



MANAGEMENT LETTER

HONORABLE LARRY C. DEEN
BOSSIER PARISH SHERIFF
Benton, Louisiana

In planning and performing my audit of the Bossier Parish Sheriff's financial statements for the year ended June 30, 1996 a certain matter came to my attention which I feel should be conveyed to management of the sheriff. This matter, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, is an item which I feel should be brought to your attention.

Bank Deposits Should Be Fully Secured

At June 30, 1996, deposits with one financial institution were not adequately covered by federal deposit insurance or the pledge of bank owned securities. Louisiana Revised Statutes (LRS) 39:1225 requires that the sheriff's bank deposits be fully secured at all times by either federal deposit insurance or pledged securities owned by the bank. I recommend that the sheriff notify the bank in the future when total deposits exceed total federal deposit insurance and pledged securities.

GENERAL

I am available to assist you with any problems or questions you may have concerning the above or any other matters.

Respectfully,

Vernon R. Coon
December 30, 1996

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BOSSIER PARISH SHERIFF
Benton, Louisiana
Independent Auditor's Report
on Internal Control Structure,
June 30, 1996

Recommendation: Personnel responsible for reviewing and approving invoices for payment should have adequate documentation available to determine that charges are correct and reasonable.

Management's Response: The sheriff stated that individuals responsible for reviewing invoices for payment approval would ensure that such payments are adequately supported before payment is approved.

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.

My 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, I do not believe the reportable conditions described above to be material weaknesses.

This report is intended for the information of the Bossier Parish Sheriff, management of the sheriff's office, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
December 30, 1996

BOSSIER PARISH SHERIFF
Benton, Louisiana
Independent Auditor's Report
on Internal Control Structure,
June 30, 1996

In planning and performing my audit of the general purpose financial statements of the Bossier Parish Sheriff for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

**Payroll Withholdings Accounts
Should Be Reconciled**

Finding: At June 30, 1996, the sheriff's withholdings accounts had a combined unidentified debit balance of \$128,106. Payroll deduct accounts are "credit balance" accounts that should zero out periodically. These accounts accumulated large balances because they were not reconciled to actual liabilities.

Recommendation: I recommend that the accounts be reconciled on a monthly basis.

Management's Response: The sheriff stated that the payroll withholding accounts would be reconciled on a monthly/quarterly basis, as appropriate, to ensure that no unidentified balances are reflected in the accounts.

**Expenditures Should be
Adequately Supported**

Finding: My test of expenditures disclosed that some expenditures are not adequately supported. On expenditure of \$30,000 was for publishing legal notices. The invoice stated only "delinquent taxes/1996 , quantity 1, amount 30,000.00." Charges for legal notices are normally by the inch. Sufficient documentation should be available to determine that such charges are correct.



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Independent Auditor's Report on Internal Control Structure

HONORABLE LARRY C. DEEN
BOSSIER PARISH SHERIFF
Benton, Louisiana

I have audited the general purpose financial statements of the Bossier Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated December 30, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Bossier Parish Sheriff is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

HONORABLE LARRY C. DEEN
BOSSIER PARISH SHERIFF
Benton, Louisiana
Independent Auditor's Report
on Compliance, etc.,
June 30, 1996

Need to Amend Budget

Finding: The sheriff did not amend the budget as required by state law. Louisiana Revised Statute (LRS) 39:1310 requires that the General Fund budget be amended when actual expenditures exceed budgeted amounts by 5 per cent or more. For the year ended June 30, 1996, total expenditures exceeded budgeted amounts by 9 per cent.


Recommendation: The sheriff should monitor actual and budgeted expenditures and make amendments to the budget, when necessary, to comply with applicable laws and control financial operations of the office.

Management's Response: The sheriff has stated the budget will be monitored and amended when necessary to comply with LRS 39:1310.

I considered this instance of noncompliance in forming my opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated December 30, 1996 on those general purpose financial statements.

I also noted a certain immaterial instance of noncompliance that I have reported to management of the Bossier Parish Sheriff in a separate letter dated December 30, 1996.

This report is intended for the information of the Bossier Parish Sheriff, management of the sheriff's office, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.


