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LEGISLATIVE AUDITOR

TENNIS PARISH SHERIFF
St. Joseph, Louisiana

GENERAL PURPOSE
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
(with Supplemental Information)

June 30, 1987 and 1986

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

APR 22 1988

Release Date: _____

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INDEPENDENT AUDITORS' REPORT

Honorable Jeffrey B.
Texas Parish Sheriff
St. Joseph, Louisiana

We have audited the accompanying general-purpose financial statements of Texas Parish Sheriff, composed with of Texas Parish Police Jury, as of June 30, 1997, and the each of the years in the two year period then ended, as listed in the table of contents. These general-purpose financial statements are the responsibility of Texas Parish Sheriff's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States, and *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain sufficient documentation needed to support various departmental expenditures with respect to credit card charges made on a Texas Parish Sheriff's credit card as well as payments made by the Texas Parish Sheriff for the Sheriff's personal credit card, nor were we able to satisfy ourselves as to these financial activities by other auditing procedures. These various departmental expenditures are included in the general fund and represent approximately \$8,600 and \$4,450 in expenditures for the two years ending June 30, 1997 and 1996, respectively. In addition, \$4,587 of credit card expenditures are unrecorded in the general fund for the period ending June 30, 1997 as of the date of this report.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the expenditures discussed in the previous paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Texas Parish Sheriff, as of June 30, 1997, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 1998 on our consideration of Texas Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Texas Parish Sheriff has a general fund deficit as of June 30, 1997 and 1996. Management's plans regarding this matter are described in Note B in the financial statements.

As discussed in Note M to the financial statements, the Texas Parish Sheriff has been named as defendant in actions alleging civil rights violations. It is not possible at present for the Texas Parish Sheriff's legal counsel to predict the outcome or the range of potential loss, if any, that may result from those actions. No provision for any liability that may result has been made in the financial statements.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information schedules 1 through 4 as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements of Texas Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, except for the matters discussed in the third paragraph of this report, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Wagmanbeck & Associates (ARAC)

Billy Ross, Louisiana
March 31, 1999

GENERAL-PURPOSE FINANCIAL STATEMENTS

TEXAS PARKS HERIFF
St. Joseph, Louisiana

Statement A

ALL FUNDS TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1997

| | GOVERNMENTAL FUNDS - GENERAL FUND - FISCAL AGENCY FUNDS | | ACCOUNT GROUPS - GENERAL FUND - FISCAL AGENCY FUNDS | | TOTAL (GOVERNMENTAL FUNDS) |
|---|---|------------------|---|------------------|----------------------------|
| | | | | | |
| ASSETS AND OTHER DEBITS | | | | | |
| Assets: | | | | | |
| Cash and cash equivalents | \$ 50,617 | \$ 21,114 | \$ - | \$ - | \$ 71,731 |
| Accounts receivable | 94,036 | 97 | - | - | 94,133 |
| Investments | - | - | 242,442 | - | 242,442 |
| Other Debits: | | | | | |
| Amounts to be received for payment of capital lease obligations | - | - | - | 98,136 | 98,136 |
| TOTAL ASSETS AND OTHER DEBITS | \$ 1,284,452 | \$ 21,211 | \$ 242,442 | \$ 98,136 | \$ 1,546,179 |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 34,422 | \$ - | \$ - | \$ - | \$ 34,422 |
| Accrued interest | 1,775 | - | - | - | 1,775 |
| Notes payable | 130,000 | - | - | - | 130,000 |
| Due to buying orders and orders | - | 42,831 | - | - | 42,831 |
| Capital lease obligations payable | - | - | - | 98,136 | 98,136 |
| Total Liabilities | <u>266,197</u> | <u>42,831</u> | <u>-</u> | <u>98,136</u> | <u>407,164</u> |
| Equity and Other Credits: | | | | | |
| Increment in general fund assets | - | - | 242,442 | - | 242,442 |
| Fund balance (A/C/G/L) - unreserved - unassigned | 1,018,255 | - | 242,882 | - | 1,261,137 |
| Total Equity and Other Credits | <u>1,018,255</u> | <u>-</u> | <u>242,882</u> | <u>-</u> | <u>1,261,137</u> |
| TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS | \$ 1,284,452 | \$ 21,211 | \$ 242,442 | \$ 98,136 | \$ 1,546,179 |

The accompanying notes are an integral part of this statement.

TOWNSHIP FUNDING SHEET
St. Joseph, Louisiana
ALL FUND TYPES AND ACCOUNT CATEGORIES

