

ACADIA PARISH SHERIFF
Crowley, Louisiana

**ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 25 2012

ACADIA PARISH SHERIFF
Crowley, Louisiana

ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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ACADIA PARISH SHERIFF
Crowley, Louisiana

ANNUAL FINANCIAL STATEMENTS
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WITH SUPPLEMENTAL INFORMATION SCHEDULES

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December 30, 2011

INDEPENDENT AUDITOR'S REPORT

The Honorable Wayne A. Melancon
Acadia Parish Sheriff
Crowley, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Acadia Parish Sheriff, as of and for the year ended June 30, 2011, which collectively comprise the Acadia Parish Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Acadia Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish Sheriff as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of the Acadia Parish Sheriff's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States require that Management's Discussion and Analysis on pages 4 through 9 and the budgetary comparison information on pages 40 and 41 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.

The Honorable Wayne A. Melancon
Acadia Parish Sheriff
Crowley, Louisiana
December 30, 2011

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Acadia Parish Sheriff's basic financial statements as a whole. The other supplementary information of pages 44 thru 47 is presented for purposes of additional analysis and is not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Broadhurst, Hamilton & Company

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Management's Discussion and Analysis (Unaudited)

Within this section of the Acadia Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is please to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2011. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statement and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$4,729,964 (net assets) for the fiscal year reported. Total net assets are comprised of the following:

- Capital assets of \$402,206 that includes property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase of capital assets.
- Unrestricted net assets of \$4,263,547 which represents the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.
- Restricted net assets of \$64,211 which represent amounts in the bond sinking fund to be used for payment of the bi-annual interest and principal payments for the long-term bonds.

The Sheriff's governmental funds report total ending fund balance of \$6,858,435 this year. This compares to the prior year ending fund balance of \$5,801,045, showing an increase of \$1,057,390 or the current year. At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$6,766,620 or 79.29% of the total General Fund expenditures and 70.65% of total General Fund revenues including transfers. The financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

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

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

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 12 and 13 of this report.

Management's Discussion and Analysis (Unaudited)

FUND FINANCIAL STATEMENTS

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

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 15-19 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds. The basic fiduciary fund financial statement is presented on page 20 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

OTHER INFORMATION

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This statement is a schedule demonstrating compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on pages 39-42 of this report. In addition, more detailed nonmajor fund (special revenue fund) information and details of the individual agency funds are presented as supplementary information presented on pages 42 thru 46 of this report.

Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The following table provides a summary of the Sheriff's net assets:

SUMMARY OF NET ASSETS
AS OF JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Percentage of Total</u>
ASSETS		
Cash and cash equivalents	\$ 1,953,435	25.96%
LAMP Investments	4,126,077	54.83%
Other receivables	1,042,924	13.86%
Prepaid items	1,168	.02%
Capital assets, net	<u>402,206</u>	<u>5.33%</u>
TOTAL ASSETS	<u>\$ 7,525,810</u>	<u>100.00%</u>
LIABILITIES		
Current liabilities:		
Accounts and other accrued payables	\$ 174,021	6.22%
LSA Grant payable	10,000	.36%
Bonds payable - current portion	80,000	2.86%
Long-term liabilities:		
Compensated absences	117,352	4.20%
OPEB obligation	1,993,325	71.30%
Estimated medical liabilities	81,148	2.90%
Bonds payable	<u>340,000</u>	<u>12.16%</u>
TOTAL LIABILITIES	<u>\$ 2,795,846</u>	<u>100.00%</u>
NET ASSETS		
Invested in capital assets	\$ 402,206	
Restricted for debt service	64,211	
Unrestricted	<u>4,263,547</u>	
TOTAL NET ASSETS	<u>\$ 4,729,964</u>	

The Sheriff continues to maintain operations with long-term debt attributable only to the purchase of the Acadia Parish Detention Center (APDC). This is an indication of the Sheriff's ability to pay his obligations as they become due. The Sheriff reported positive balances in net assets for the governmental activities. Net assets increased by \$147,570 for governmental activities in fiscal 2011. The sheriff is addressing rising expenditures by assessing all spending and determining which expenditures may be cut in order to improve the financial strength while continuing to provide exceptional law enforcement to which the residents of Acadia parish have become accustomed. During this time of record high fuel costs, the cost of patrolling the parish is being kept under control by implementing fuel rationing by not allowing the patrol cars to idle while parked and also limiting the patrol mileage to only the amount that needs to be driven. These are examples of some of the measures being taken in order to continue to serve the Acadia parish area with the exceptional law enforcement provided by the Acadia Parish Sheriff.

Comparative data for government-wide information is presented to assist analysis in future years. The following table provides a summary of the Sheriff's changes in net assets:

ACADIA PARISH SHERIFF
Crowley, Louisiana

Management's Discussion and Analysis (Unaudited)

	<u>June 30, 2011</u>		<u>June 30, 2010</u>	
	<u>Governmental Activities</u>	<u>Percentage of Total</u>	<u>Governmental Activities</u>	<u>Percentage of Total</u>
REVENUES:				
Program:				
Charges for services/fines	\$ 2,326,142	24.24%	\$ 2,226,120	24.33%
Operating and capital grants	1,205,039	12.56%	1,187,839	12.98%
General:				
Sales taxes	3,359,510	35.02%	3,196,385	34.93%
Property taxes	2,257,628	23.53%	2,154,182	23.54%
Interest	15,386	0.16%	18,794	0.20%
Miscellaneous	430,794	4.49%	368,232	4.02%
TOTAL REVENUES	\$ 9,594,499	100.00%	\$ 9,151,552	100.00%
PROGRAM EXPENSES:				
Public safety	\$ (9,446,929)	100.00%	\$ (8,897,357)	100.00%
TOTAL EXPENSES	\$ (9,446,929)	100.00%	\$ (8,897,357)	100.00%
CHANGE IN NET ASSETS	\$ 147,570		\$ 254,195	
BEGINNING NET ASSETS	4,582,394		4,328,199	
ENDING NET ASSETS	\$ 4,729,964		\$ 4,582,394	

Governmental Revenues - The Sheriff is heavily reliant on parish-wide property and sales tax revenues to support its operations. Property taxes provided 23.54% and sales taxes provided 23.53% of the Sheriff's total revenues. Because of the Sheriff's healthy financial position, the Sheriff has been able to earn \$15,386 in interest earnings to support governmental activities. Also, note that program revenues cover only 36.80% of governmental operating revenues. This means that the government's taxpayers and the Sheriff's other general revenues fund 63.20% of its operations.

Governmental Functional Expenses - The total function of the Sheriff's office is public safety-law enforcement activities. Of the total costs, depreciation of the office equipment and vehicles was \$126,921 or 1.34% of total expenses.

Major governmental Fund - The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's 2010 fund balance increased by \$1,060,179. Several factors contributed to this fund increase.

