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**JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana**

**Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedules**

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

Release Date **FEB 26 1997**

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Financial Statements
and Independent Auditors' Reports
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedules

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KRIELOW, GILLESPIE & CO.

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

HONORABLE RICHARD EDWARDS, JR.
JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

We have audited the accompanying general purpose financial statements of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of the Jefferson Davis Parish Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jefferson Davis Parish Sheriff, as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Jefferson Davis 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, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
December 23, 1996

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
As of June 30, 1996

	Governmental Fund - General Fund	Fiduciary Funds - Agency Funds	Account Groups		Total (Memorandum Only)
			General Fixed Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS					
Assets and Other Debits:					
Cash	\$ 285,666	\$ 441,184	\$ 0	\$ 0	\$ 726,850
Receivables	60,790	0	0	0	60,790
Due from other funds	32,800	0	0	0	32,800
Due from taxing bodies and others	4,895	0	0	0	4,895
Equipment	0	0	569,708	0	569,708
Prepaid items	11,542	0	0	0	11,542
Amount to be provided for retirement of general long-term obligations	0	0	0	31,477	31,477
Amount to be provided for retirement of certificate of indebtedness	0	0	0	200,000	200,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>200,000</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 395,693</u>	<u>\$ 441,184</u>	<u>\$ 569,708</u>	<u>\$ 231,477</u>	<u>\$ 1,638,062</u>
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities:					
Revenue anticipation notes payable	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 200,000
Accounts, salaries, and withholdings payable	44,652	0	0	0	44,652
Due to other funds	0	32,800	0	0	32,800
Due to taxing bodies and others	0	408,384	0	0	408,384
Capital leases payable	0	0	0	31,477	31,477
Total Liabilities	<u>\$ 44,652</u>	<u>\$ 441,184</u>	<u>\$ 0</u>	<u>\$ 231,477</u>	<u>\$ 717,313</u>
Equity and Other Credits:					
Investment in general fixed assets	\$ 0	\$ 0	\$ 569,708	\$ 0	\$ 569,708
Fund Balances:					
Reserved for drug enforcement	105,549	0	0	0	105,549
Reserved for prepaid items	11,542	0	0	0	11,542
Unreserved - undesignated	233,950	0	0	0	233,950
Total Equity and Other Credits	<u>\$ 351,041</u>	<u>\$ 0</u>	<u>\$ 569,708</u>	<u>\$ 0</u>	<u>\$ 920,749</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 395,693</u>	<u>\$ 441,184</u>	<u>\$ 569,708</u>	<u>\$ 231,477</u>	<u>\$ 1,638,062</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

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

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes	\$ 889,262	\$ 889,002	(\$ 260)
Intergovernmental revenues:			
Federal grants	0	3,139	3,139
State grants	1,936	43,851	41,915
State supplemental pay	82,831	95,871	13,040
District Attorney-LACE	30,520	32,685	2,165
Parish-911 District	160,510	158,347	(2,163)
Other	6,703	14,795	8,092
Fees, charges, and commissions for services:			
Commissions on licenses, etc.	36,814	44,092	7,278
Civil and criminal fees	61,141	64,851	3,710
Commissions on state revenues sharing	65,418	65,420	2
Court attendance	2,840	3,232	392
Transporting prisoners	9,074	7,843	(1,231)
Feeding and keeping prisoners	183,687	192,460	8,773
Commissary sales to inmates	0	13,878	13,878
Commissions on fines and other forfeitures	124,922	110,692	(14,230)
Other	33,803	32,059	(1,744)
Fines and forfeitures:			
Drug related fines and forfeitures	221,222	190,772	(30,450)
Bond, fines and other forfeitures	81,707	86,507	4,800
Use of money and property:			
Interest	5,305	8,643	3,338
Commissions on phones	5,464	7,190	1,726
Vehicle storage	1,516	8,136	6,620
Miscellaneous	9,747	20,832	11,085
Total revenues	\$ 2,014,422	\$ 2,094,297	\$ 79,875
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	\$ 1,359,801	\$ 1,407,012	(\$ 47,211)
Operating services	308,839	294,046	14,793
Materials and supplies	268,681	261,191	7,490
Other	19,918	23,815	(3,897)
Debt service:			
Principal	0	38,208	(38,208)
Interest	21,513	25,500	(3,987)
Capital outlay	57,176	25,517	31,659
Intergovernment:			
Retirement deducted from tax collections	12,500	13,324	(824)
Total expenditures	\$ 2,048,428	\$ 2,088,613	(\$ 40,185)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$ 34,006)	\$ 5,684	\$ 39,690
OTHER FINANCING SOURCES			
Proceeds from certificate of indebtedness	\$ 0	\$ 200,000	\$ 200,000
Proceeds from sale of general fixed assets	0	25,700	25,700
Compensation for loss or damage of assets	27,193	23,592	(3,601)
Total other financing sources	\$ 27,193	\$ 249,292	\$ 222,099
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(\$ 6,813)	\$ 254,976	\$ 261,789
FUND BALANCE AT BEGINNING OF YEAR	96,065	96,065	0
FUND BALANCE AT END OF YEAR	\$ 89,252	\$ 351,041	\$ 261,789