Statement B

Combined Balance Sheet - June 30, 2006

| | GOVERNMENTAL FUNDS | | FUNDARY FUNDS | | BLDG. FUND | | GENERAL FUND | | LONG-TERM DEBT | | TOTAL MEMORANDUM (REPLACEMENT) |
|--|--------------------|------------------|-------------------|------------------|--------------|-------------|--------------|-------------|-------------------|-------------|--------------------------------|
| | GENERAL FUND | AGENCY FUND | GENERAL FUND | AGENCY FUND | GENERAL FUND | AGENCY FUND | GENERAL FUND | AGENCY FUND | GENERAL FUND | AGENCY FUND | |
| ASSETS AND OTHER DEBITS | | | | | | | | | | | |
| Assets: | | | | | | | | | | | |
| Cash and cash equivalents | \$ 20,066 | \$ 11,799 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 31,865 |
| Accounts receivable | 133,156 | - | - | - | - | - | - | - | - | - | 133,156 |
| Investments and equipment | - | - | 200,342 | - | - | - | - | - | - | - | 200,342 |
| Other Debits: | | | | | | | | | | | |
| Amount in lieu provided for payment of capital lease obligations | - | - | - | - | - | - | - | - | 61,128 | - | 61,128 |
| TOTAL ASSETS AND OTHER DEBITS | \$ 133,222 | \$ 11,799 | \$ 200,342 | \$ 11,799 | \$ - | \$ - | \$ - | \$ - | \$ 61,128 | \$ - | \$ 415,291 |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | |
| Accounts payable | \$ 117,408 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 117,408 |
| Accrued interest | 1,461 | - | - | - | - | - | - | - | - | - | 1,461 |
| Payroll tax and withholding payable | 1,160 | - | - | - | - | - | - | - | - | - | 1,160 |
| Notes payable | 130,000 | - | - | - | - | - | - | - | - | - | 130,000 |
| Due to taxing bodies and others | - | 11,799 | - | - | - | - | - | - | 61,228 | - | 73,027 |
| Capital lease obligations payable | - | - | - | - | - | - | - | - | 61,228 | - | 61,228 |
| Total Liabilities | \$ 249,029 | \$ 11,799 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 122,456 | \$ - | \$ 383,284 |
| Equity and Other Credits: | | | | | | | | | | | |
| Investment in general fund assets | - | - | 200,342 | - | - | - | - | - | - | - | 200,342 |
| Fund balance (deficit) - unrestricted - unassigned | (115,807) | - | - | - | - | - | - | - | - | - | (115,807) |
| Total Equity and Other Credits | \$ 115,807 | \$ - | \$ 200,342 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 316,149 |
| TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS | \$ 133,222 | \$ 11,799 | \$ 200,342 | \$ 11,799 | \$ - | \$ - | \$ - | \$ - | \$ 61,128 | \$ - | \$ 415,291 |

The accompanying notes are an integral part of this statement.

TENNYAS PARISH SHERIFF
St. Joseph, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement C

**Statement of Revenues, Expenditures,
and Change in Fund Balance
For the Years Ended June 30, 1997 and 1996**

| | <u>1997</u> | <u>1996</u> |
|--|-------------------|---------------------|
| REVENUES | | |
| Ad valorem taxes | \$ 308,157 | \$ 421,687 |
| Sales tax | 183,898 | 99,133 |
| Intergovernmental revenues | | |
| State revenue sharing | 31,368 | 32,380 |
| Grants - federal, state & other | 45,123 | 18,439 |
| State supplemental pay | 48,883 | 28,234 |
| Fees, charges, and commissions for services: | | |
| Commissions on taxes and licenses | 12,562 | 6,682 |
| Civil and criminal fees | 62,408 | 64,784 |
| Court attendance | 981 | 1,029 |
| Feeding and keeping prisoners | 1,871,551 | 1,309,639 |
| Incident earnings | 4,273 | 3,979 |
| Miscellaneous | <u>18,247</u> | <u>18,211</u> |
| Total revenues | <u>2,556,535</u> | <u>1,821,468</u> |
| EXPENDITURES | | |
| PUBLIC SAFETY: | | |
| Personal services and related benefits | 1,126,671 | 949,287 |
| Operating services | 179,863 | 198,824 |
| Materials and supplies | 487,006 | 648,341 |
| Travel and other charges | 7,278 | 8,791 |
| Debt Service | | |
| Principal | 91,934 | 30,218 |
| Interest | 13,512 | 14,575 |
| Capital outlay | 157,140 | 36,862 |
| Miscellaneous | <u>283</u> | <u>2,821</u> |
| Total expenditures | <u>2,074,284</u> | <u>1,881,341</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>482,251</u> | <u>(60,073)</u> |
| OTHER FINANCING SOURCES | | |
| Capital lease obligations | 88,838 | 31,880 |
| Sales of fixed assets | 7,880 | 7,733 |
| Insurance claims | <u>18,801</u> | <u>1,892</u> |
| Total other financing sources | <u>115,519</u> | <u>41,505</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | <u>597,770</u> | <u>(18,568)</u> |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | <u>(122,580)</u> | <u>(108,000)</u> |
| FUND BALANCE (DEFICIT) - END OF YEAR | <u>\$ 475,190</u> | <u>\$ (126,568)</u> |

The accompanying notes are an integral part of this statement.

