
SABINE PARISH SHERIFF

FINANCIAL REPORT

JUNE 30, 2014



A Professional Accounting Corporation

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INDEPENDENT AUDITORS' REPORT

Honorable Ronald G. Richardson
Sabine Parish Sheriff
Many, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, and the schedule of Funding Progress for Other Post-Employment Benefit Plans on pages 3 through 7, 37 and 38, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The Sheriff's sworn statement presented on page 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2014 on our consideration of Sabine Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 17, 2014

SABINE PARISH SHERIFF
Many, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

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

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position decreased \$163,000 or 1.8 percent over the course of this year's operations.
- Expenses for the year were \$7 million, an increase of \$107,406.
- During the year, the Sheriff's governmental funds expenditures were \$1.3 million less than the \$6 million generated in ad valorem taxes, charges for services and operating grants for governmental programs. The excess governmental revenues were transferred to the Detention Center Fund to assist with costs of the prison.
- After transfers, the General Fund's increase in fund balance was approximately \$175,000. The General Fund ended the year with a \$7.5 million fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Government-wide Statements

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

SABINE PARISH SHERIFF
Many, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

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

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

The government-wide financial statements of the Sheriff include:

- Governmental activities—most of the Sheriff's basic services are included here, such as police, tax collection, general administration and civil duties. Ad valorem taxes, state and federal grants, and fees, charges, and commissions for services finance most of these activities.
- Business-type activities—the operations of the Detention Center are included here, and the Sheriff charges fees to cover all or most of the cost of certain services provided. The Sheriff charges Sabine Parish and other governments to house prisoners.

Fund Financial Statements

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

The Sheriff has two kinds of funds:

- Governmental funds—Most of the Sheriff's basic services are included in the governmental fund, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The Sheriff has one governmental fund – the General Fund.
- Proprietary funds—When the Sheriff charges other governments for services it provides. These services are generally reported in the propriety funds. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Sheriff's enterprise fund is the same as the business-type activity reported in the government-wide statements but provide more detail and additional information such as cash flow, for proprietary funds. The Sheriff has one proprietary fund – the Detention Center Fund.

SABINE PARISH SHERIFF
 Many, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2014

- **Fiduciary funds**—Funds which are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

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

Table A-1
Sheriff's Net Position

	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Current and other assets	\$ 8,000,980	\$ 7,654,799	\$ 390,388	\$ 536,299
Capital assets, net	511,908	729,770	1,218,806	1,279,699
Total assets	8,512,888	8,384,569	1,609,194	1,815,998
Other liabilities	142,751	163,079	68,069	91,405
Internal balances	338,828	148,164	(338,828)	(148,164)
Capital lease obligations	104,827	180,082	-	-
Other post employment benefits payable	763,109	595,932	269,529	213,804
Total liabilities	1,349,515	1,087,257	(1,230)	157,045
Net Assets				
Investment in capital assets, net of related debt	407,581	729,770	1,218,806	1,255,058
Unrestricted	6,755,792	6,567,542	391,618	385,294
Total Net Position	7,163,373	7,297,312	1,610,424	1,640,352
Total Liabilities and Net Position	\$ 8,512,888	\$ 8,384,569	\$ 1,609,194	\$ 1,797,397

Net position of the Sheriff's governmental activities decreased 1.8 percent to approximately \$7.2 million.

Changes in net position. The Sheriff's total revenues increased by 4 percent. (See Table A-2.) Approximately 36 percent of the Sheriff's revenue comes from ad valorem tax collections from Sabine Parish and approximately 42 percent comes from sales tax revenue. The remainder comes from prison fees and miscellaneous fees, commissions, and other intergovernmental revenues.

The total cost of all programs and services decreased approximately \$107,000. The Sheriff's expenses cover all services performed by its office.

SABINE PARISH SHERIFF
 Many, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2014

Revenues for the Sheriff's governmental activities increased 4.6 percent to \$6 million while total expenses increased 3.1 percent to \$5 million.