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 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 exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Jefferson Davis 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.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis 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 the 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.

Government Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Jefferson Davis 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:

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

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. 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 sheriff is considered to be fiscally dependent on the police jury and exclusion of its data from the financial statements of the police jury would create misleading or incomplete financial statements, the sheriff was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The sheriff uses funds and account groups to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating 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 resources.

Funds of the sheriff are classified into two categories: governmental (General Fund) and fiduciary (Agency Funds). These funds are described as follows:

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 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.

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. The Tax Collector Agency Fund included in the accompanying financial statements is reported for the year ending June 30, 1996.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

D. 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 focus. The accompanying 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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

State grants are recorded when the sheriff is entitled to the funds.

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

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available to the sheriff.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources

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.

E. BUDGET PRACTICES

The proposed budget for 1996 was made available for public inspection on June 15, 1995. 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 Jefferson Davis Parish Sheriff's office on June 24, 1995, 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.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

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

F. ENCUMBRANCES

The sheriff does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time 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.

H. 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 if historical cost is not available. Approximately 20 per cent of fixed asset costs have been estimated.

I. COMPENSATED ABSENCES

All employees who have completed 12 months of service receive 10 days vacation leave each year. Vacation leave does not accumulate or vest. Each instance of sick leave is handled on an individual basis at the discretion of the sheriff.

J. 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.

K. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

L. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 1996, general fund expenditures exceeded appropriations by \$40,185. This over expenditure was funded by additional revenues and other sources occurring during the year.

2. LEVIED TAXES

A summary of authorized and levied ad valorem taxes follows:

	Authorized Millage	Levied Millage	Expiration Date
Law enforcement:			
Constitutional	5.6	5.6	NONE
Special	5.37	5.37	2000

3. CASH

At June 30, 1996, the sheriff has cash (book balances) totaling \$726,850 as follows:

Cash on hand	\$	1,100
Demand deposits		429,900
Interest-bearing demand deposits		295,850
Total	\$	726,850

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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, 1996, the sheriff has \$769,492 in deposits (collected bank balances). These deposits are secured from risk by \$303,717 of federal deposit insurance and \$442,452 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Therefore, as of June 30, 1996, the collected bank balances were unsecured in the amount of \$23,323.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

4. RECEIVABLES

Accounts receivable at June 30, 1996, in the General Fund are as follows:

Class of Receivable

Intergovernmental:	
State	\$ 7,434
State supplemental pay	4,929
Other	21,367
Fees, charges, and commissions for services:	
Civil & criminal fees	7,171
Court attendance	272
Feeding & keeping prisoners	12,585
Use of money and property:	
Commission on phones	603
Miscellaneous	<u>6,429</u>
Total	<u>\$ 60,790</u>

5. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 1996, are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 32,800	\$ 0
Agency Funds:		
Tax Collector	0	26,506
Bond	<u>0</u>	<u>6,294</u>
Total	<u>\$ 32,800</u>	<u>\$ 32,800</u>

6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets (equipment) follows:

Balance, July 1, 1995	\$ 623,615
Additions	26,069
Deletions	<u>(79,976)</u>
Balance, June 30, 1996	<u>\$ 569,708</u>

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

7. PENSION PLAN

Plan Description. Substantially all employees of the Jefferson Davis 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.