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement D

**Statement of Revenues, Expenditures,
 and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 1997**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|------------------|---------------------|---|
| REVENUES | | | |
| Ad valorem taxes | \$ 380,000 | \$ 558,357 | \$ 178,357 |
| Sales tax | 300,000 | 183,898 | (116,102) |
| Intergovernmental revenues: | | | |
| State revenue sharing | 30,000 | 73,360 | (43,360) |
| Grants - Federal, state & other | 30,000 | 45,122 | (15,122) |
| State supplemental pay | 30,000 | 49,890 | (19,890) |
| Fees, charges, and commissions for services: | | | |
| Commissions on sales and leases | 6,800 | 11,582 | (4,782) |
| Civil and criminal fees | 58,000 | 85,488 | (27,488) |
| Court attendance | 1,200 | 981 | (221) |
| Feeding and keeping prisoners | 1,045,800 | 1,077,581 | (31,781) |
| Interest earnings | 2,000 | 4,273 | (2,273) |
| Miscellaneous | 17,000 | 11,240 | (5,760) |
| Total revenues | <u>1,489,000</u> | <u>1,956,932</u> | <u>(467,932)</u> |
| EXPENDITURES | | | |
| PUBLIC SAFETY: | | | |
| Personnel services and related benefits | 805,000 | 1,116,431 | (311,431) |
| Operating services | 181,000 | 178,443 | 2,557 |
| Materials and supplies | 321,000 | 487,120 | (166,120) |
| Travel and other charges | 11,000 | 7,175 | (3,825) |
| Debt Service: | | | |
| Principal | 80,000 | 51,916 | (28,084) |
| Interest | 30,000 | 13,912 | (16,088) |
| Capital outlay | 36,000 | 127,240 | (91,240) |
| Miscellaneous | - | 280 | (280) |
| Total expenditures | <u>1,439,000</u> | <u>2,034,387</u> | <u>(595,387)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>-</u> | <u>(87,455)</u> | <u>(87,455)</u> |
| OTHER FINANCING SOURCES | | | |
| Capital lease obligations | - | 88,919 | (88,919) |
| Sale of fixed assets | - | 7,500 | (7,500) |
| Insurance claims | - | 18,081 | (18,081) |
| Total other financing sources | <u>-</u> | <u>114,510</u> | <u>(26,411)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | <u>-</u> | <u>(72,945)</u> | <u>(72,945)</u> |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | <u>-</u> | <u>(112,850)</u> | <u>(112,850)</u> |
| FUND BALANCE (DEFICIT) - END OF YEAR | <u>\$ -</u> | <u>\$ (185,845)</u> | <u>\$ (185,845)</u> |

The accompanying notes are an integral part of this statement.

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana
GOVERNMENTAL FUND-TYPE - GENERAL FUND

Statement I

**Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1996**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|-------------------|---------------------|---|
| REVENUES | | | |
| Ad valorem taxes | \$ 371,000 | \$ 411,687 | \$ 40,687 |
| Sales tax | 90,000 | 99,133 | 9,133 |
| Intergovernmental revenue: | | | |
| State revenue sharing | 31,000 | 32,390 | 1,390 |
| Grants - federal, state & other | 24,000 | 28,419 | 28,419 |
| State supplemental pay | 14,000 | 28,234 | 2,234 |
| Fees, charges, and contributions for services: | | | |
| Commissions on taxes and licenses | 9,800 | 6,692 | (3,108) |
| Civil and criminal fees | 48,000 | 63,794 | 17,794 |
| Court attendance | 1,300 | 1,128 | (71) |
| Feeding and keeping prisoners | 428,000 | 1,189,658 | 699,658 |
| Interest earnings | 1,200 | 1,979 | 1,779 |
| Miscellaneous | (1,000) | (9,531) | (1,681) |
| Total revenues | <u>1,036,400</u> | <u>1,817,887</u> | <u>791,687</u> |
| EXPENDITURES | | | |
| PUBLIC SAFETY: | | | |
| Personnel services and related benefits | 720,000 | 949,287 | (229,287) |
| Operating services | 70,704 | 199,834 | (129,130) |
| Materials and supplies | 149,246 | 448,941 | (299,695) |
| Travel and other charges | 6,800 | 8,791 | (2,991) |
| Debt Service: | | | |
| Principal | - | 28,118 | (28,118) |
| Interest | 11,800 | 14,879 | (3,079) |
| Capital outlay | 12,000 | 26,962 | (24,962) |
| Miscellaneous | - | 1,922 | (1,922) |
| Total expenditures | <u>1,069,850</u> | <u>1,883,793</u> | <u>(814,243)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>166,550</u> | <u>(165,906)</u> | <u>(332,456)</u> |
| OTHER FINANCING SOURCES | | | |
| Capital lease obligations | - | 51,800 | 51,800 |
| Sales of fixed assets | - | 7,715 | 7,715 |
| Insurance claims | - | 1,999 | 1,999 |
| Total other financing sources | <u>-</u> | <u>61,514</u> | <u>61,514</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | <u>166,550</u> | <u>(104,392)</u> | <u>(119,714)</u> |
| FUND BALANCE (DEFICIT) - BEGINNING OF YEAR | <u>-</u> | <u>(189,589)</u> | <u>(189,589)</u> |
| FUND BALANCE (DEFICIT) - END OF YEAR | <u>\$ 128,400</u> | <u>\$ (293,981)</u> | <u>\$ (422,381)</u> |

The accompanying notes are an integral part of this statement.

TENNES PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and executes 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, and 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 all valuations property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

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

2. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Tennes Parish Police Jury is the financial reporting entity for Tennes Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tennes Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- Appointing a voting majority of an organization's governing body, and
- The ability of the police jury to impose its will on the organization and/or
- The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

TEXAS PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Organizations for which the police jury does not appoint a voting majority but are financially dependent on the police jury.

Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Texas Parish Police Jury provides financial benefits to the sheriff such as maintaining the parish courthouse where the sheriff resides, the furnishing of certain furniture and fixtures, and providing of certain costs associated with the housing and feeding of prisoners, the sheriff was determined to be a component unit of the Texas Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

3. Fund Accounting

The sheriff uses funds and account groups to report on financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the sheriff are classified into two categories: governmental (general fund) and fiduciary (agency funds). These funds are described as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and is used to account 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 consist primarily of commissions on state revenue sharing, federal revenue funds, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

FIDUCIARY FUNDS

Agency Funds

The agency funds are used as depositories primarily for collections of civil suits, cash bonds, taxes, and fees. Disbursements from the funds are made to various parish agencies, taxpayers in suits, and others, 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.