From a revenue standpoint, property tax collections increased \$103,446 or 4.80%, sales tax collections increased \$163,125 or 5.10%, operating and capital grant revenues increased \$17,200 or 1.45% and charges for services and fees increased \$100,022 or 4.49%. The remaining change in revenues was spread throughout various revenue categories and amounted to a net increase of \$59,154 or 15.28%. Expenditures reflect an increase of \$551,230 from 2010, or about 6.09%.

Non-major Governmental Funds - The non-major fund that the Sheriff's office maintains is the Grant Fund. The primary revenue stream in the Grant Fund is federal grants for narcotics investigations. The Grant Fund is used to account for grant monies received for specific equipment purchases and deputies' overtime pay related to criminal patrol.

Management's Discussion and Analysis (Unaudited)

BUDGETARY HIGHLIGHTS

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Total governmental funds reported ending fund balances of \$6,858,435. The total ending fund balances of governmental funds showed an increase of \$1,057,390.

General Fund - The General Fund's original and final revenue budgets were less than the actual amounts reported in fiscal year 2011. The final amended budget reported revenues increasing 4.70% over the original budget and the actual was 10.30% above the final budget revenue. Some of the reasons for the increase in revenues include:

- An increase in revenues for feeding and keeping prisoners
- An increase in total fees, fines, commissions and charges for services
- An increase in revenues from sales and ad valorem taxes
- An increase in other miscellaneous revenue sources

The final expenditure budget reported an increase of only 2.80% over the original budget amounts. The actual expenditures were more than the final budget by 0.75%.

Although the overall decrease in the amended budget was small, some of the reasons for the changes in the expenditure budget to actual included:

- A decrease in liability insurance
- An increase in personnel costs
- An increase in automobile maintenance costs
- An increase in group hospitalization coverage
- An increase in equipment purchases
- A decrease in office expenditures
- An increase in prisoner feeding and maintenance

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2011 and 2010, was \$402,206 and \$382,837, respectively. The following table provides a summary of capital asset activity:

	Governmental Activities	
	2011	2010
Depreciable assets:		
Office Equipment, Furniture & Vehicles	\$ 2,047,725	\$ 2,044,168
APDC	<u>1,000,000</u>	<u>1,000,000</u>
Total Depreciable Assets	\$ 3,047,725	\$ 3,044,168
Less: Accumulated Depreciation	<u>2,645,519</u>	<u>2,661,331</u>
Book value - Depreciable Assets	<u>\$ 402,206</u>	<u>\$ 382,837</u>

At June 30, 2011, the depreciable capital assets for governmental activities were 86.80% depreciated versus 87.42% in the prior year. This comparison indicates that the Sheriff is replacing its assets at a rate that is faster than the overall rate of depreciation. If the rate of replacement continues at this rate, the capital assets will continue to have a positive book value in the coming years. This percentage is a positive indicator. During the years ending June 30, 2011 and 2010, the Sheriff purchased \$146,290 and \$108,891, respectively, of new assets. In addition, during the years ending June 30, 2011 and 2010, the Sheriff disposed of assets totaling \$142,733 and \$9,409, respectively.

Management's Discussion and Analysis (Unaudited)

Debt Outstanding - At year end, the Sheriff's long-term debt is due and payable to employees for uncompensated absences and for the outstanding bonds payable issued for the purchase of the Acadia Parish Detention Center (APDC).

As of October 1, 2005, the Series 2000 Detention Center bonds, dated December 1, 2000 and bearing an interest rate of 8.85% were called and reissued as the Series 2005 Detention Center Refunding Bonds bearing a reduced interest rate of 4%. This reduction in interest was done to aid the sheriff in reducing debt servicing expenditures and thereby increasing unrestricted funds available to the sheriff for law enforcement activities within the parish.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Wayne Melancon, Sheriff, 1037 Capitol Avenue, Crowley, LA 70526.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT - WIDE
FINANCIAL STATEMENTS (GWFS)**

ACADIA PARISH SHERIFF
Crowley, Louisiana

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STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,953,435
LAMP Investments	4,126,077
Other receivables (Net of allowances)	1,042,924
Prepaid items	1,168
Capital assets, net of accumulated depreciation	<u>402,206</u>
TOTAL ASSETS	\$ 7,525,810
LIABILITIES	
Current Liabilities:	
Trade accounts payable	\$ 174,021
LSA Grant payable	10,000
Bonds payable - current portion	80,000
Long-term liabilities:	
Compensated absences	117,352
OPEB obligation	1,993,325
Estimated medical liabilities	81,148
Bonds payable	<u>340,000</u>
TOTAL LIABILITIES	\$ 2,795,846
NET ASSETS	
Invested in capital assets	\$ 402,206
Restricted for debt service	64,211
Unrestricted	<u>4,263,547</u>
TOTAL NET ASSETS	\$ 4,729,964

The accompanying notes are an integral part of this statement.

STATEMENT A

ACADIA PARISH SHERIFF
Crowley, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u>
		<u>Fees, Fines, Commissions and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenues and Changes in Net Assets</u>
					<u>Governmental Activities</u>
Governmental activities:					
Public safety	\$ <u>9,446,929</u>	\$ <u>2,326,142</u>	\$ <u>1,205,039</u>	\$ -	\$ <u>(6,916,748)</u>
General Revenues:					
Taxes:					
					\$ 2,257,628
					\$ 3,359,510
					15,386
					<u>430,794</u>
					\$ <u>6,063,318</u>
					\$ 147,570
					<u>4,582,394</u>
					\$ <u>4,729,964</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF JUNE 30, 2011

ASSETS	General Fund	Special Revenue Fund	Total Governmental Funds
Cash and cash equivalents	\$ 1,915,830	\$ 37,604	\$ 1,953,434
LAMP Investments	4,126,077	-	4,126,077
Receivables	1,042,924	-	1,042,924
Interfund receivables	-	-	-
Prepaid expenses	1,168	-	1,168
TOTAL ASSETS	\$ 7,085,999	\$ 37,604	\$ 7,123,603
 LIABILITIES & FUND BALANCES			
Liabilities:			
Due to other taxing bodies	\$ -	\$ 10,000	\$ 10,000
Trade accounts payable	169,821	-	169,821
Estimated medical payments	81,147	-	81,147
Accrued interest payable	4,200	-	4,200
Interfund payables	-	-	-
Held for other agencies	-	-	-
Total liabilities	\$ 255,168	\$ 10,000	\$ 265,168
Fund Balance:			
Reserved	\$ 64,211	\$ -	\$ 64,211
Unreserved - undesignated	6,766,620	27,604	6,794,224
Total fund balance	\$ 6,830,831	\$ 27,604	\$ 6,858,435
TOTAL LIABILITIES & FUND BALANCES	\$ 7,085,999	\$ 37,604	\$ 7,123,603

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

Total Fund Balances for Governmental Funds as of June 30, 2011 **\$ 6,858,435**

**Amounts reported for governmental activities in the statement
of net assets is different because:**

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds.

Cost of Capital Assets	\$ 3,047,725	
Less: Accumulated Depreciation	<u>(2,645,519)</u>	402,206

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the
governmental funds.