Table A-2
Changes in Sheriff's Net Position

	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
General revenues	\$ 5,017,499	\$ 4,785,869	\$ 415	\$ 899
Fees, charges and commissions for service	688,526	704,053	772,000	804,790
Operating grants	278,746	230,049	103,943	97,080
Total revenues	5,984,771	5,719,971	876,358	902,769
General government expense	(5,004,710)	(4,851,237)	(2,020,286)	(2,066,353)
Transfers	(1,114,000)	(1,104,000)	1,114,000	1,104,000
Change in net position	(133,939)	(235,266)	(29,928)	(59,584)

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental fund reported a fund balance of \$7,519,401, an increase from last year of \$175,845. This fund balance provides for operating revenues in periods of decreased revenue.

General Fund Budgetary Highlights

Over the course of the year, the Sheriff amended the general fund budget. The general fund budget amendments reflect decreases in revenues of \$487,524 and in expenditures of \$127,196 from the original budget.

SABINE PARISH SHERIFF
Many, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

CAPITAL ASSETS

At the end of 2014, the Sheriff had invested \$1,730,714 in capital assets; \$511,908 in Governmental Activities and \$1,218,806 in Business-Type Activities. (See Table A-3.)

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

	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Land	\$ -	\$ -	\$ 111,165	\$ 111,165
Building and building improvements	42,067	50,088	1,036,877	1,084,429
Automobiles	339,332	514,893	29,150	39,514
Equipment, furniture and fixtures	130,509	164,789	41,614	19,950
Total	<u>\$ 511,908</u>	<u>\$ 729,770</u>	<u>\$ 1,218,806</u>	<u>\$ 1,255,058</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem and sales taxes for 36 percent and 42 percent of its revenues respectively. The economy is not expected to generate any significant growth and these tax revenues are not expected to significantly increase. Budgeted expenditures for 2015 are expected to be consistent with 2014.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Sabine Parish Sheriff's Office, PO Box 1440, Many, LA 71449.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

STATEMENT OF NET POSITION
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 2,564,827	\$ 304,999	\$ 2,869,826
Receivables	317,245	78,003	395,248
Investments	5,101,428	-	5,101,428
Prepaid expenses	17,480	7,386	24,866
Total current assets	8,000,980	390,388	8,391,368
NONCURRENT ASSETS			
Capital assets:			
Depreciable, net of accumulated depreciation	511,908	1,218,806	1,730,714
Total assets	\$ 8,512,888	\$ 1,609,194	\$ 10,122,082
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Current portion of capital lease obligation	\$ 71,722	\$ -	\$ 71,722
Accounts payable and accruals	142,751	68,069	210,820
Intergovernmental balances	338,828	(338,828)	-
Total current liabilities	553,301	(270,759)	282,542
NONCURRENT LIABILITIES			
Capital lease obligation, net of current portion	33,105	-	33,105
Other post-employment benefit	763,109	269,529	1,032,638
Total noncurrent liabilities	796,214	269,529	1,065,743
Total liabilities	1,349,515	(1,230)	1,348,285
<u>NET POSITION</u>			
Net investment in capital assets	407,581	1,218,806	1,626,387
Unrestricted	6,755,792	391,618	7,147,410
Total net position	\$ 7,163,373	\$ 1,610,424	\$ 8,773,797

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

STATEMENT OF ACTIVITIES
June 30, 2014

	Program Revenues					
Governmental Activities	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Public Safety	\$ 5,004,710	\$ 688,526	\$ 278,746	\$ (4,037,438)	\$ -	\$ (4,037,438)
Business-Type Activities						
Detention Center	2,020,286	772,000	103,943	-	(1,144,343)	(1,144,343)
Total Government	\$ 7,024,996	\$ 1,460,526	\$ 382,689	(4,037,438)	(1,144,343)	(5,181,781)
General revenues:						
Taxes				4,740,805	-	4,740,805
State Revenue Sharing				66,776	-	66,776
Interest				138,490	415	138,905
Miscellaneous				71,428	-	71,428
Transfers				(1,114,000)	1,114,000	-
Total general revenues				3,903,499	1,114,415	5,017,914
Change in net position				(133,939)	(29,928)	(163,867)
Net position - beginning				7,297,312	1,640,352	8,937,664
Net position - ending				\$ 7,163,373	\$ 1,610,424	\$ 8,773,797