TEYXAS PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Sheriff has the following 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 and fees. The Tax Collector Fund is used to collect and distribute these taxes to the appropriate taxing bodies.

DEBTS FUND

The Sheriff's fund is used as a depository primarily for collections of civil suits, cash bonds, fees and other costs. Disbursements from the fund are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law.

4- Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using a flow of current financial resources measurement basis. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting (except for the Tax Collector Agency Fund, which is prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting). The General Fund uses the following practices in recording revenues and expenditures:

Revenues

All valuations taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. All valuations taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the day the tax rolls are filed with the records of mortgages. Louisiana Revised Statute 47:1903 requires that the tax roll be filed on or before November 15 of each year. All valuations taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

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

Interest income on investments is recorded when the investments have matured and the income is available.

In accordance with the above criteria, fees, charges, and commissions for services and intergovernmental revenues are considered susceptible to accrual at year-end.

Expenditures

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

TERRELL PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Other Financing Sources (Use)

Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the sheriff.

3. Budget/Expenses

Proposed budgets for 1996 and 1997 were prepared on the modified accrual basis of accounting, and published in the official journal at least 11 days prior to the public hearing. Public hearings are held at the sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary.

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 balances.

Neither memorandum 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.

4. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, 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.

5. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost.

6. Compensated Absences

After one year of service, all employees are granted 10 days of vacation leave each year. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Long-Term Obligations

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

10. Total Columns on Balance Sheet

The total columns on the balance sheet - overview is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. The data in this column does not present financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - MANAGEMENT'S PLANS FOR FUTURE OPERATIONS

At June 30, 1997, the Tennessee Parish Sheriff has a general fund deficit in the amount of \$81,845. The sheriff is currently implementing a plan to eliminate this deficit over the next two fiscal years. During September 1997, the sheriff renegotiated a management agreement with a firm that owns the Tennessee Parish Detention Center which is currently managed by the Tennessee Parish Sheriff. The renegotiated agreement is expected to increase the Tennessee Parish Sheriff's revenues from leasing of prisoners. The sheriff's office is also currently negotiating with another privately owned firm which has plans to build a another correctional facility in Tennessee Parish that will be managed by the Tennessee Parish Sheriff. The Tennessee Parish Sheriff is also currently reviewing its operations to determine if certain expenses can be reduced or eliminated. As well, other sources of revenues such as grants and additional fees are being sought to increase revenue sources. Management believes that the increase in revenues from the sheriff's management of the existing, privately owned correctional facility and proposed facility, the cost reduction plans, and the seeking of additional revenue sources will be sufficient to eliminate the general fund's deficit over the next two fiscal years.

NOTE C - LEVIED TAXES

The following is a summary of Tennessee Parish's authorized and levied ad valorem taxes for 1997:

| <u>DESCRIPTION</u> | <u>Authorized</u> <u>Millage</u> | <u>Levied</u> <u>Millage</u> | <u>Expiration</u> <u>Date</u> |
|---------------------------------------|-------------------------------------|---------------------------------|----------------------------------|
| Parish Tax: | | | |
| General Ad Valorem Tax | 5.12 M | 3.15 M | NA |
| Sheriff's Office | 8.32 M | 8.32 M | NA |
| Health Unit | 2.8 M | 2.8 M | 2006 |
| Library | 4.88 M | 3.85 M | 2006 |
| School Constitutional | 2.84 M | 2.58 M | NA |
| School Special Maintenance | 6.86 M | 6.16 M | 2002 |
| School District 3 Special Maintenance | 18.85 M | 18.05 M | 2006 |
| Assessor | 4.75 M | 4.75 M | NA |

TERREBONNE PARISH SHERIFF
 St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
 June 30, 1997 and 1996

NOTE C - LEVIED TAXES - Continued

| Description | Authorized Millage | Levied Millage | Expiration Date |
|---------------------------------|-----------------------|-------------------|--------------------|
| Sheriff's Special | 10.00 M | 18.00 M | 2007 |
| Police Jury-Special Maintenance | 10.00 M | 18.00 M | 1997 |
| 5th Louisiana Levee District | 3.83 M | 3.83 M | N/A |
| Drainage District #1 | 4.80 M | 4.81 M | 2006 |
| Drainage District #2 | 3.04 M | 3.04 M | 2004 |
| Drainage District #3 | 3.68 M | 3.68 M | 2005 |
| Property Tax | 3.000000 | 3.000000 | N/A |
| Landfill, incinerator | 6.00 M | 6.00 M | 1997 |

NOTE D - CASH AND CASH EQUIVALENTS

At June 30, 1997 and 1996, the sheriff has cash and cash equivalents (bank balances) totaling \$261,518 and \$26,094 respectively, as follows:

| | 1997 | 1996 |
|----------------------------------|------------------|------------------|
| Cash on hand | \$ 200 | \$ 108 |
| Demand deposits | - | 950 |
| Interest-bearing demand deposits | 57,318 | 25,036 |
| | <u>\$ 57,518</u> | <u>\$ 26,094</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be covered 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. 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, 1997 and 1996, the sheriff has \$151,691 and \$148,134, respectively, in deposits (collected bank balances). These deposits are covered by Federal deposit insurance and pledged securities owned by the fiscal agent/bank.

