA, PARISH OF Red River

AFFIDAVIT

Glen T. Edwards (Sheriff's Name), Sheriff of Red River (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, Glen T. Edwards, the sheriff of Red River Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$ 70,990 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.

Signature Sheriff of Red River
(Parish)

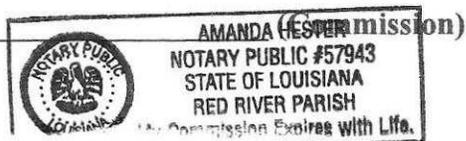
SWORN to and subscribed before me, Notary, this 9th day of January 2015 in my office in the Coushatta, Louisiana.
(City/Town)

Amanda Hester (Signature)

Amanda Hester (Print), # 57943

Notary Public

with Life



OTHER REPORTS REQUIRED
BY GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITORS' 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 Glen T. Edwards
Red River Parish Sheriff
Coushatta, 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, the major fund, and the aggregate remaining fund information of the Red River Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Red River Parish Sheriff's basic financial statements, and have issued our report thereon dated January 7, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency listed as item 2014-001.

Compliance and Other matters

As a part of obtaining reasonable assurance about whether the Red River Parish Sheriff's Office 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2014-002.

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.

Pastlethwaite + Nettaville

Baton Rouge, Louisiana

January 7, 2015

RED RIVER PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the Red River Parish Sheriff's Office as of and for the year June 30, 2014.
2. One significant deficiency was reported relating to the audit of the financial statements that was not considered to be a material weakness.
3. One instance of noncompliance material to the financial statements of the Red River Parish Sheriff's Office was disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2014-001

Agency Fund Reconciliation

Criteria:

The Fines, Bonds and Costs Fund is used as a depository for civil suits, cash bonds and other fees. Control procedures should be in place that reconciles the case balances recorded in the case management software to the depository balance.

Condition:

This fund's depository balance is not reconciled to the case balances recorded in the case management software.

Effect:

Unauthorized transactions may occur and not be detected timely.

Cause:

This procedure was previously performed, but the importance of this procedure was not emphasized and the procedure was eliminated.

Recommendation:

We recommend that the Sheriff reinstate this procedure of reconciling the case balances in the case management software to the depository balance.

Management's Response and Planned Corrective Action:

This resolution will be implemented immediately.

RED RIVER PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2014-002

Louisiana Investment Law

Criteria: Revised Statute 33:2955 requires that time certificates of deposits of any bank be domiciled in or having a branch office in the State of Louisiana.

Condition: The Sheriff maintained time certificates of deposit in banks not domiciled in or having a branch in the State of Louisiana.

Effect: The Sheriff is in violation of the State of Louisiana statute.

Cause: The deposit referred to was purchased by the manager of the investment account.

Recommendation: The Sheriff should invest in time certificates of deposit held by banks domiciled in or having a branch in the State of Louisiana.

Management's Response and Planned Corrective Action:

The Sheriff will instruct the investment account manager to refrain from purchasing CD's from Institutions that don't have a branch office in Louisiana. This resolution will be implemented immediately.

RED RIVER PARISH SHERIFF
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2014

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2013 – 01 Budget Law

Description

Actual revenues of the sheriff were \$416,882 (7.13% less than budgeted amounts in 2013)

Status

Resolved.