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

GOVERNMENTAL FUND BALANCE SHEET
June 30, 2014

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,564,827
Receivables	317,245
Investments	5,101,428
Prepaid expenditures	17,480
TOTAL ASSETS	<u>\$ 8,000,980</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 18,645
Accrued Liabilities	124,106
Due to other funds	338,828
TOTAL LIABILITIES	<u>481,579</u>
<u>FUND BALANCE</u>	
Nonspendable	17,480
Unassigned	7,501,921
TOTAL FUND BALANCE	<u>7,519,401</u>
TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 8,000,980</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2014

Total Fund Balance at June 30, 2014 - Governmental Funds		\$ 7,519,401
Cost of capital assets at June 30, 2014	1,938,066	
Less: Accumulated Depreciation as of June 30, 2014:	<u>(1,426,158)</u>	511,908
Capital Lease Obligation		(104,827)
Other Post-Employment Benefits		<u>(763,109)</u>
Net Position at June 30, 2014		<u>\$ 7,163,373</u>

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

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

	<u>General Fund</u>
<u>REVENUES</u>	
Taxes	\$ 4,740,805
State revenue sharing	66,776
Intergovernmental revenues	278,746
Fees, charges and commissions for services	688,526
Interest Revenue	138,490
Other	72,748
Total Revenues	<u>5,986,091</u>
<u>EXPENDITURES</u>	
Public safety	
Personal services	3,663,013
Operating services	368,657
Supplies	486,622
Travel	16,548
Professional services	34,209
Capital outlay	39,744
Debt service	
Principle payments on capital lease obligation	75,255
Interest on capital lease obligation	12,198
Total Expenditures	<u>4,696,246</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,289,845
<u>OTHER FINANCING SOURCES (USES)</u>	
Transfers out	<u>(1,114,000)</u>
NET CHANGE IN FUND BALANCE	175,845
FUND BALANCE AT BEGINNING OF YEAR	<u>7,343,556</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,519,401</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

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

Total Net Changes in Fund Balance for year ended June 30, 2014	\$ 175,845
Add: Capital outlay included in expenditures	39,744
Less: Depreciation expense for year ended June 30, 2014	(256,286)
Difference between cost and accumulated depreciation of disposed of assets	(1,320)
Principal payments on lease obligation	75,255
Change in other post-employment benefits	<u>(167,177)</u>
Total Change in Net Position, for year ended June 30, 2014	<u>\$ (133,939)</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2014

	<u>Detention Center Fund</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 304,999
Receivables	78,003
Due from other funds	338,828
Prepaid Expenses	<u>7,386</u>
TOTAL CURRENT ASSETS	729,216
 Noncurrent Assets	
Capital assets, net	<u>1,218,806</u>
 TOTAL ASSETS	<u><u>\$ 1,948,022</u></u>
 <u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	\$ 24,118
Accrued Liabilities	34,608
Other Liabilities	<u>9,343</u>
TOTAL CURRENT LIABILITIES	68,069
 Noncurrent Liabilities	
Other post employment benefits payable	<u>269,529</u>
 TOTAL LIABILITIES	<u>337,598</u>
 <u>NET POSITION</u>	
Net investment in capital assets	1,218,806
Unrestricted	<u>391,618</u>
TOTAL NET POSITION	<u>1,610,424</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 1,948,022</u></u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S FUND
MANY, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Detention Center Fund
<u>REVENUES</u>	
Charges for services	\$ 684,833
Commissary	27,699
Other	59,468
Total Operating Revenues	772,000
<u>EXPENDITURES</u>	
Salaries	920,612
Retirement	108,548
Payroll Taxes	22,989
Employee Benefits	273,227
Food	187,872
Insurance	72,829
Medical Expense	60,791
Miscellaneous	12,277
Professional services	10,500
Repairs and maintenance	46,013
Supplies	128,199
Training	2,427
Telephone	8,213
Utilities	89,259
Depreciation	76,530
Total Operating Expenditures	2,020,286
Operating Income (Loss)	(1,248,286)
Nonoperating Revenues (Expenses)	
Intergovernmental	103,943
Interest revenue	415
Total nonoperating revenues (expenses)	104,358
Income (Loss) Before Transfers	(1,143,928)
Transfers in	1,114,000
Change in Net Position	(29,928)
NET POSITION AT BEGINNING OF YEAR	1,640,352
NET POSITION AT END OF YEAR	\$ 1,610,424