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE E - RECEIVABLES

The General Fund receivables as of June 30, 1997 and 1996 are as follows:

| | 1997 | 1996 |
|--|-----------|------------|
| Ad valorem tax | \$ - | \$ 11,154 |
| Intergovernmental Revenue: | | |
| Grants - Federal, state & other | 1,189 | 4,220 |
| Inmate supplemental pay | - | 1,871 |
| State annual sharing | - | 6,470 |
| Fees, charges, and commissions for services: | | |
| Civil and criminal fees | 1,980 | 3,811 |
| Commissions on licenses & tax | 1,824 | 1,419 |
| Filing and keeping prisoners | 88,247 | 98,804 |
| Inmate canteen | 34 | 82 |
| Miscellaneous | 1,168 | 1,188 |
| | \$ 94,322 | \$ 113,268 |

NOTE F - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

| | OFFICE FURNITURE AND EQUIPMENT | LAW ENFORCEMENT EQUIPMENT | VEHICLES AND BOATS | TOTAL |
|------------------------|---|---------------------------------|--------------------------|------------|
| Balance, June 30, 1995 | \$ 30,080 | \$ 34,583 | \$ 196,219 | \$ 360,774 |
| Additions | 1,226 | 4,771 | 31,890 | 37,887 |
| Deductions | (20,951) | - | (80,894) | (101,845) |
| Balance, June 30, 1996 | 10,355 | 41,257 | 147,215 | 208,827 |
| Additions | 1,498 | 34,229 | 111,523 | 147,250 |
| Deductions | - | - | (18,128) | (18,128) |
| Balance, June 30, 1997 | \$ 11,853 | \$ 75,486 | \$ 238,610 | \$ 325,949 |

TEXAS PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE C - PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 30 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 3.0 per cent for each year of total service is at least 12 but less than 13 years, 2.75 per cent for each year of total service is at least 13 but less than 20 years, and 3 percent for each year of total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or partial 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 the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained in writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 3155, Monroe, Louisiana 71226, or by calling (504) 362-3774.

Funding Policy. Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Texas Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System also include one-half of one per cent of the taxes shown to be collectible by the tax rolls of each parish and parish is required and available from insurance premium taxes. The contribution requirements of plan members and the Texas Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employee 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 Texas Parish Sheriff's contributions to the System for the years ending June 30, 1997, 1996, and 1995 were \$51,811, 162,000, and 215,533, respectively, equal to the required contributions for each year.

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE 8 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Tennessee Parish Sheriff does provide certain health care and life insurance benefits for retired employees. The sheriff recognizes the cost of providing these postretirement health care and life insurance benefits as an expenditure when the monthly premiums are due which was \$4,739 and \$4,629 for the years ended June 30, 1997 and 1996, respectively.

NOTE 9 - CAPITAL LEASE OBLIGATIONS

The Tennessee Parish Sheriff records vehicles acquired through capital leases as an asset and an obligation in the accompanying financial statements. The following is a summary of the capital lease obligation transactions for the years ended June 30, 1997 and 1996:

| | |
|---|------------------|
| Capital Lease Obligations Payable at July 1, 1995 | \$ 60,000 |
| Additions | 31,000 |
| Reductions | <u>(32,000)</u> |
| Capital Lease Obligations Payable at June 30, 1996 | 61,704 |
| Additions | 55,910 |
| Reductions | <u>(55,810)</u> |
| Capital Lease Obligations Payable at June 30, 1997 | <u>\$ 61,804</u> |

The capital leases entered into during and for the years ended June 30, 1997 and 1996 are for patrol vehicles and radio equipment used in the sheriff's law enforcement operations. The payment terms of the capital leases range from 18 to 36 months at various interest rates ranging from 5.88% to 13.4%. All of the capital lease agreements contain non-appropriation clauses, therefore, in the event the insufficient funds are budgeted for the purposes of funding the capital lease obligations the sheriff (lessee) can terminate the lease arrangement with the lessor upon notification in writing.

Future minimum lease payments under the capital leases, together with the present value of net minimum lease payments as of June 30, 1997 and 1996 are scheduled as follows:

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE I - CAPITAL LEASE OBLIGATIONS - Continued

| | 1997 | 1996 |
|---|------------|-----------|
| Fiscal year: | | |
| 1987 | - | 44,640 |
| 1988 | 58,611 | 20,629 |
| 1989 | 10,338 | - |
| 2000 | 11,680 | - |
| Total minimum lease payments | 180,629 | 65,279 |
| Less - amount representing interest | (71,647) | (33,561) |
| Present value of net minimum lease payments | \$ 108,982 | \$ 31,718 |

NOTE J - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others for the years ended June 30, 1997 and 1996, follows:

| | 1997 | | | |
|--------------------|---------------------------------|--------------|--------------|------------------------------|
| | Balance Beginning of Year | Additions | Reductions | |
| Description | | | | |
| Tax Collector Fund | \$ 1,963 | \$ 2,364,830 | \$ 2,363,503 | \$ 4,390 |
| Sheriff's Fund | 8,826 | 308,318 | 286,663 | 19,321 |
| | \$ 11,789 | \$ 2,673,148 | \$ 2,650,166 | \$ 23,711 |
| 1996 | | | | |
| Description | Balance Beginning of Year | Additions | Reductions | Balance at End of Year |
| Tax Collector Fund | \$ 1,342 | 1,944,666 | 1,942,945 | 1,963 |
| Sheriff's Fund | 17,622 | 841,967 | 353,449 | 8,806 |
| | \$ 18,964 | \$ 2,486,633 | \$ 2,496,394 | \$ 11,769 |

TEXAS PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE K - NOTES PAYABLE

For the years ended June 30, 1997 and 1996, the Texas Parish Sheriff's office borrowed various short-term obligations at interest rates ranging from 5.2% to 6.9% for use in providing operating funds while awaiting the collection of Ad Valorem taxes and other anticipated revenues.