Compensated absences payable	\$ (117,352)	
OPEB obligations	(1,993,325)	
Bonds payable	<u>(420,000)</u>	<u>(2,530,677)</u>

Total Net Assets of Governmental Activities as of June 30, 2011 **\$ 4,729,964**

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
REVENUES:			
Fees, Fines, Commissions and Charges for Services:			
Commissions - Fines & bonds	\$ 33,949	\$ -	\$ 33,949
Civil & criminal fees	363,346	-	363,346
Court attendance	7,956	-	7,956
Community service reimbursements	32,906	-	32,906
Bond fees	36,461	-	36,461
Transportation of prisoners	41,853	-	41,853
Feeding & keeping of prisoners	1,658,925	-	1,658,925
Tax notices, etc.	80,463	-	80,463
Other fees charges & commissions	69,983	-	69,983
Fines and forfeitures	300	-	300
Total Fees, Fines Commissions And Charges for services	\$ 2,326,142	\$ -	\$ 2,326,142
Operating Grants and Contributions:			
Federal grants	\$ 24,364	\$ -	\$ 24,364
State grants	362,685	-	362,685
State supplemental pay	491,161	-	491,161
State revenue sharing	326,829	-	326,829
Total Operating Grants and Contributions	\$ 1,205,039	\$ -	\$ 1,205,039
Revenue from Taxes:			
Sales taxes	\$ 3,359,510	\$ -	\$ 3,359,510
Ad valorem taxes	2,257,628	-	2,257,628
Total Revenue from taxes	\$ 5,617,138	\$ -	\$ 5,617,138
Miscellaneous:			
Interest income	\$ 15,386	\$ -	\$ 15,386
Other income	413,749	-	413,749
Total Miscellaneous	\$ 429,135	\$ -	\$ 429,135
TOTAL REVENUES	\$ 9,577,454	\$ -	\$ 9,577,454
EXPENDITURES:			
Personnel Salaries:			
Sheriff	\$ 146,906	\$ -	\$ 146,906
Deputies	4,102,972	-	4,102,972
Employee Related Benefits:			
Pension fund	419,636	-	419,636
Unemployment insurance	-	-	-
Medicare	69,744	-	69,744
Fringe benefits - Federal funds	-	-	-

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

EXPENDITURES (CONT.)	General Fund	Nonmajor Funds	Total
Operating Services:			
Liability insurance	239,499	-	239,499
Hospitalization	1,795,197	-	1,795,197
Telephone	94,143	-	94,143
Operating and Maintenance:			
Boat expense	433	-	433
Computer expenditures	51,824	-	51,824
Office expenditures	144,412	-	144,412
Dues and subscriptions	19,071	-	19,071
Prisoner feeding and maintenance	613,724	-	613,724
Prisoner transportation	4,632	-	4,632
Professional services	41,710	-	41,710
Other direct cost - Federal grants	-	1,538	1,538
Deputy:			
Uniforms	56,570	-	56,570
Equipment and supplies	20,260	-	20,260
Training	34,718	-	34,718
Automobile:			
Repair and maintenance	90,247	-	90,247
Fuel and oil	266,738	-	266,738
Crime prevention expense	1,451	-	1,451
Criminal investigations	32,649	-	32,649
Juvenile programs	29,259	-	29,259
Radio maintenance	6,776	-	6,776
Canine maintenance	2,496	-	2,496
Rentals	59	-	59
Travel expenditures	10,353	1,251	11,604
Debt Service:			
Bond principle retirement	75,000	-	75,000
Interest expense	17,550	-	17,550
Capital outlay	146,290	-	146,290
TOTAL EXPENDITURES	\$ 8,534,319	\$ 2,789	\$ 8,537,108
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,043,135	\$ (2,789)	\$ 1,040,346
OTHER FINANCING SOURCES (USES):			
Sale of assets and seized property	\$ 17,044	\$ -	\$ 17,044
Bond issuance proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 17,044	\$ -	\$ 17,044
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 1,060,179	\$ (2,789)	\$ 1,057,390
FUND BALANCES, BEGINNING OF YEAR	5,770,652	30,393	5,801,045
FUND BALANCES, END OF YEAR	\$ 6,830,831	\$ 27,604	\$ 6,858,435

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Total Net Changes in Fund Balances as of June 30, 2011 per Statement
of Revenues, Expenditures and Changes in Fund Balances \$ 1,057,390

The change in net assets reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives and reported as
depreciation expense. This is the amount by which depreciation
exceeds capital outlay in the current period. 19,369

In the statement of activities, certain operating expenses -
compensated advances - are measured by the amounts earned
during the year. In the governmental funds, however, expenditures
for these items are measured by the amount of financial resources
used (amounts actually paid).
(Increase)/decrease in compensated absences 11,686
(Increase) in OPEB obligation (1,015,875)

Repayment of bond principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
Statement of Net Assets 75,000

Total Changes in Net Assets as of June 30, 2011 \$ 147,570

The accompanying notes are an integral part of this statement.

FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011

	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Prisoner's Fund</u>	<u>Civil Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,486,848	\$ 88,894	\$ 24,840	\$ 72,733	\$ 1,673,315
Other assets	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,486,848</u>	<u>\$ 88,894</u>	<u>\$ 24,840</u>	<u>\$ 72,733</u>	<u>\$ 1,673,315</u>
LIABILITIES					
Due to other taxing bodies	\$ 1,486,848	\$ -	\$ -	\$ 72,733	\$ 1,559,581
Due to others pending court action	-	88,894	-	-	88,894
Due to prisoners	-	-	24,840	-	24,840
TOTAL LIABILITIES	<u>\$ 1,486,848</u>	<u>\$ 88,894</u>	<u>\$ 24,840</u>	<u>\$ 72,733</u>	<u>\$ 1,673,315</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

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 also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Acadia Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Sheriff's activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. The Sheriff is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Acadia Parish Police Jury maintains and operates the building in which the Sheriff's office is located and provides funds for some equipment and furniture of the Sheriff's office. Because the Sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Acadia Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the Acadia Parish Sheriff.

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Government - Wide Financial Statements (GWFS)

The Statement of Net Assets (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. These statements present all funds of the reporting entity, which are all considered to be governmental activities. Fiduciary fund activities of the Sheriff are not included in these statements. All the Sheriff's assets and liabilities, including capital assets as well as long-term liabilities, are included in the accompanying Statement of Net Assets. Certain eliminations have been made as prescribed by GASB Statement 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated.

The Statement of Activities presents changes in net assets. The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements (FFS)

Governmental Fund Financial Statements include an aggregated Balance Sheet and an aggregated Statement of Revenues, Expenditures and changes in Fund Balances for all major governmental funds and non-major funds. An accompanying reconciling schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements. A fund is considered major if it is the primary operation fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Sheriff used 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 are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The amounts reflected in the governmental funds financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting revenues are

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations. The Sheriff reports the following governmental funds:

General Fund:

The general fund, as provided by Louisiana Revised Statute 33:1422 is the principal fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary sources of revenue are a parish wide sales tax and a parish wide ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, feeding and maintenance of prisoners, various other reimbursements, fees, grants and commissions. General operating expenditures are paid from this fund.