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 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent for each year if total service is at least 12 but less than 15 years, 2.75 percent for each year if total service is at least 15 but less than 20 years, and 3 percent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Funding Policy. Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Jefferson Davis Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 6.0 percent of annual covered payroll. Contributions to the system also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Jefferson Davis Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised statute 11:103, the employer contributions are determined by actuarially valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jefferson Davis Parish Sheriff's contributions to the System for the years ending June 30, 1996, 1995, and 1994, were \$58,016, \$53,390, and \$47,941, respectively, equal to the required contributions for each year.

8. OTHER POST EMPLOYMENT BENEFITS

The sheriff does not provide other post employment benefits for its retired employees.

9. LEASES

The sheriff records assets acquired through capital leases as an asset and an obligation in the accompanying financial statements. The sheriff has several capital lease agreements to finance the acquisition of computer equipment and automobiles.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

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

	<u>Equipment</u>
Fiscal year:	
1996-97	\$ 32,502
Net minimum lease payments	\$ 32,502
Less - amount representing interest	(1,025)
Present value of net minimum lease payments	\$ 31,477

The sheriff also has operating leases for copiers and a maintenance lease on the computer.

The minimum annual commitments under the operating lease and the maintenance lease are as follows:

	<u>Maintenance</u>
Fiscal year:	
1996-97	\$ 5,453
1997-98	5,453
1998-99	3,497
1999-00	3,497
2000-01	292
Total	\$ 18,192

10. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	<u>Civil</u>	<u>Tax Collector</u>	<u>Bonds and Fines</u>	<u>Inmate</u>	<u>Prisoner Work Release</u>	<u>Total</u>
Balance at July 1, 1995	\$ 0	\$ 156,584	\$ 100,714	\$ 2,054	\$ 18,247	\$ 277,599
Increases	138,117	8,171,889	1,023,559	33,446	7,344	9,374,355
Decreases	(138,117)	(8,032,623)	(983,315)	(34,841)	(21,874)	(9,210,770)
Balance June 30, 1996	\$ 0	\$ 295,850	\$ 140,958	\$ 659	\$ 3,717	\$ 441,184

11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year ended June 30, 1996:

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

	Certificate of Indebtedness (See Below)	Capital Leases (Note 9)	Total
Long-term obligations payable at July 1, 1995	\$ 0	\$ 77,536	\$ 77,536
Additions	200,000	0	200,000
Deductions	(0)	(46,059)	(46,059)
Long-term obligations payable at June 30, 1996	<u>\$ 200,000</u>	<u>\$ 31,477</u>	<u>\$ 231,477</u>

Following is a summary of long-term debt principal maturities and interest requirements:

<u>Fiscal Year</u>	Certificate of Indebtedness (See Below)	Capital Leases (Note 9)	Total
1996-97	\$ 59,512	\$ 32,502	\$ 92,014
1997-98	57,725	0	57,725
1998-99	55,150	0	55,150
1999-00	52,575	0	52,575
2000-01	0	0	0
Total	\$ 224,962	\$ 32,502	\$ 257,464
Less Interest	<u>24,962</u>	<u>1,025</u>	<u>25,987</u>
Outstanding Principal	<u>\$ 200,000</u>	<u>\$ 31,477</u>	<u>\$ 231,477</u>

The Certificate of Indebtedness, Series 1996, was issued on May 1, 1996, in the amount of \$200,000 for the purpose of paying a portion of the cost of acquiring patrol cars, specialty vehicles and equipment, upgrading computer system, telephone, and communications equipment. This debt is secured by a pledge or dedication of the excess annual revenues above statutory, necessary and usual charges of the Law Enforcement District of the Parish of Jefferson Davis, State of Louisiana. The debt was issued in accordance with the requirements and provisions of LA R.S. 33:2921-2925 with the approval of the Louisiana State Bond Commission. The certificates bear interest at a rate of 5.15% per annum, with semiannual payment of interest and annual serial payments of principal beginning from date of issuance.