The following is a summary of notes payable as of June 30, 1997 and 1996:

| | <u>1997</u> | <u>1996</u> |
|--|-------------------|-------------------|
| Texas State Bank - Note payable dated April 22, 1995, due June 30, 1997 including interest at 6.0%. Note was paid in full along with interest in the amount of \$1,775 on July 3, 1997 | \$ 150,000 | \$ - |
| Texas State Bank - Note payable dated March 21, 1996, due June 30, 1996 including interest at 6.0%. Note was paid in full along with interest in the amount of \$2,461 on July 18, 1996. | _____ | 120,000 |
| | <u>\$ 150,000</u> | <u>\$ 120,000</u> |

NOTE L - TAXES PAID UNDER PROTEST

The unasserted balances due to taxing bodies and others at June 30, 1997 as reflected in Statement A, include \$4,104 of Ad Valorem taxes paid under protest, plus interest earned to date on the installment of these funds, totaling \$158. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

NOTE M - LITIGATION

The Sheriff's Office is involved in litigation at June 30, 1997. The Texas Parish Sheriff has been named as defendant in actions alleging civil rights violations. It is not possible at present for the Texas Parish Sheriff's legal counsel to predict the outcome or the range of potential loss, if any, that may result from these actions. No provision for any liability that may result has been made in the financial statements, nor has it been determined if the Texas Parish Sheriff's insurers will cover such losses that may result from these actions.

The other remaining lawsuits are considered to be within the Sheriff's insurance limits and therefore should not have any effect on its financial statements. The Texas Parish Sheriff is not aware of any claims or assessments which should be reflected in the accompanying financial statements.

TENSAS PARISH SHERIFF
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1997 and 1996

NOTE N - INSURANCE COVERAGE

The Tensas Parish Sheriff's Office participates in the Louisiana Sheriff's Risk Management Program which is a self insured program with respect to public liability insurance coverage. They also participate in the Louisiana Sheriff's Automobile Risk Program with respect to automobile insurance coverage. With respect to this insurance coverage, the Tensas Parish Sheriff's Office is contingently liable and could become liable in the unlikely event that all or any of the Tensas insurance companies, back, or programs which provide insurance coverage cancel, fail to renew or be unable to meet their obligations.

NOTE O - EXPENSES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse are paid by the Tensas Parish Police Jury. In addition, some of the furniture and fixtures used in the sheriff's office and the expenses of housing and feeding prisoners in the parish jail are also provided by the police jury.

SUPPLEMENTAL INFORMATION

PRINCIPAL FUNDS - AGENCY FUNDS

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana

SUPPLEMENTAL INFORMATION
June 30, 1997 and 1996

FIDUCIARY FUNDS – AGENCY FUNDS

TAX COLLECTOR FUND

Article V, Section 17 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute those taxes to the appropriate taxing bodies.

SHERIFF'S FUND

The Sheriff's Fund is used as a depository primarily for collection of civil suits, cash bonds, fees and other costs. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law.

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana

Schedule 1

PERMANENT FUNDS - AGENCY FUNDS
Combining Balance Sheet
June 30, 1997

| | AGENCY FUNDS | | |
|---------------------------------|-----------------|------------------|------------------|
| | TAX | | |
| | COLLECTION | SHERIFF | TOTAL |
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,188 | \$ 18,234 | \$ 22,424 |
| Accounts receivable | - | 87 | 87 |
| Total Assets | <u>\$ 4,188</u> | <u>\$ 18,321</u> | <u>\$ 22,601</u> |
| | | | |
| LIABILITIES | | | |
| Liabilities | | | |
| Due to Taxing Bodies and Others | \$ 4,188 | \$ 18,311 | \$ 22,601 |
| Total Liabilities | <u>\$ 4,188</u> | <u>\$ 18,311</u> | <u>\$ 22,601</u> |

TEXAS PARISH SHERIFF
St. Joseph, Louisiana

Schedule 1

FIDUCIARY FUNDS - AGENCY FUNDS
Combining Balance Sheet
June 30, 1996

| | <u>AGENCY FUNDS</u> | | |
|----------------------------------|---------------------|-----------------|------------------|
| | <u>Tax</u> | | |
| | <u>COLLECTION</u> | <u>SHERRY</u> | <u>TOTAL</u> |
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,960 | \$ 8,836 | \$ 10,796 |
| Total Assets | <u>\$ 1,960</u> | <u>\$ 8,836</u> | <u>\$ 10,796</u> |
| LIABILITIES | | | |
| Liabilities | | | |
| Due to Trusting Banks and Others | \$ 1,960 | \$ 8,836 | \$ 10,796 |
| Total Liabilities | <u>\$ 1,960</u> | <u>\$ 8,836</u> | <u>\$ 10,796</u> |