Fiduciary Fund Financial Statements:

Fiduciary Fund Financial Statements include a Statement of Net Assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court actions. These funds, which are custodial in nature (assets equal liabilities); do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal grants. Those revenues are legally restricted by grant agreements to expenditures for specified purposes. Per criteria for FFS above, these funds are presented as nonmajor funds in the governmental fund financial statements.

D. BUDGET PRACTICES

The proposed budget for the fiscal year ended June 30, 2011, was made available for public inspection on May 27, 2010. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 15 days prior to the public hearing, which was held at the Acadia Parish Sheriff's Office on June 16, 2010, for comments from taxpayers at which time the budget was legally adopted. According to the minutes, an amended budget was made available for public inspection on May 19, 2011 in the official journal 15 days prior to the public hearing held at the Acadia Parish Sheriff's Office on June 14, 2011, at which the amended budget was legally adopted.

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.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

The cash amount included in the accompanying financial statements consist of demand deposits, interest bearing demand deposits, money markets and time deposits. Cash equivalents include financial instruments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. RESERVE FOR UNCOLLECTIBLE RECEIVABLES

Since the Sheriff is required to provide civil department services for pauper cases, the sheriff has decided to establish a reasonable reserve for uncollectible receivables to cover both the pauper cases and other uncollectible receivables. As time passes, the Sheriff adjusts this reserve based on historical performance.

G. INVESTMENTS

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States securities, government backed securities or certificates and time deposits as indicated in Note E above. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

H. COMPENSATED ABSENCES

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

Full-time deputies of the sheriff's office earn four to ten days of vacation leave each calendar year, depending on length of service. Vacation leave must be taken in the year earned and cannot be accumulated. However, unused vacation leave is paid upon termination of employment. Full-time deputies with a minimum of one year of service will receive ten paid sick days at the beginning of each calendar year. These full time deputies will then receive an additional day of paid sick leave for every year of completed full time service. If an employee does not use all sick days granted to them in a calendar year, the unused days will be rolled over to the next year. No payment will be made for unused sick leave at an employee's 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 payment at termination or retirement.

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

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability should be reported in the general long-term obligations account group.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment and furniture	5-20
Vehicles	5

J. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

K. PREPAID ITEMS

Prepaid items consist of insurance paid in the current year that will benefit future periods.

L. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

O. 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 amounts.

NOTE 2: LEVIED TAXES

The Sheriff was authorized an ad valorem tax millage of 7.74 mils and levied taxes of 7.74 mils for 2011. Ad valorem taxes are recorded in the year the taxes are assessed. The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed.

Total assessed value were \$27,635,775 in 2011 and \$26,318,665 in 2010. Louisiana state law exempts the first \$75,000 of the assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption amounted to \$6,090,675 and \$6,026,669 of the assessed values for 2011 and 2010, respectively.

NOTE 3: CASH AND CASH EQUIVALENTS

At June 30, 2011, the Sheriff has cash and cash equivalents in interest bearing and non-interest bearing accounts (book balance) totaling \$1,953,435 as follows:

Demand deposits	\$	1,952,535
Petty cash		<u>900</u>
Total Cash and Cash Equivalents	\$	<u><u>1,953,435</u></u>

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

At June 30, 2011, the Sheriff has \$4,373,105 in deposits (collected bank balances). These deposits are secured from risk by \$1,500,000 of federal deposit insurance and \$22,428,075 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

There is restricted cash of \$64,211 in the bond sinking fund which is to be used only for the retirement of the long-term bonds payable.

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 4: LAMP INVESTMENT POOLS

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- ** **Credit Risk:** LAMP is rated AAAM by Standards and Poor's.
- ** **Custodial Credit Risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools are not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool.
- ** **Concentration of Credit Risk:** Pooled investments are excluded from the five percent disclosure requirement.
- ** **Interest Rate Risk:** 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- ** **Foreign Currency Risk:** Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. At June 30, 2011, the Sheriff has investments in LAMP Funds in the amount of \$4,126,077.

NOTE 5: RECEIVABLES

The receivables of the Acadia Parish Sheriff as of June 30, 2011, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Fees, charges, and commissions	\$ 197,516
Less: Allowance for Uncollectible Receivables	<u>41,974</u>
Net Fees, Charges, and Commissions	\$ 155,542
Ad Valorem taxes	10,156
Sales taxes	619,986
Prisoner maintenance	194,724
Due from deputies	124
Due from LSA Grant	-
Reimbursements	44,531
State/Parish appropriations	<u>17,861</u>
Net Receivables	<u>\$ 1,042,924</u>

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 6: PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$800 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100% 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.

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 Drive, Baton Rouge, LA 70802, or by calling (225) 219-0500.

Funding Policy. Plan members are required by state statute to contribute 10.0% of their annual covered salary and the Acadia Parish Sheriff is required to contribute at an actuarially determined rate. The current year rate was 11.0% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Acadia Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Acadia Parish Sheriff's contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$419,636, \$386,785 and \$335,082, respectively.

NOTE 7: POST EMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of post-employment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Sheriff began to recognize the cost of post-employment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description. The Acadia Parish Sheriff provides certain continuing medical and life insurance benefits to its employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree and a portion of the coverage for dependents. See the sections below for additional details on medical and Life Insurance benefits cost. Employees are covered by a retirement system whose retirement eligibility [Deferred Retirement Option Plan (DROP) entry] provisions are as follows: 30 years of service at any age or, age 55 and 15 years of service.

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

See the section below entitled "Post Employment Benefit Plan Eligibility Requirements" for the assumption as to time of actual retirement.

Life insurance coverage is continued to retirees and the blended rate for active employees and retirees is \$0.66 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 Statement No. 45 requires the use of "unblended" rates, the 94GAR Mortality Table described below has been used to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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

Fund Policy. Until Fiscal Year Ending June 30, 2009, The Acadia Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (the Acadia 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 for the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2009, the Acadia Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the Annual Required Contribution (ARC) except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending June 30, 2011, the Acadia Parish Sheriff's Office's portion of health care funding cost for retired employees totaled \$360,532 and life totaled \$58,326. These amounts were applied toward the Net Other Post Employment Benefits (OPEB) as shown in the table on the following page.