12. RESERVED FUND BALANCE

A portion of the fund balance of the General Fund, \$105,549, has been reserved for drug law enforcement. This balance represents seizures from criminal activities. Louisiana Revised Statute 40:2616.B(3.a) requires such proceeds to be used in drug law enforcement.

13. LITIGATION AND CLAIMS

At June 30, 1996, the sheriff is involved in 25 lawsuits and 4 asserted claims. In the opinion of the sheriff's legal counsel, the ultimate resolution of 18 of these suits would not create a liability to the sheriff in excess of existing insurance

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

coverage. For the remaining 7 suits, in the opinion of the sheriff's legal counsel, an unfavorable outcome in all of the suits is reasonably possible. The sheriff's legal counsel has estimated a potential loss of a minimal amount to \$20,000; however, the ultimate outcome of the litigation cannot presently be determined. Accordingly, no provision for any liability that may result upon adjudication has been made in the accompanying financial statements.

**14. EXPENDITURES OF THE SHERIFF'S OFFICE
PAID BY THE PARISH POLICE JURY**

Certain operating expenditures of the sheriff's office are paid by the parish police jury and are not included in the accompanying financial statements. The parish police jury is required by law to pay the medical expenses of parish prisoners and provide for the maintenance of the jail.

15. SUBSEQUENT EVENT

During July of 1996 the sheriff borrowed \$430,000 in a revenue anticipation note payable to Premier Bank, National Association of Baton Rouge, Louisiana. This note was issued on July 8, 1996, and was payable on March 3, 1997 along with interest at 5.05%.

16. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and other in the agency funds at June 30, 1996, as reflected on the combined balance sheet on page 3, include \$65,450 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$4,125. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

17. EXPENDITURE RECLASSIFICATIONS

As of June 30, 1996, deputy liability insurance and group insurance are reflected in the financial statements as personal services and benefits expenditures. These reclassifications in financial statement captions caused the following effect for the current year:

	<u>Increase</u> <u>(Decrease)</u>
Personal Services and Benefits	\$ 209,076
Material and Supplies	(74,806)
Operating Services	(134,270)

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana
COMBINING FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 1996

FIDUCIARY FUNDS - AGENCY FUNDS

CIVIL FUND

The Civil Fund accounts for funds held in civil suits, sheriff's sales, and garnishments and payments of these collections to the recipients in accordance with applicable law.

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 and fees to the appropriate taxing bodies.

BONDS AND FINES FUND

The Bonds and Fines Fund accounts for the collection of bonds, fines, and costs and payments of these collections to the sheriff's General Fund and other recipients in accordance with applicable law.

INMATE FUND

The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

PRISONER WORK RELEASE FUND

The Prisoner Work Release Fund accounts for the collection of inmate wages and the disbursement of those collections in accordance with R.S. 15:711 to 15:711.1.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING BALANCE SHEET
As of June 30, 1996

	<u>Tax Collector</u>	<u>Bonds and Fines</u>	<u>Inmate</u>	<u>Prisoner Work Release</u>	<u>Total</u>
ASSETS					
Cash	\$ 295,850	\$ 140,958	\$ 659	\$ 3,717	\$ 441,184
Due from other funds	0	0	0	0	0
Due from taxing bodies and others	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 295,850</u>	<u>\$ 140,958</u>	<u>\$ 659</u>	<u>\$ 3,717</u>	<u>\$ 441,184</u>
LIABILITIES					
Due to other funds	\$ 26,506	\$ 6,294	\$ 0	\$ 0	\$ 32,800
Due to taxing bodies and others	<u>269,344</u>	<u>134,664</u>	<u>659</u>	<u>3,717</u>	<u>408,384</u>
TOTAL LIABILITIES	<u>\$ 295,850</u>	<u>\$ 140,958</u>	<u>\$ 659</u>	<u>\$ 3,717</u>	<u>\$ 441,184</u>

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES, OTHERS, AND OTHER FUNDS
For the Year Ended June 30, 1996