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
DECEMBER 31, 2014

Cash flows from operating activities:	
Receipts from customers	\$ 784,639
Payments to suppliers and service providers	(650,156)
Payments to employees for salaries and benefits	(1,260,780)
Net cash used in operating activities	<u>(1,126,297)</u>
Cash flows from non-capital financing activities:	
Intergovernmental revenues	103,943
Transfers	923,336
Net cash provided by noncapital financing activities	<u>1,027,279</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	<u>(40,277)</u>
Cash flows from investing activities	
Interest income	<u>415</u>
Net decrease in cash and cash equivalents	(138,880)
Cash and cash equivalents, beginning of year	<u>443,879</u>
Cash and cash equivalents, end of year	<u>\$ 304,999</u>
Reconciliation of operating income to net cash used in operating activities:	
Operating loss	\$ (1,248,286)
Adjustments to reconcile operating loss to net cash from operating activities	
Depreciation expense	76,530
Decrease in accounts receivable	15,780
Decrease in accounts payable and accruals	(26,046)
Other post employment benefits payable	55,725
Net cash used in operating activities	<u>\$ (1,126,297)</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

June 30, 2014

	<u>Sheriff's Fund</u>	<u>Tax Collector</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 81,053	\$ 39,582	\$ 120,635
Total Assets	<u>81,053</u>	<u>39,582</u>	<u>120,635</u>
LIABILITIES			
Due to others	81,053	-	81,053
Due to taxing bodies and others	<u>-</u>	<u>39,582</u>	<u>39,582</u>
Total Liabilities	<u>\$ 81,053</u>	<u>\$ 39,582</u>	<u>\$ 120,635</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net position and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

FUND FINANCIAL STATEMENTS (FFS):

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

The Sheriff reports the following major governmental fund:

General Fund

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

The Sheriff reports the following proprietary fund type:

The Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided the periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Sheriff reports the following fiduciary types:

Agency Funds

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

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY

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

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

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGET PRACTICES

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

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

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

E. INTERFUND ACTIVITY

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

F. CASH AND CASH EQUIVALENTS

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

G. CAPITAL ASSETS

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

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. COMPENSATED ABSENCES

Employees of the Sheriff that have been employed one year or more earn two weeks of vacation leave per year. Vacation leave is prorated for employees having less than a year of service. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

I. RISK MANAGEMENT

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

J. ESTIMATES

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

K. RESTRICTED NET POSITION

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

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

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

M. SALES TAXES

The Sheriff collects a one-half percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for salaries and benefits of deputies and acquiring, maintaining and operating of sheriff's vehicles and equipment. The tax, approved by voters on July 17, 2004, was effective from and after October 1, 2004.

The Sheriff collects a one-quarter percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for the purpose of providing additional funding for the sheriff's office. The tax, approved by voters on January 18, 2003, was effective August 1, 2003 and is for a period of 10 years ending July 31, 2014. The tax was approved and renewed effective August 1, 2014 and for a period of 10 years ending July 31, 2024.

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

2. LEVIED TAXES

The Sheriff levies taxes on real and business personal property located within its boundaries. Ad valorem taxes are assessed on a calendar year basis, levied and become due on November 15 of each year and become an enforceable lien on property as of December 31 of each year. The following is a summary of authorized and levied ad valorem taxes as of June 30, 2014:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement	13.06	13.06	Statutory

3. CHANGES IN FIDUCIARY AMOUNTS

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

	<u>Balance at Beginning of year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Agency funds:				
Tax Collector	\$ 24,705	\$ 15,514,714	\$ 15,499,837	\$ 39,582
Sheriff's fund	110,217	775,470	804,634	81,053
Total	<u>\$ 134,922</u>	<u>\$ 16,290,184</u>	<u>\$ 16,304,471</u>	<u>\$ 120,635</u>

4. RECEIVABLES

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes	\$ 246,166	\$ -	\$ 246,166
Fees, charges, and commissions for service	34,958	67,730	102,688
Intergovernmental revenues	2,637	10,123	12,760
Other	33,484	150	33,634
Total	<u>\$ 317,245</u>	<u>\$ 78,003</u>	<u>\$ 395,248</u>

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

5. CAPITAL ASSETS

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

Governmental activities:

	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital Assets June 30, 2013	\$ 80,211	\$1,971,481	\$2,051,692
Additions	-	39,744	39,744
Deletions	-	(151,874)	(151,874)
Transfers to Detention Center	-	(28,030)	(28,030)
Transfers from Detention Center	-	26,534	26,534
Costs of Capital Assets, June 30, 2014	<u>80,211</u>	<u>1,857,855</u>	<u>1,938,066</u>
Accumulated depreciation June 30, 2013	30,123	1,291,799	1,321,922
Additions	8,021	248,265	256,286
Deletions	-	(150,554)	(150,554)
Transfers from General Fund	-	26,534	26,534
Transfers to General Fund	-	(28,030)	(28,030)
Accumulated depreciation, June 30, 2014	<u>38,144</u>	<u>1,388,014</u>	<u>1,426,158</u>
Capital assets, net of accumulated depreciation at June 30, 2014	<u>\$ 42,067</u>	<u>\$469,841</u>	<u>\$511,908</u>

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

5. **CAPITAL ASSETS** (continued)

For the year ended June 30, 2014 depreciation expense for governmental activities was \$256,286.

Business-Type Activities:

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital				
Assets June 30, 2013	\$ 111,165	\$ 2,089,893	\$ 255,330	\$2,456,388
Additions	-	9,588	30,689	40,277
Deletions	-	-	(37,593)	(37,593)
Transfers to				
General Fund	-	-	(26,534)	(26,534)
Transfers from				
General Fund	-	-	28,030	28,030
Costs of Capital				
Assets, June 30, 2014	<u>111,165</u>	<u>2,099,481</u>	<u>249,922</u>	<u>2,460,568</u>
Accumulated depreciation				
June 30, 2013	-	1,005,464	195,865	1,201,329
Additions	-	57,140	19,390	76,530
Deletions	-	-	(37,593)	(37,593)
Transfers to				
General Fund	-	-	(26,534)	(26,534)
Transfers from				
General Fund	-	-	28,030	28,030
Accumulated depreciation, June 30, 2014	<u>-</u>	<u>1,062,604</u>	<u>179,158</u>	<u>1,241,762</u>
Capital assets, net of accumulated depreciation at June 30, 2014	<u>\$ 111,165</u>	<u>\$ 1,036,877</u>	<u>\$70,764</u>	<u>\$1,218,806</u>

For the year ended June 30, 2014, depreciation expense for business-type activities was \$76,530.

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

6. CASH AND CASH EQUIVALENTS

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

Governmental Funds:	
Petty Cash	\$ 500
Interest bearing and non-interest bearing demand deposits	2,489,412
Money market accounts	<u>74,915</u>
Total governmental funds	<u>2,564,827</u>
Proprietary Funds:	
Interest bearing accounts	<u>304,999</u>
Total proprietary funds	<u>304,999</u>
Fiduciary Funds:	
Interest-bearing demand deposits	<u>120,635</u>
Total fiduciary funds	<u>120,635</u>
Total	<u>\$ 2,990,461</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.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a deposit policy for custodial credit risk; however, the state law as described in the preceding paragraph is designed to minimize this risk. At June 30, 2014, the government's bank balance of \$3,100,487 was not exposed to custodial credit risk.

7. INVESTMENTS

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

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

Federal Agency Obligations	\$ 4,284,930
Certificates of Deposit	<u>816,498</u>
Total	<u>\$ 5,101,428</u>

SABINE PARISH SHERIFF
 Many, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

7. INVESTMENTS (continued)

Interest Rate Risk

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

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

	Fair Value	Remaining Maturity				
		Less than one year	1 - 5	6 - 10	11 - 15	16 - 20
Federal Agency Obligation	\$ 4,284,930	\$ -	\$ 248,277	\$ 2,219,040	\$ 1,348,361	\$ 469,252
Certificate of Deposit	816,498	-	245,100	478,803	30,172	62,423
	<u>\$ 5,101,428</u>	<u>\$ -</u>	<u>\$ 493,377</u>	<u>\$ 2,697,843</u>	<u>\$ 1,378,533</u>	<u>\$ 531,675</u>

Credit Risk

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

Concentration of Credit Risk

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

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

8. CHANGES IN LONG-TERM DEBT

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

	OPEB	Capital Lease Obligations
Balance at July 1, 2013	\$ 809,736	\$ 180,082
Increases	222,902	-
Pay downs	-	(75,255)
Balance at June 30, 2014	<u>\$ 1,032,638</u>	<u>\$ 104,827</u>