Annual Required Contribution. The Acadia Parish Sheriff's Office Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement No. 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Statements No. 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year ending June 30, 2011 is \$1,303,191 (medical), and \$148,970 (life) as set forth below:

	<u>Medical</u>	<u>Life</u>
Normal Cost	\$ 437,017	\$ 32,416
30-year UAL Amortization Amount	<u>866,173</u>	<u>116,554</u>
Annual Required Contribution	<u>\$ 1,303,191</u>	<u>\$ 148,970</u>

Net Post-employment Benefit Obligation (Asset). The table below shows the Acadia Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation/(Asset) for the fiscal year ending June 30, 2011:

	<u>Medical</u>	<u>Life</u>
Annual required contribution (ARC)	\$ 1,303,191	\$ 148,970
Interest on Net OPEB Obligation	35,701	3,397
Adjustment to annual required contribution (ARC)	<u>(51,615)</u>	<u>(4,911)</u>
Annual OPEB Cost/(Expense) (Carried to next page)	<u>\$ 1,287,277</u>	<u>\$ 147,456</u>

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

Annual OPEB Cost/(Expense) (Carried from previous page)	\$ 1,287,277	\$ 147,456
Contributions made	-	-
Current year retiree premium	(360,532)	(58,326)
Change in Net OPEB Obligation	\$ 926,745	\$ 89,130
Net OPEB Obligations - Beginning of Year	892,536	84,914
Net OPEB Obligations - End of Year	\$ 1,819,281	\$ 174,044

The following table shows the Acadia Parish Sheriff's Office's annual Post Employment Benefits (PEB) cost, percentage of cost contributed to the plan, and the net unfunded Post Employment Benefits (PEB) liability/(asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/(Asset)
Medical	June 30, 2011	\$ 1,287,277	28.01%	\$ 1,819,281
Life	June 30, 2011	\$ 147,456	39.55%	\$ 174,044

Funded Status and Funding Progress. In the fiscal year ending June 30, 2011, the Acadia Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2011, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$15,577,029 (medical) and \$2,096,013 (life), which is defined as that portion, as determined by a particular actuarial cost method (the Acadia 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. Since the plan was not funded in fiscal year ending June 30, 2011, the entire actuarial accrued liability of \$15,577,029 (medical) and \$2,096,013 (life) was unfunded. The funded status of the plan as of June 30, 2011, was as follows:

	Medical	Life
Actuarial Accrued Liability (AAL)	\$ 15,557,029	\$ 2,096,013
Actuarial Valuation of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 15,557,029	\$ 2,096,013
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%	0.00%
Covered Payroll (Active Plan Members)	\$ 3,800,297	\$ 3,800,297
UAAL as a Percentage of Covered Payroll	410.00%	55.00%

Actuarial Methods and Assumptions. Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence 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 continuous revision as actual results are compared to past expectations and new estimates about the future are formulated.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Acadia Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Acadia Parish Sheriff's Office and its plan

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Acadia 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 (ARC). 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. Since the OPEB obligation has not yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement No. 45 will be used.

Turnover Rate. An age-related turnover scale base on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 15.5%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 26	30.00%
26 - 40	18.00%
41 - 54	12.00%
55+	09.00%

Post Employment Benefit Plan Eligibility Requirements. Historically, most employees have not retired until 25 to 30 years of service. It has been assumed therefore that employees retire three years after the earliest of the following: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 15 years of service. The three years is accommodate the Deferred Retirement Option Plan (DROP) period. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement No. 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, this valuation has been performed using a 4.0% 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 and 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 2010 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 rates 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. Since GASB Statement No. 45 requires the use of "unblended" rates, the 94GAR Mortality Table described above has been used to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

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 and the retiree pays for a portion of the cost for dependents (\$90.12 monthly for children and \$142.00 monthly for spouse coverage). 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 Statement No. 45 for valuation purposes to 130% of the blended rates prior to Medicare eligibility and 80% of the blended rates after Medicare eligibility.

NOTE 8: TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2011 as reflected in Statement G, include \$1,118,097 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$195,784. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

NOTE 9: CAPITAL ASSETS

A summary of changes in office furnishings, equipment and vehicles follows:

<u>Governmental Activities</u>	<u>Balance 07/01/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/2011</u>
Depreciable assets:				
Equipment, furniture and vehicles	\$ 2,044,168	\$ 146,290	\$ 142,733	\$ 2,047,725
APDC	1,000,000	-	-	1,000,000
Total Depreciable Assets	\$ 3,044,168	\$ 146,290	\$ 142,733	\$ 3,047,725
Accumulated Depreciation:	2,661,331	126,921	142,733	2,645,519
Capital Assets, net	\$ 382,837	\$ 19,369	\$ -	\$ 402,206

Depreciation expense in the amount of \$126,921 was charged to public safety.

NOTE 10: DEFERRED COMPENSATION PLAN

Certain employees of the Acadia Parish Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE 11: EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE ACADIA PARISH POLICE JURY

Certain operating expenditures of the Sheriff's office are paid by the Acadia Parish Police Jury and are not included in the accompanying financial statements. The Sheriff's office is located at 1037 Capitol Avenue, Crowley, Louisiana. The cost of maintaining and operating the parish courthouse is paid for by the Acadia Parish Police Jury.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

NOTE 12: RESTRICTED NET ASSETS/FUND BALANCE RESERVE

The following schedule summarizes restricted net assets and the reserves at June 30, 2011:

	<u>Fund Balance Reserve</u>		<u>Restricted Net Assets</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>	
Reserved for Bond Debt Payment	<u>\$ 64,211</u>	<u>\$ -</u>	<u>\$ 64,211</u>

NOTE 13: LITIGATION AND CLAIMS

At June 30, 2011, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. The Sheriff's legal counsel has reviewed the Sheriff's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if any, of the amount or range of potential loss to the Sheriff. As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board. All of the current claims have been classified as remote.

NOTE 14: RISK MANAGEMENT

Liability and Property Insurance

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the Sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Acadia Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The Sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during this year.

Group Self-Insurance Health Plan

The Sheriff provides health insurance coverage to its employees and their families through a partially self-insured plan. The Sheriff is liable for the first \$50,000 in claims per insured per year. The Sheriff is additionally liable for the next \$40,000 in aggregate claims that exceed the \$50,000 per insured per year. The sheriff has purchased coverage from an insurance company for all costs above this limit per participant and in aggregate. As of June 30, 2011, pending claims amount to \$81,147.

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Beginning of Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
Year Ended June 30, 2011	\$ 57,599	\$ 41,680	\$ 18,132	\$ 81,147

Postretirement Health Care and Life Insurance Benefits

See Note 7 above.

NOTE 15: FEDERAL FINANCIAL ASSISTANCE

The Acadia Parish Sheriff participates in various grant programs funded by state and federal governments. The following schedule provides selected information on various grant expenditures for the year ended June 30, 2011.

<u>FEDERAL GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
Homeland Security	L07-8-001	\$ -
Narcotics	B06-8-003	-
Victim Assistance Program	C04-8-011	<u>2,789</u>
Total Expenditures of Federal Awards		<u>\$ 2,789</u>

NOTE 16: LONG TERM DEBT

The Revenue Bonds are collateralized by the revenue of the Acadia Parish Detention Center (APDC) and the other lawfully available funds available as established by the bond ordinance. The ordinance provides that the revenue of the APDC is to be used first to pay operating and maintenance expenses of the APDC and second to establish and maintain the APDC Bond Sinking Fund. Remaining revenues may then be used for any lawful purpose. It is also provided that the Issuer may use other lawfully available funds to supplement the cost of operating and maintaining the APDC.