West Monroe, Louisiana
December 30, 1996



**Independent Auditor's Report on Compliance
With Laws, Regulations, Contracts, and Grants**

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HONORABLE LARRY C. DEEN
BOSSIER PARISH SHERIFF
Benton, Louisiana

I have audited the general purpose financial statements of the Bossier Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated December 30, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*.

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**Independent Auditor's Reports on Compliance
with Laws, Regulations, Contracts, and Grants,
and Internal Control Structure**

The following independent auditor's reports on compliance with laws, regulations, contracts, and grants and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

BOSSIER PARISH SHERIFF
Benton, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 1996

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	INMATE FUND	COMMISSARY FUND	TOTAL
UNSETTLED BALANCES AT BEGINNING OF YEAR	<u>\$167,011</u>	<u>\$187,177</u>	<u>\$287,765</u>	<u>\$5,801</u>	NONE	<u>\$647,754</u>
ADDITIONS						
Deposits:						
Sheriff's sales		558,806				558,806
Bonds, Fines and costs			1,524,508			1,524,508
Garnishments		166,269				166,269
Other deposits				147,463		147,463
Taxes, fees, etc., paid to tax collector	20,214,598					20,214,598
Other additions		3,165	25,142		\$39,694	68,001
Total additions	<u>20,214,598</u>	<u>728,240</u>	<u>1,549,650</u>	<u>147,463</u>	<u>39,694</u>	<u>22,679,645</u>
Total	<u>20,381,609</u>	<u>915,417</u>	<u>1,837,415</u>	<u>153,264</u>	<u>39,694</u>	<u>23,327,399</u>
REDUCTIONS						
Taxes, fees, etc., distributed to taxing bodies and others	20,286,339					20,286,339
Deposits settled to:						
Sheriff's General Fund		158,016	153,686			311,702
Police jury			407,193			407,193
District attorney			129,214			129,214
Clerk of court		34,346	57,418			91,764
Indigent defender board			139,722			139,722
N. Louisiana Crime Lab			75,226			75,226
Attorneys, litigants, etc.		385,399				385,399
Louisiana Commission of Law Enforcement			21,016			21,016
26th Judicial district judges fund			54,247			54,247
Louisiana Traumatic Head and Spinal Cord Injury			23,831			23,831
City of Bossier City			54,427			54,427
Town of Haughton			16,150			16,150
Town of Benton			2,150			2,150
Town of Plain Dealing			1,050			1,050
Other reductions		196,715	183,815	147,239	25,233	553,002
Total reductions	<u>20,286,339</u>	<u>774,476</u>	<u>1,319,145</u>	<u>147,239</u>	<u>25,233</u>	<u>22,552,432</u>
UNSETTLED BALANCES AT END OF YEAR - DUE TO TAXING BODIES AND OTHERS	<u>\$95,270</u>	<u>\$140,941</u>	<u>\$518,270</u>	<u>\$6,025</u>	<u>\$14,461</u>	<u>\$774,967</u>

BOSSIER PARISH SHERIFF
Benton, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1996

	<u>TAX COLLECTOR FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>INMATE FUND</u>	<u>COMMISSARY FUND</u>	<u>TOTAL</u>
ASSETS						
Cash	\$95,270	\$140,941	\$518,270	\$6,025	\$13,094	\$773,600
Inventory					2,867	2,867
Total assets	<u>\$95,270</u>	<u>\$140,941</u>	<u>\$518,270</u>	<u>\$6,025</u>	<u>\$15,961</u>	<u>\$776,467</u>
LIABILITIES						
Due to General Fund					\$1,500	\$1,500
Due to taxing bodies and others	\$95,270	\$140,941	\$518,270	\$6,025	14,461	774,967
Total liabilities	<u>\$95,270</u>	<u>\$140,941</u>	<u>\$518,270</u>	<u>\$6,025</u>	<u>\$15,961</u>	<u>\$776,467</u>

BOSSIER PARISH SHERIFF
Benton, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1996

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

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

CIVIL FUND

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

CRIMINAL FUND

The Criminal Fund accounts for the collection and settlement of fines, bonds, and forfeitures levied by the district court and settlement of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

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.