	<u>Civil</u>	<u>Tax Collector</u>	<u>Bonds and Fines</u>	<u>Inmate</u>	<u>Prisoner Work Release</u>	<u>Total</u>
BALANCES AT BEGINNING OF YEAR	\$ 0	\$ 156,584	\$ 100,714	\$ 2,054	\$ 18,247	\$ 277,599
INCREASES						
Deposits:						
Sheriff's sales, suits and seizures	\$ 58,963	\$ 0	\$ 0	\$ 0	\$ 0	\$ 58,963
Bonds, fines and costs	32,282	0	1,023,559	0	0	1,055,841
Garnishments	46,872	0	0	0	0	46,872
Other deposits	0	0	0	33,446	7,344	40,790
Taxes, fees, etc., paid to tax collector	0	8,171,889	0	0	0	8,171,889
Total additions	<u>\$ 138,117</u>	<u>\$ 8,171,889</u>	<u>\$ 1,023,559</u>	<u>\$ 33,446</u>	<u>\$ 7,344</u>	<u>\$ 9,374,355</u>
DECREASES						
Deposits settled to:						
Sheriff's general fund	\$ 24,443	\$ 0	\$ 124,495	\$ 11,688	\$ 10,937	\$ 171,563
Police jury	0	0	363,700	0	10,937	374,637
District attorney	0	0	125,458	0	0	125,458
Clerk of court	9,560	0	69,359	0	0	78,919
Indigent defender board	0	0	176,635	0	0	176,635
Attorneys, appraisers, litigants, etc.	104,114	0	0	0	0	104,114
Other settlements	0	0	123,668	0	0	123,668
Taxes, fees, etc., distributed to taxing bodies and others	0	8,032,623	0	0	0	8,032,623
Other decreases	0	0	0	23,153	0	23,153
Total decreases	<u>\$ 138,117</u>	<u>\$ 8,032,623</u>	<u>\$ 983,315</u>	<u>\$ 34,841</u>	<u>\$ 21,874</u>	<u>\$ 9,210,770</u>
BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 295,850</u>	<u>\$ 140,958</u>	<u>\$ 659</u>	<u>\$ 3,717</u>	<u>\$ 441,184</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

PRIOR YEAR AUDIT COMMENTS

CONDITION

The auditee is not maintaining adequate records in the area of fiduciary fund liabilities for amounts held in escrow for cash bonds and fines. It is important that records be properly maintained in this area to ensure that money held in a fiduciary capacity is available for payment in the future and that it is accurately distributed to the proper recipients upon disposition. This condition also existed during the previous audit period.

During our evaluation of the control procedures in this area we noted that cash available for payment of fiduciary liabilities was short. Additional procedures in this area lead us to conclude that various governments and agencies had been erroneously overpaid during the year. The total overpayments amounted to \$61,690. The auditee was not aware of this error until discovered by the auditors. As of June 30, 1996, this overpayment amount has been recovered from the various governments and other agencies.

RECOMMENDATION

Subsidiary ledgers of outstanding amounts held in escrow should be maintained at all times. These ledgers should be reconciled to the general ledger and cash accounts on at least a monthly basis. Appropriate monthly journal information should also be maintained and should provide the individual transaction and aggregate monthly totals for all increases and decreases in these subsidiary ledgers. The auditee may also want to include cross-referencing information to the subsidiaries to indicate case number, file number, or other appropriate information to provide an audit trail for tracing the current disposition of funds. All computer printouts of general ledgers, daily receipts, traffic transfers, and disbursements should be maintained in binders.

AUDITEE RESPONSE

We are presently in the process of implementing reconciling and record retention procedures in order to comply with the recommendations suggested by the auditors. We have recovered the erroneous overpayments made during the previous year to the various governments and other agencies.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition described above is a material weakness in the internal control and its operation. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Jefferson Davis Parish Sheriff, for the year ended June 30, 1996.

This report is intended for the information of the sheriff, his management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
December 23, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

HONORABLE RICHARD EDWARDS, JR.
JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana

We have audited the financial statements of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Jefferson Davis Parish Sheriff, is the responsibility of the Jefferson Davis Parish Sheriff's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Jefferson Davis Parish Sheriff's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Sheriff, his management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
December 23, 1996