Components of Restricted Cash

Current Maturities of Revenue Bonds	\$ 60,011
Revenue Bond's Accrued Interest Payable	<u>4,200</u>
Total Restricted Cash	<u>\$ 64,211</u>

At June 30, 2011, bonds payable consisted of the following issue:

Series 2005 Detention Center Refunding Bonds, dated October 1, 2004, interest is due in semi-annual installments commencing April 1, 2005 and shall mature serially on October 1 of each year through, October 1, 2015, bearing rates of 4.00%	<u>\$ 420,000</u>
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(Continued)

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

<u>Outstanding Bonds Payable</u>	<u>Balance 07/01/2010</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 06/30/2011</u>
Series 2004 Bonds	\$ 495,000	\$ -	\$ 75,000	\$ 420,000
Total Bonds Payable	\$ 495,000	\$ -	\$ 75,000	\$ 420,000

Annual requirements to retire debt obligations are as detailed below:

<u>Interest Payment Dates</u>	<u>Interest Only Payment Dates</u>	<u>Principle</u>	<u>Interest</u>
October 1, 2011	April 1, 2012	\$ 80,000	\$ 8,400
October 1, 2012	April 1, 2013	80,000	6,800
October 1, 2013	April 1, 2014	85,000	5,200
October 1, 2014		85,000	3,500
April 1, 2013 thru October 1, 2015		90,000	3,600
Totals		\$ 420,000	\$ 43,000

NOTE 17: LEASES

Operating Leases

The sheriff is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the general fixed assets account group.

The Sheriff has operating leases of the following nature:

- a. The sheriff has seven (7) leases with Xerox for copiers. The copiers have total monthly lease payments of \$873. These leases are generally renewed at the end of each lease period.

The future minimum annual commitments under these non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	
2011-2012	\$ 10,474
2012-2013	10,474
2013-2014	10,474
Total Future Minimum Lease Commitments	\$ 31,422

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

NOTE 18: Ex-Officio Tax Collector

The amount of cash on hand in the tax collector account as of June 30, 2011 consists of the following:

Collection of current and prior year taxes .	\$	106,313
Refunds and redemptions		9,768
Interest and other taxes and licenses		33,158
Ad Valorem taxes paid under protest:		
Ad Valorem taxes	\$	1,118,097
Investment interest on Ad Valorem taxes paid under protest		219,512
		1,337,609
 Cash on Hand at June 30, 2011	 \$	 <u>1,486,848</u>

The amount of taxes collected by the tax collector for the year ending June 30, 2011 was as follows:

Department of Agriculture and Forestry	\$	5,970
Acadia Parish Police Jury		2,219,837
Acadia Parish Library		1,200,468
Acadia Parish Fire Districts		1,758,626
Acadia Parish Road Districts		898,233
Acadia Parish School Board		9,414,086
Acadia Parish Assessor		1,064,886
Acadia Parish Law Enforcement		2,186,265
Acadia Parish Gravity Drainage Districts		1,954,730
Acadia Parish Council on Aging		423,695
Acadia/St. Landry Hospital District		150,738
Mermentau River and Harbor District		53,052
Louisiana Tax Commission		7,185
		21,337,771
 Total Taxes Collected	 \$	 <u>21,337,771</u>

The amount of taxes assessed and uncollected for the year ending June 30, 2011 are as follows:

Department of Agriculture and Forestry	\$	5,970
Acadia Parish Police Jury		2,219,837
Acadia Parish Library		1,200,468
Acadia Parish Fire Districts		1,758,626
Acadia Parish Road Districts		898,233
Acadia Parish School Board		9,414,086
Acadia Parish Assessor		1,064,886
Acadia Parish Law Enforcement		2,186,265
Acadia Parish Gravity Drainage Districts		1,954,730
Acadia Parish Council on Aging		423,695
Acadia/St. Landry Hospital District		150,738
Mermentau River and Harbor District		53,052
Louisiana Tax Commission		7,185
		21,337,771
 Total Taxes Collected	 \$	 <u>21,337,771</u>

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

NOTE 18: Prior Period Adjustment

Beginning net assets on the government-wide financial statements has been adjusted for an error which occurred in fiscal year ending June 30, 2010. GASB Statement No. 45 was supposed to have been implemented by the Sheriff for the fiscal year ending June 30, 2010. GASB Statement No. 45 was not implemented and resulted in net assets being overstated by \$977,780 for fiscal year ending June 30, 2010. The correction has no effect on the operating results of the current year's activities; however, the correction decreased beginning net assets by \$977,450 and increased beginning long-term liabilities by \$977,450 on the government-wide financial statements. This adjustment had no effect on the fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH SHERIFF
Crowley, Louisiana

GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fees, Fines, Commissions and Charges for Services:				
Commissions - Fines & bonds	\$ 49,291	\$ 31,578	\$ 33,849	\$ 2,371
Civil & criminal fees	229,947	348,885	363,346	14,461
Court attendance	12,118	13,534	7,956	(5,578)
Community service reimbursements	26,325	26,325	32,906	6,581
Bond fees	32,409	36,537	36,461	(76)
Transportation of prisoners	31,990	21,019	41,853	20,834
Feeding & keeping of prisoners	1,482,064	1,331,249	1,658,925	327,676
Tax notices, etc.	3,104	31,054	80,463	49,409
Video poker commissions	187,083	83,598	69,983	6,385
Fines and forfeitures	-	360	300	(60)
Total Fees, Fines Commissions And Charges for services	\$ 2,014,331	\$ 1,904,139	\$ 2,326,142	\$ 422,003
Operating Grants and Contributions:				
Federal grants	\$ -	\$ 29,236	\$ 24,364	\$ (4,872)
State grants	280,574	354,421	362,685	8,264
State supplemental pay	415,191	438,772	491,161	52,389
State revenue sharing	327,842	326,829	326,829	-
Total Operating Grants and Contributions	\$ 1,023,607	\$ 1,149,258	\$ 1,205,039	\$ 55,781
Revenue from Taxes:				
Sales taxes	\$ 2,928,741	\$ 3,151,445	\$ 3,359,510	\$ 208,065
Ad valorem taxes	2,033,937	2,218,538	2,257,628	39,090
Total Revenue from taxes	\$ 4,962,678	\$ 5,369,983	\$ 5,617,138	\$ 247,155
Miscellaneous:				
Interest income	\$ 15,658	\$ 11,810	\$ 15,386	\$ 3,576
Other income	276,990	248,156	413,749	165,593
Total Miscellaneous	\$ 292,648	\$ 259,966	\$ 429,135	\$ 169,169
TOTAL REVENUES	\$ 8,293,264	\$ 8,682,346	\$ 9,577,464	\$ 894,108
EXPENDITURES:				
Personnel Salaries:				
Sheriff	\$ 136,382	\$ 147,607	\$ 146,906	\$ 701
Deputies	4,091,657	4,098,852	4,102,972	(4,120)
Employee Related Benefits:				
Pension fund	421,866	420,182	419,636	546
Unemployment insurance	566	-	-	-
Medicare	66,855	69,247	69,744	(497)
Workmens compensation	-	-	-	-
Operating Services:				
Liability insurance	296,734	254,670	239,499	15,171
Hospitalization	1,440,543	1,770,102	1,795,197	(25,095)
Telephone	96,798	95,282	94,143	1,139
Operating & Maintenance:				
Boat expense	595	78	433	(355)
Computer expenditures	32,054	53,071	51,824	1,247
Office expenditures	323,929	225,881	144,412	81,469
Dues & subscriptions	23,591	22,327	19,071	3,256
Prisoner feeding and maintenance	585,856	570,797	613,724	(42,927)
Prisoner transportation	1,133	3,444	4,632	(1,188)
Professional services	47,041	50,052	41,710	8,342
Deputy:				
Uniforms	39,056	54,963	56,570	(1,607)
Equipment and supplies	10,645	19,412	20,260	(848)
Training	35,743	33,513	34,718	(1,205)
Automobile:				
Repair and maintenance	122,173	92,099	90,247	1,852
Fuel and oil	225,000	254,109	266,738	(12,629)