TERNSAS PARISH SHERIFF
St. Joseph, Louisiana
FIDUCIARY FUNDS - AGENCY FUNDS

Schedule 3

Schedule of Changes in Deposit Balances by Fund
Year Ended June 30, 1997

| | TAX COLLECTOR FUND | SHERIFF FUND |
|--|--------------------------|-----------------------|
| BALANCES, Beginning of Year | \$ 1,190 | \$ 1,400 |
| ADDITIONS | | |
| Sheriff's sale | - | 66,090 |
| Fines, bond forfeitures, and costs | - | 120,000 |
| Gratuities | - | 19,815 |
| Interest | - | 311 |
| Taxes, fees, etc., paid to tax collector | 2,358,820 | - |
| Total additions | <u>2,358,820</u> | <u>206,216</u> |
| Total | <u>2,360,010</u> | <u>211,116</u> |
| DEDUCTIONS | | |
| Deposits sent to: | | |
| Sheriff's General Fund | - | 88,840 |
| Police jury | - | 68,878 |
| State agencies | - | 9,828 |
| District attorney | - | 26,364 |
| Sixth Judicial District Court | - | 7,145 |
| Clerk of court | - | 14,315 |
| Clerk of jail | - | 11,450 |
| Indigent defender board | - | 29,847 |
| Attorneys, indigent, appraisers, etc. | - | 58,645 |
| Other settlements | - | 771 |
| Other deductions: | | |
| Refunded bonds | - | 13,160 |
| MOI checks | - | 672 |
| Restitutions | - | 584 |
| Taxes, fees, etc., distributed to taxing bodies and others | 2,082,500 | - |
| Total deductions | <u>2,082,500</u> | <u>296,800</u> |
| BALANCES, End of Year | \$ 1,110 | \$ 18,316 |

TENNESSEE PARISH SHERIFF
St. Joseph, Louisiana
FIDUCIARY FUNDS - AGENCY FUNDS

Schedule 4

Schedule of Changes in Deposit Balances by Fund
Year Ended June 30, 1996

| | TAX COLLECTOR FUND | SHERIFF FUND |
|---|--------------------------|-----------------------|
| | <u> </u> | <u> </u> |
| BALANCES, Beginning of Year | \$ 1,282 | \$ 17,611 |
| ADDITIONS: | | |
| Sheriff's sale | - | 305,291 |
| Fines, bond forfeitures, and costs | - | 31,841 |
| Quasi-judicial | - | 14,888 |
| Interest | - | 972 |
| Taxes, fees, etc., paid to tax collector | <u>1,548,060</u> | <u> </u> |
| Total additions | <u>1,548,060</u> | <u>352,992</u> |
| Total | <u>1,549,342</u> | <u>370,603</u> |
| REDUCTIONS: | | |
| Deposits credited to: | | |
| Sheriff's General Fund | - | 57,112 |
| Police jury | - | 89,687 |
| State agencies | - | 11,358 |
| District attorney | - | 28,879 |
| Sixth Judicial District Court | - | 6,789 |
| Clerk of court | - | 18,748 |
| Crown lab | - | 11,297 |
| Judgment delinquent board | - | 21,168 |
| Attorneys, appraisers, etc. | - | 271,150 |
| Other institutions | - | 28,817 |
| Other reductions: | | |
| Exclosures | - | 1,110 |
| Expended funds | - | 2,758 |
| NSF checks | - | 558 |
| Taxes, fees, etc., distributed to taxing bodies and others | <u>1,841,960</u> | <u> </u> |
| Total reductions | <u>1,841,960</u> | <u>380,682</u> |
| BALANCES, End of Year | \$ 1,282 | \$ 3,921 |

**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

WATERSPACE & ASSOCIATES
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the general purpose financial statements of Tensas Parish Sheriff, component unit of Tensas Parish Police Jury, as of and for the two years ended June 30, 1997. Except as discussed in our report dated March 14, 1998, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Tensas Parish Sheriff's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 93-1 through 93-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tensas Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and are to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Tensas Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-1 through 97-8.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 97-1 through 97-8 to be material weaknesses.

This report is intended for the information of the management of Texas Parish State, the Legislative Auditor and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

Waggoner & Associates (P.A.C.)

6616 Lake, Louisiana

March 21, 1994

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 1997 and 1998

90-1 UNTIMELY COMPLETION AND FILING OF AUDIT REPORT

Louisiana Statutes require that the sheriff's office complete and file its audit report for the two year period ending June 30, 1997 within six months after June 30, 1997. This would require the Sheriff's office to complete and file the audit report by December 31, 1997. The Sheriff's office failed to meet this deadline requirement.

We recommended that the Sheriff's office implement procedures to ensure the timely completion of its audit and meet the required deadline to the future.

Management of the sheriff's office concurs with the finding. Management of the Sheriff's office did not timely complete the audit due to delays encountered as a result of an investigative audit being performed by the Legislative Auditor and due to delays encountered with resolving the financial audit issues with its external auditors. Management of the Sheriff's office requested that we allow three additional time to gather supporting documentation to substantiate some questioned costs noted during fieldwork. Management of the Sheriff's office does not expect any delays during future audits and will take steps necessary to ensure that all future audits are completed on time.

91-2 BUDGET AMENDMENTS

Louisiana Statutes require that the sheriff's office amend its operating budget when the final balance is budgeted and there is a 5% unfavorable variance in revenues and expenditures. For the years ended June 30, 1997 and 1998 the sheriff's office failed to meet this requirement and the budget was not amended.

We recommended that management of the sheriff's office monitor more closely budget to actual statements during the year and comply with this requirement.