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

9. PENSION PLAN

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

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

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$1,000 per month, and who were between the ages of 18 or older at the time of original employment are required to participate in the System. An employee hired prior to January 1, 2012, who retires at or after age 55 with at least 12 years of creditable service, or at any age with 30 years of creditable service is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service. An employee hired on or after January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent of his final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy. The employee contribution rate cannot be less than 9.8% or more than 10.25% of earnable compensation. Contributions are deducted from the member's salary and remitted monthly by the Association. Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:103. For the years ended June 30, 2014 and 2013, the employers contributed 13.89% and 13.25% of members' salaries. Also, the Fund annually receives revenue sharing funds, 0.5% of the aggregate amount of the ad valorem tax shown to be collected by the tax roll of each respective parish, and additional funds as indicated by valuation and apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premium taxes described in R.S. 22:1419. The Sabine Parish Sheriff's contributions to the System, including the employee's portion for the years ending June 30, 2014, 2013, and 2012, were \$442,972, \$414,110, and \$358,654, respectively.

SABINE PARISH SHERIFF
 Many, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

The employer pays for the medical/dental and life insurance coverage for the retiree only (not dependents). Employees are eligible for such coverage if they meet the following retirement eligibility provisions: 30 years of service at any age; or, age 55 and 20 years of service; or, age 65 and 16 years of service.

Life insurance coverage is continued to retirees, for which the employer pays 100% of the cost. However, the rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

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.

Funding Policy – Until 2009, Sabine Parish Sheriff recognized the cost of providing post-employment medical and life insurance benefits (Sabine Parish Sheriff’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, Sabine Parish Sheriff’s portion of health care and life insurance funding cost for retired employees totaled \$77,068 and \$71,359, respectively.

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

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

	2014	2013
Normal cost	\$ 140,359	\$ 134,961
30-year UAL amortization amount	174,048	167,354
Annual required contribution (ARC)	\$ 314,408	\$ 302,315

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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

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

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$ 809,736	\$ 589,287
Annual required contribution	314,408	302,315
Interest on Net OPEB Obligation	32,389	23,571
ARC Adjustment	<u>(46,827)</u>	<u>(34,078)</u>
OPEB Cost	299,970	291,808
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(77,068)</u>	<u>(71,359)</u>
Change in Net OPEB Obligation	<u>222,902</u>	<u>220,449</u>
Ending Net OPEB Obligation	\$ <u>1,032,638</u>	\$ <u>809,736</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2014	\$ 299,970	25.69%	\$ 1,032,638
June 30, 2013	\$ 291,808	24.45%	\$ 809,736
June 30, 2012	\$ 236,606	14.09%	\$ 589,287

Funded Status and Funding Progress – In 2014 and 2013, Sabine Parish Sheriff made no contributions to an OPEB Trust. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014 was \$2,964,993 which is defined as that portion, as determined by a particular actuarial cost method (Sabine Parish Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 2,964,993	\$ 2,850,955
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 2,964,993</u>	<u>\$ 2,850,955</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 3,261,354	\$ 3,103,221
UAAL as a percentage of covered payroll	90.91%	91.87%

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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

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

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

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

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

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

Post employment Benefit Plan Eligibility Requirements – We have assumed that employees retire four years after the time of earliest retirement eligibility as described in the section above entitled "Plan Description". Medical benefits are provided to employees upon actual retirement.

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

SABINE PARISH SHERIFF
Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out 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, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after 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 (not dependents). The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

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

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

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

SABINE PARISH SHERIFF
 Many, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

11. LEASES

On October 5, 2012, the Sheriff entered into a lease agreement for the acquisition of nine Chevrolet Tahoes. The agreement provides for thirty-six (36) monthly payments of \$6,727. At the maturity of the lease term, the Sabine Parish Sheriff will own the nine Chevrolet Tahoes. The cost of the Tahoes, \$228,600, is included as an asset and an obligation in the financial statements. The following is a schedule of future minimum lease payments and the present value of the net future minimum lease payments of June 30, 2014:

Year Ending June 30		
2015	\$	80,726
2016		<u>26,910</u>
Total minimum lease payments		107,636
Less amount representing interest		<u>(2,809)</u>
Net lease obligation	\$	<u>104,827</u>

12. LITIGATION AND CLAIMS

At June 30, 2014, the sheriff was involved in several lawsuits. In the opinion of the sheriff's legal counsel, the ultimate resolution of these claims would not create a liability to the Sheriff in excess of existing insurance coverage.

13. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

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

14. DUE TO/FROM OTHER FUNDS

Individual balances due to/from other funds at June 30, 2014 are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Governmental funds:		
General Fund	\$ 338,828	\$ -
Detention Center	<u>-</u>	<u>338,828</u>
Subtotal- Major Governmental funds	<u>\$ 338,828</u>	<u>\$ 338,828</u>

15. SUBSEQUENT EVENTS

In preparing the financial statements, the Sabine Parish Sheriff has evaluated events and transactions for potential recognition or disclosure through December 17, 2014, and has determined that no events occurred that require disclosure.

SABINE PARISH SHERIFF
 Many, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

16. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand and available for settlements as of June 30, 2014 was \$39,582.

As of June 30, 2014, \$44,059 of the taxes assessed in Sabine Parish from the 2013 tax roll was not collected. The uncollected taxes pertaining to immovable property are pending resolution from the Louisiana Tax Commission. The uncollected taxes pertaining to movable properties are for businesses, oil and gas or pipelines. These will have tax liens placed on them.

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

<u>Entity</u>	<u>Mills/Rate</u>	<u>Assessed Taxes</u>	<u>Uncollected Taxes</u>
Health Unit	1.00	\$ 168,336	\$ 509
Parish Wide Assessment	6.43	1,082,398	3,270
Parish Wide General Alimony	4.60	774,344	2,340
Parish Wide Humane Society	1.50	271,020	819
Parish Wide Law Enforcement	13.06	2,198,463	6,643
Parish Wide Library	5.05	850,095	2,569
Parish Wide School Construction	5.15	866,928	2,619
Parish Wide School Maintenance	8.68	1,461,153	4,415
Road District #18 B&M	10.98	125,480	15
Road District #16 B&M	10.11	100,773	-
Road District #9 B&M	10.37	194,823	9
Road District #17 B&M	10.01	323,213	2,421
Road District #15 B&M	13.02	206,758	887
Road District #1 B&M	16.65	437,576	291
Road District #4 B&M	12.56	326,759	3
Road District #19 B&M	15.51	145,913	1,195
Road District #20 B&M	20.00	74,801	24
Road District #11 B&M	23.06	331,777	2,316
Forestry Tax	0.08	34,631	4
South Toldeo Waterworks	0.90	8,487	-
PSC Louisiana Tax Commission Fee	0.10	1,645	-
BS Louisiana Tax Commission Fee	0.15	506	-
South Sabine School District B&E	7.82	137,959	11
South Sabine School District Bond	9.40	236,400	19
Negreet School District B&E	6.63	156,910	6
Negreet School District Bond	16.00	378,739	14
Many School District B&E	7.23	232,736	2,264
Many School District Bond	13.10	421,692	4,101
Ebarb School District B&E	16.09	67,323	87
Ebarb School District Bond	26.80	112,135	144
Converse School District B&E	12.90	539,975	1,521
Converse School District Bond	1.40	58,602	165
Pleasant Hill School District B&E	10.75	316,231	15
Pleasant Hill School District Bond	1.20	35,300	2
Zwolle School District B&E	11.24	215,327	770

SABINE PARISH SHERIFF
 Many, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

16. EX-OFFICIO TAX COLLECTOR (continued)

<u>Entity</u>	<u>Mills/Rate</u>	<u>Assessed Taxes</u>	<u>Uncollected Taxes</u>
Sabine Parish Fire Protection District 1 Wards 1&2	10.53	224,564	15
Sabine Parish Fire Protection District 1 Wards 1&2 (new)	8.50	181,272	12
Sabine Parish Fire Protection District 1 Wards 3 & 4	4.84	247,212	1,175
North Sabine Fire Protection District 1	6.32	604,900	1,672
North Sabine Fire Protection District 2	6.49	<u>621,171</u>	<u>1,717</u>
Total		<u>\$14,774,327</u>	<u>\$ 44,059</u>