The accompanying notes are an integral part of this statement.

ACADIA PARISH SHERIFF
Crowley, Louisiana

GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONT.)				
Sheriff's allowance	-	-	-	-
Crime prevention expense	-	-	1,451	(1,451)
Criminal investigations	39,789	31,761	32,649	(888)
Juvenile programs	16,058	30,929	29,259	1,670
Radio maintenance	8,189	14,479	6,776	7,703
Canine maintenance	1,469	2,673	2,496	177
Rentals	-	71	59	12
Travel expenditures	2,759	7,574	10,353	(2,779)
Debt Service:				
Bond principle retirement	-	-	75,000	(75,000)
Interest expense	17,550	17,550	17,550	-
Capital outlay	156,030	129,656	146,290	(16,634)
TOTAL EXPENDITURES	\$ 8,239,861	\$ 8,470,381	\$ 8,534,319	\$ (63,938)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 53,403	\$ 212,965	\$ 1,043,135	\$ 830,170
OTHER FINANCING SOURCES (USES):				
Sale of assets and seized property	-	20,453	17,044	(3,409)
Bond issuance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ 20,453	\$ 17,044	\$ (3,409)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 53,403	\$ 233,418	\$ 1,060,179	\$ 826,761
FUND BALANCES, BEGINNING OF YEAR	5,770,862	5,770,862	5,770,882	-
FUND BALANCES, END OF YEAR	\$ 5,824,055	\$ 6,004,070	\$ 6,830,931	\$ 826,761

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2011

GOVERNMENTAL FUND TYPE - GENERAL FUND:

The general fund is the main operating fund of the Sheriff. This fund is used to account for all financial resources not accounted for in other funds.

GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND:

GRANT FUND - The Grant Fund accounts for income related to federal grant monies for specific capital purchases and projects and for grant monies paid to cover overtime paid to deputies for increased patrols during holiday seasons.

FIDUCIARY FUND TYPE - AGENCY FUNDS:

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

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

BOND FUND - The Bond Fund is a depository for cash bonds, fines and court costs which are posted in criminal and traffic cases and the collection of a \$30 bond fee charge levied for the processing of cash bonds. Bond fee charges are transferred to the Sheriff's General Fund and cash bonds are held until cases are heard in court and then either refunded to defendants or distributed as directed by the court.

PRISONERS' FUND - The Prisoners' Fund accounts for funds that belong to the inmates and use them to purchase personal items to be used by the inmates.

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
AS OF JUNE 30, 2011

	<u>GRANT FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 37,604
TOTAL ASSETS	\$ 37,604
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Accounts payable	\$ -
Loan payable	10,000
Total Liabilities	\$ 10,000
Fund Equity:	
Fund balance	27,604
TOTAL LIABILITIES AND FUND EQUITY	\$ 37,604

The accompanying notes are an integral part of this statement.

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	<u>GRANT FUND</u>
REVENUES:	
Federal grants	\$ -
TOTAL REVENUES	\$ -
EXPENDITURES:	
Public safety:	
Current	
Deputy salaries	\$ -
Fringe benefits	-
Other direct costs	1,538
Materials and supplies	-
Travel expenditures	1,251
Capital outlay	-
TOTAL EXPENDITURES	\$ 2,789
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,789)
FUND BALANCES, BEGINNING OF YEAR	30,393
FUND BALANCES, END OF YEAR	\$ 27,604

The accompanying notes are an integral part of this statement.

FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Tax Collector</u>	<u>Bond Fund</u>	<u>Prisoners' Fund</u>	<u>Civil Fund</u>	<u>Total</u>
BALANCES AT BEGINNING OF YEAR	<u>\$ 1,534,893</u>	<u>\$ 90,278</u>	<u>\$ 29,300</u>	<u>\$ 87,602</u>	<u>\$ 1,742,073</u>
ADDITIONS:					
Deposits:					
Sheriff's sales	\$ -	\$ -	\$ -	\$ 1,405,780	\$ 1,405,780
Bonds	-	1,000,030	-	-	1,000,030
Advance deposits (suits)	-	-	-	-	-
Garnishments	-	-	-	254,827	254,827
Sequestration	-	-	-	-	-
Other deposits	-	-	272,279	-	272,279
Taxes, fees, etc., paid to tax collector	23,099,621	-	-	-	23,099,621
Interest earned	73,451	-	-	-	73,451
Total additions	<u>\$ 23,173,072</u>	<u>\$ 1,000,030</u>	<u>\$ 272,279</u>	<u>\$ 1,660,607</u>	<u>\$ 26,105,988</u>
Total Beginning Balance and Additions	<u>\$ 24,707,965</u>	<u>\$ 1,090,308</u>	<u>\$ 301,579</u>	<u>\$ 1,748,209</u>	<u>\$ 27,848,061</u>
REDUCTIONS:					
Taxes, fees, etc., distributed to taxing bodies and others	\$ 23,221,117	\$ -	\$ -	\$ -	\$ 23,221,117
Deposits settled to:					
Sheriff's general fund	-	141,321	-	444,519	585,840
Policy Jury	-	229,029	-	-	229,029
District Attorneys	-	134,778	-	-	134,778
Clerk of Court	-	78,034	-	92,573	170,607
Indigent Defender Board	-	129,258	-	-	129,258
Litigants	-	38,090	-	954,877	992,967
Attorneys, appraisers, etc.	-	-	-	82,400	82,400
Other settlements	-	224,608	276,739	70,692	572,039
Other reductions:					
Refunds	-	26,296	-	30,415	56,711
NSF checks	-	-	-	-	-
Total Reductions	<u>\$ 23,221,117</u>	<u>\$ 1,001,414</u>	<u>\$ 276,739</u>	<u>\$ 1,675,476</u>	<u>\$ 26,174,746</u>
BALANCES AT END OF YEAR	<u>\$ 1,486,848</u>	<u>\$ 88,894</u>	<u>\$ 24,840</u>	<u>\$ 72,733</u>	<u>\$ 1,673,315</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA, PARISH OF ACADIA