Management of the sheriff's office concurs with the finding. Management of the Sheriff's office was aware of the budget variances and was monitoring the amounts on a monthly basis; however, the sheriff's office chose not to amend the budget and adopt the amended budget for publication.

92-3 SEGREGATION OF DUTIES

Due to the size of the Terrebonne Parish Sheriff's administrative and accounting staff, there is an insufficient segregation of duties to have an effective internal control.

Since the cost of an internal control system should not outweigh the benefits derived from it, we can only recommend that the sheriff's office consider and analyze the costs versus the benefits associated with hiring additional administrative/accounting personnel.

Management of the Sheriff's office concurs with the finding. Due to the budget and staff limitations, no action will be taken at this time.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
June 30, 1997 and 1998

50-4 NEED TO IMPROVE CONTROLS OVER CREDIT CARD USAGE

Our review of credit card statements and credit card payment disbursements disclosed that a significant amount of these charges are not supported by documentation or receipts. A significant amount of questionable credit card charges include cash advances which are not supported by receipts or other forms of documentation necessary to substantiate the expenditures.

Management of the Sheriff's office should insure that all credit card charges be supported by the receipts and documentation as to the purpose, place and time of the expenditure, and explanation of the related business purpose before any disbursements is made to pay for the credit card charge.

Management of the sheriff's office is in the process of trying to gather the needed supporting documentation to support the expenditures charged and incurred during the audit period. Management of the sheriff's office has implemented the additional policies and procedures to ensure that all credit card charges are supported by a receipt and other forms of documentation necessary to substantiate the expenditures.

50-5 NEED TO IMPROVE CONTROLS OVER TRAVEL EXPENSE DISBURSEMENTS

Our review of travel expenses indicate an inconsistent policy with respect to amounts reimbursed to employees as well as travel expenses paid for employees who may travel on office business.

Management of the sheriff's office should establish policies and procedures with respect to reimbursements and payments of travel expenditures. Legal counsel should be consulted to determine the allowable reimbursement or travel expense amounts in compliance with state statutes. After consulting with legal counsel, the sheriff's office should implement policies and procedures and determine allowable travel expense amounts. The travel amounts should cover meals, lodging, mileage reimbursements, and other related travel expenses.

Management of the sheriff's office concurs with the finding. They have consulted with legal counsel to determine the statutory requirements and have implemented new policies and procedures in order to improve controls with respect to travel expense disbursements.

51-6 NEED TO CONDUCT PHYSICAL INVENTORY OF FIXED ASSETS

Our review of fixed assets indicated that a complete physical inventory of the movable property is not being performed on an annual basis.

Management of the sheriff's office should conduct a physical inventory of the non-movable property once a year. A listing of assets is being maintained and updated as assets are purchased and sold; however, a physical inventory is not being conducted on an annual basis. The physical inventory is needed in order to track and update the location of movable property. It will assist the office with the disposal of scrapped equipment. The physical inventory should include a description of the property, manufacturer's serial number, if any, description and location of the identification mark, original cost of the property, and principal place where the property is housed, garaged, stored, or used.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
June 30, 1997 and 1996

Management of the sheriff's office concurs with the finding. Due to staff limitations and time constraints, the sheriff's office has not been able to take a physical inventory of all property on an annual basis. The management of the sheriff's office will dedicate the necessary staff time needed to perform the physical inventory during the upcoming year.

50-7 NEED TO DOCUMENT SPECIAL INVESTIGATION EXPENDITURES

Our review of special investigation expenditures indicated that controls and procedures with respect to such disbursements amount to special investigations need to be improved.

Management of the sheriff's office should better document the usage of special investigation money. Control and procedures should be improved in order to better document and substantiate all special investigation expenditures.

Management of the sheriff's office concurs with the finding. Due to the fact that under-cover investigations involve informants and other sensitive subject matters, it is sometimes difficult to get receipts or documentation to support the expenditures. However, all investigators have been instructed to get receipts and other necessary documentation needed to support the expenditures. A logbook will also be used to record all necessary information pertaining to the use of such expenditures in an investigation.

51-4 NEED TO PROPERLY MONITOR AND RECORD LEAVE BENEFITS

Our review of payroll records and discussions with the management of the sheriff's office indicate that controls over payroll as it relates to monitoring and recording leave benefits needs to be improved.

Management of the sheriff's office should establish policies and procedures with respect to monitoring overtime hours earned by salaried employees. Accrual balances should be established to record accrued leave benefits. Before establishing any procedures, we recommend that management of the sheriff's office contact it's legal counsel and the U.S. Department of Labor to ensure compliance with all applicable requirements.

Management of the sheriff's office indicated that they will contact legal counsel and perform research as to all the applicable requirements. After the requirements are outlined they will implement policies and procedures necessary to ensure compliance with the applicable requirements.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 1997 and 1996

LOCAL GOVERNMENT BUDGET ACT

Condition: The Tensas Parish Sheriff's office did not amend its general fund budget for the years ended June 30, 1993 and 1994. The Tensas Parish Sheriff's Office failed to comply with Louisiana Statutes that require the Sheriff to amend the budget when actual expenditures plus projected expenditures for the remainder of the year exceed budget expenditures by five (5) percent or more. Annually, the sheriff's office failed to amend its budget when the actual beginning fund balance failed to meet the estimated beginning fund balance by five (5) percent or more.

Current Status: This finding still applies and is noted in the current audit for years ending June 30, 1997 and 1996. (See current finding noted as 99-1)