REQUIRED
SUPPLEMENTAL INFORMATION

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual
<u>REVENUES</u>			
Taxes	\$ 5,100,000	\$ 4,720,000	\$ 4,740,805
State revenue sharing	67,000	67,000	66,776
Intergovernmental revenue	320,000	271,066	278,746
Fees, charges, and commissions for services:	673,150	703,350	688,526
Interest and investment income	118,965	10,375	138,490
Other	9,550	29,350	72,748
Total Revenues	<u>6,288,665</u>	<u>5,801,141</u>	<u>5,986,091</u>
<u>EXPENDITURES</u>			
General Government			
Personal services and related benefits	3,703,948	3,736,602	3,663,013
Operating services	397,700	361,500	368,657
Material and supplies	614,600	601,400	486,622
Travel and other charges	50,800	29,800	16,548
Professional services	25,500	29,500	34,209
Capital outlay	120,000	26,550	39,744
Debt Service			
Principle payments on capital lease obligation	78,216	78,216	75,255
Interest on capital lease obligation	2,600	2,600	12,198
Total Expenditures	<u>4,993,364</u>	<u>4,866,168</u>	<u>4,696,246</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,295,301	934,973	1,289,845
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	<u>(1,200,000)</u>	<u>(864,000)</u>	<u>(1,114,000)</u>
NET CHANGE IN FUND BALANCE	95,301	70,973	175,845
FUND BALANCE AT BEGINNING OF YEAR	<u>7,343,556</u>	<u>7,343,556</u>	<u>7,343,556</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 7,438,857</u></u>	<u><u>\$ 7,414,529</u></u>	<u><u>\$ 7,519,401</u></u>

SABINE PARISH SHERIFF'S OFFICE
MANY, LOUISIANA

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

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u>
7/1/2011	-	\$ 2,182,665	\$ 2,182,665	0.0%	\$ 3,157,365	69.1%
7/1/2012	-	\$ 2,850,955	\$ 2,850,955	0.0%	\$ 3,103,221	91.9%
7/1/2012	-	\$ 2,964,993	\$ 2,964,993	0.0%	\$ 3,261,354	90.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>(a) Annual OPEB Cost</u>	<u>(b) Annual Contributed</u>	<u>(b/a) Percentage of Annual OPEB Costs Contributed</u>	<u>(a-b) Increase (Decrease) to Net OPEB Obligation</u>	<u>(PY + (a-b)) Net OPEB Obligation</u>
6/30/2012	\$ 236,606	\$ 33,346	14.09%	\$ 203,260	\$ 589,287
6/30/2013	\$ 291,808	\$ 71,359	24.45%	\$ 220,449	\$ 809,736
6/30/2014	\$ 299,970	\$ 77,068	25.69%	\$ 222,902	\$ 1,032,638

OTHER SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA, PARISH OF Sabine

AFFIDAVIT

Ronald G. Richardson (Sheriff's Name), Sheriff of Sabine (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, Ronald G. Richardson, the sheriff of Sabine Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

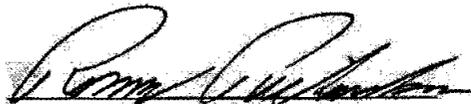
\$ 39,582 is the amount of cash on hand in the tax collector account on

June 30, 2014 (Date);

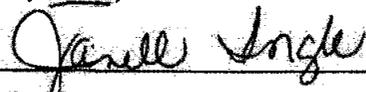
He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2013, by taxing authority, are true and correct.

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


Signature
Sheriff of Sabine
(Parish)

SWORN to and subscribed before me, Notary, this 30th day of December 2014, in my office in the Many, Louisiana.
(City/Town)



Janell INGLE (Print), # 61575
Notary Public
at death (Commission)

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

Honorable Ronald G. Richardson
Sabine Parish Sheriff
Many, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining information of the Sabine Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sabine Parish Sheriff's basic financial statements, and have issued our report thereon dated December 17, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other matters

As a part of obtaining reasonable assurance about whether the Sabine Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2014-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 17, 2014

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

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the Sabine Parish Sheriff's Office as of and for the year June 30, 2014.
2. No significant deficiencies were reported relating to the audit of the financial statements.
3. One instance of noncompliance material to the financial statements of the Sabine Parish Sheriff's Office was disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2014-001

Louisiana Investment Law

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

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

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

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

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

Management's Response and Planned Corrective Action:

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