AFFIDAVIT

Wayne A. Melancon, Sheriff of Acadia Parish

BEFORE ME, the undersigned authority, personally came and appeared, Wayne A. Melancon, the Sheriff of Acadia Parish, State of Louisiana, who after being duly sworn, deposed and said:

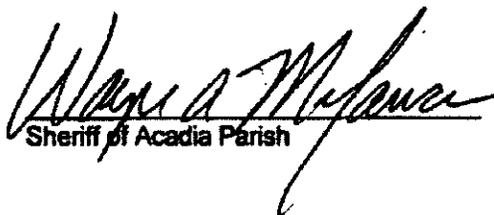
The following information is true and correct:

\$1,486,848 is the amount of cash on hand in the tax collector account on June 30, 2011;

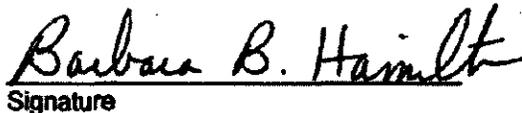
He further deposed and said:

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

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


Sheriff of Acadia Parish

SWORN to and subscribed before me, Notary this 30th day of December 2011, in my office in the City of Crowley, Louisiana


Signature

Barbara B. Hamilton
Print

#33355 A. Death
Commission

INTERNAL CONTROL AND COMPLIANCE

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December 30, 2011

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

The Honorable Wayne A. Melancon
Acadia Parish Sheriff
Crowley, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish Sheriff, as of and for the year ended June 30, 2011, which collectively comprise the Acadia Parish Sheriff's basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, and therefore there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Current Year Audit Findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency. We consider the deficiency described in the accompanying Schedule of Current Audit Findings as Item 2011-01 to be a material weakness and the deficiency described as 2011-02 to be a significant deficiency.

Compliance and Other Matters

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

(Continued)

disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

The Acadia Parish Sheriff's response to the findings identified in our audit are described in the accompanying schedule entitled Management's Corrective Action Plan for Current Year Audit Findings. We did not audit the Acadia Parish Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Louisiana Legislative Auditor, Louisiana Commission on Law Enforcement and Administration on Criminal Justice and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broadhurst, Hamilton & Company
Certified Public Accountants

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Part I - Summary of Auditor's Results

A. Financial Statements

1. Auditor's Report

An unqualified opinion has been issued on the Acadia Parish Sheriff's financial statements as of and for the year ended June 30, 2011.

2. Internal Control Deficiencies – Financial Reporting

Two significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements and are shown as items 2011-01 (material weakness) and 2011-02 (significant deficiency) in Part 2.

3. Material Noncompliance – Financial Reporting

Nothing came to our attention that would require disclosure under Government Auditing Standards.

B. Federal Awards

This section is not applicable for the year ended June 30, 2011.

Part II - Financial Statement Findings Relating to an Audit in Accordance with Government Auditing Standards

2011-01: Inadequate Segregation of Accounting Functions

Finding:

There was not an adequate segregation of duties, specifically in the areas of cash receipts, processing of incoming mail, preparation of deposits, bank reconciliations, separation of payroll and general ledger functions, and recording of collection transactions.

Cause of Condition:

Certain personnel performed accounting duties in the areas of cash receipts; incoming mail processing; preparation of deposits; preparation of bank reconciliations; oversight and recording access to both general ledger and payroll functions; and recording of collection transactions that under internal control standards are considered incompatible activities.

Effect of Condition:

These conditions create risks to the safeguarding of cash balances and the recording of entries to the general ledger.

Recommendation:

Management should employ a better segregation of duties in the cash area. Whenever possible, personnel should not be allowed to handle incompatible functions in the collection and processing of cash transactions or in the recording of accounting transactions. Whenever incompatible duties exist because of personnel limitations, additional safe guards should be employed to counteract and safeguard assets.

(Continued)

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

2011-02: Inadequate Controls over Financial Statement Preparation

Finding:

The Sheriff does not have an a staff person with the qualifications and training to properly apply generally accepted accounting principles (GAAP) in recording the Sheriff's financial transactions or preparing its financial statements, including the related footnotes.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the year ended June 30, 2011

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

Finding 2011-01: Inadequate Segregation of Accounting Functions

The following response was provided by Mr. Ralph LaCombe, Chief Financial Officer for the Acadia Parish Sheriff.

Based upon the size of the Acadia Parish Sheriff's operation and the cost vs benefit of hiring additional personnel, it will be extremely difficult to achieve complete segregation of duties within all of the accounting functions of the Acadia Parish Sheriff's Office. We have elected to separate and/or rotate conflicting duties among available personnel whenever possible. Management will remain constantly aware of the problems that the lack of segregation of accounting functions can cause and the constant review of personnel assignments will be a priority. We have recently made one additional hire in our accounting department in an effort to increase our control capacity. We are in the process of accessing this addition and how we can best use this position to strengthen our internal control system.

Finding 2011-02: Inadequate Controls over Financial Statement Preparation

Mr. Ralph LaCombe, Chief Financial Officer, has evaluated the cost vs benefit of the Acadia Parish Sheriff's Finance and Accounting Department obtaining the necessary qualifications and training to establish internal controls over the preparation of financial statements in accordance with GAAP. Mr. LaCombe has determined that it is in the best interest of the Acadia Parish Sheriff to continue to out source this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation. No additional plan is considered necessary.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

Internal Control Over Financial Reporting

2010-01: Separation of Duties

Finding:

Due to the small number of accounting personnel, the Sheriff did not have adequate segregation of functions within the accounting system.

Status Follow Up:

Unresolved. The Sheriff and the Chief Financial Officer are aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties. Constant review of personnel assignments by management is considered a priority and is implemented on a continuous basis. An additional hire was made during the audit, but the assignment of duties and responsibilities were still being formulated at the end of audit field work. See current year finding 2011-01.

2010-02: Inadequate Controls over Financial Statement Preparation

Finding:

The Sheriff does not have an accountant with the qualifications and training to properly apply generally accepted accounting principles (GAAP) in recording the Sheriff's financial transactions or preparing its financial statements, including the related footnotes.

Status Follow Up:

Unresolved. The Sheriff and the Chief Financial Officer still believe it is in the best interest of the Acadia Parish Sheriff to continue to out source this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation. See current year finding 2011-02.

2010-03: Failure to Implement GASB Statement No. 45, Financial Reporting for Post-Employment Benefits Other Than Pension Plans

Finding:

The Acadia Parish Sheriff's Office failed to properly and timely implement GASB Statement No. 45 for the year ending June 30, 2010.

Status Follow Up:

Resolved. The actuarial computations were completed and presented in a report to the Acadia Parish Sheriff's Office in early February 2011. The current financial statements and footnote disclosures have been brought into compliance with GASB Statement No. 45

Compliance Findings

There were no findings that were required to be reported at June 30, 2010.

Management Letter Items

There were no findings that were required to be reported at June 30, 2010.