COMMISSARY FUND

The Commissary Fund accounts for the purchase and resale of personal items to the inmates at the jail and the detention center.

SUPPLEMENTAL INFORMATION SCHEDULES

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

10. SUBSEQUENT EVENT

The Bossier Parish Sheriff is in the process of constructing a new substation. On November 19, 1996, a contractor's bid was accepted for \$896,520. No contracts have been signed to date.

11. FEDERAL FINANCIAL ASSISTANCE

During the year ended June 30, 1996, the Bossier Parish Sheriff participated in the following federal financial assistance programs:

<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>RECEIPTS</u>	<u>REVENUE</u>	<u>ISSUES/ EXPENDITURES</u>
United States Department of Agriculture Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	10.550		\$712	\$1,119	\$1,119
United States Department of Education Passed through Louisiana Department of Education - Safe and Drug-Free Schools and Communities Act of 1994	84.186	28-96-76HD-D	8,000	8,000	8,000
United States Department of Justice Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:					
Organized Crime/Narcotic Program	16.579	B95-1-019	25,176	28,435	28,435
Street Level Interdiction	"	B94-1-015	10,455	8,976	8,976
Street Sales Distribution	"	B95-1-012	11,336	13,080	13,080
Youth Gang Prevention	"	B95-1-013	25,857	22,580	22,580
Youth Gang Prevention	"	B96-1-003		3,848	3,848
Total Federal Financial Assistance			<u>\$66,765</u>	<u>\$86,038</u>	<u>\$86,038</u>

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

7. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the changes in long-term debt during the year:

Long-term debt payable at June 30, 1995	\$276,068
Additions	NONE
Deductions	<u>(271,529)</u>
Long-term debt payable at June 30, 1996	<u>\$4,539</u>

In April, 1994, the sheriff entered into a 60-month installment agreement for a computer printer. The agreement expires March, 1999. During the year ended June 30, 1995, the sheriff entered into a five year lease-purchase agreement for the acquisition of communications equipment. However, this lease was retired in February, 1996. Debt service payments are made from the General Fund. Principal and interest payments are due as follows:

<u>Year</u>	<u>Amount</u>
1997	1,860
1998	1,860
1999	<u>1,395</u>
Total minimum lease payments	5,115
Less amount representing interest	<u>(576)</u>
Present value of net minimum lease payments	<u>\$4,539</u>

8. LITIGATION AND CLAIMS

At June 30, 1996, the Bossier Parish Sheriff is involved in several lawsuits and claims which are either adequately covered by liability insurance or, in the opinion of legal counsel, will not result in any liability to the sheriff.

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

The Bossier Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Bossier Parish Police Jury.

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Bossier 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 Bossier 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 actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Bossier Parish Sheriff's contributions to the System for the years ended June 30, 1996, 1995, and 1994 were \$180,902, \$141,098, and \$107,807, respectively, equal to the required contributions for each year.

5. OTHER POSTEMPLOYMENT BENEFITS

The Bossier Parish Sheriff provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff's office. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the sheriff. The sheriff recognizes the cost of providing these benefits (the sheriff's portion of premiums) as an expenditure when the monthly premiums are due. The sheriff's cost of benefits provided to employees and retirees was \$198,459 for 1996. The cost of retiree benefits for 1996 totaled \$25,462 for 14 retirees.

6. DEPOSITS DUE OTHERS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Agency funds:				
Tax collector	\$167,011	\$20,214,598	\$20,286,339	\$95,270
Civil	187,177	728,240	774,476	140,941
Criminal	287,765	1,549,650	1,319,145	518,270
Inmate	5,801	147,463	147,239	6,025
Commissary	NONE	39,694	25,233	14,461
Total	<u>\$647,754</u>	<u>\$22,679,645</u>	<u>\$22,552,432</u>	<u>\$774,967</u>

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

	Balance July 1, 1995	Adjustments	Additions	Deletions	Balance June 30, 1996
Seized assets adjudicated by district court	\$40,634	(\$400)			\$47,734
Construction in progress	NONE		30,215		30,215
Other	114,079	(2,021)	35,847		147,905
Total	<u>\$2,203,887</u>	<u>(\$86,578)</u>	<u>\$568,058</u>	<u>(\$199,789)</u>	<u>\$2,485,578</u>

The adjustment column presents prior years' additions and deletions which were not previously reported.

4. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$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 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent 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 per cent 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.

BOSSIER PARISH SHERIFF
 Benton, Louisiana
 Notes to the Financial Statements (Continued)

J. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). 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.

2. RECEIVABLES

The General Fund receivables of \$251,060 at June 30, 1996, are as follows:

<u>Class of receivables</u>	
Intergovernmental revenues:	
Federal grants	\$21,509
State grants	41,375
Fees, charges, and commissions for services	97,076
Reimbursements	9,590
Others	<u>81,510</u>
Total	<u>\$251,060</u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 1996, follows:

	Balance July 1, 1995	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 1996
Land	\$50,400				\$50,400
Buildings	26,787				26,787
Vehicles	1,069,677	\$13,665	\$415,356	(\$199,789)	1,298,909
Office furniture and equipment	388,999	(48,338)	81,635		422,296
Law enforcement weapons and equipment	513,311	(49,484)	5,005		468,832

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash and all investments with a maturity date of three months or less when purchased.

G. LEVIED TAXES

The following is a summary of authorized and levied as valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement district	6.55	7.62	NONE
Special operation and detention center	5.50	5.88	NONE

The difference between the authorized and levied millage is the result of the reassessment of taxable property required by Article 7, of the Louisiana Constitution of 1974.

II. VACATION AND SICK LEAVE

After one year of service, employees receive two weeks of noncumulative vacation leave. After ten years of continuous service, employees receive one additional day of vacation per year until the number of vacation days reaches the maximum of fifteen days annually. Employees are allowed up to twelve days noncumulative sick leave per calendar year. At June 30, 1996, there are no accumulated and vested benefits relating to vacation and sick leave which require accrual or disclosure.

I. INVENTORY

The inventory at June 30, 1996, consists of commodities received from the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture, as provided by the Food Distribution Program (CFDA 10.550). The inventory is valued at prices set by the USDA and recorded as expenditures under the consumption method, using the first-in, first-out (FIFO) cost flow assumption for valuing inventory. Reported inventory is equally offset by a fund balance reserve which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

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 principal offices in Louisiana. At June 30, 1996, the sheriff has cash (book balances) totaling \$2,504,251 as follows:

Demand deposits	\$1,103,301
Petty cash	950
Time deposits	<u>1,400,000</u>
Total	<u>\$2,504,251</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1996 the sheriff's bank balances were undersecured in one bank by \$300,000. Cash and cash equivalents (bank balances) at June 30, 1996, are secured in total as follows:

Bank balances	<u>\$3,020,712</u>
Federal deposit insurance	\$328,638
Pledged securities (uncollateralized)	<u>2,883,619</u>
Total	<u>\$3,212,257</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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.

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1994 requires that the tax roll be filed on or before November 15 of each year. Ad valorem 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 demand deposits is recorded at the end of each month when the interest has been earned and credited by the bank to the sheriff's account. Interest on time deposits is recorded when the time deposit has matured and the interest is available.

Substantially, all other revenues are recorded when they become available to the sheriff. Based on the above criteria, *intergovernmental revenues and fees, charges, and commissions for services are treated as susceptible to accrual.*

Expenditures

Expenditures are generally recognized under the modified accrual basis 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 the underlying events occur.

E. BUDGET PRACTICES

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least ten days prior to the public hearing. Public hearings are held at the Bossier Parish 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. Budgets are established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not utilized.

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

C. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the police jury are not recorded in the general fixed assets account group. All fixed assets are valued at historical cost, except donated fixed assets, which are valued at their fair market value. No depreciation has been provided on general fixed assets. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal expenditure of the General Fund.

Long-term debt, such as capital lease purchases, expected to be financed from the General Fund is reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term debt are recognized in the General Fund when due.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The sheriff uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing service to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others.

The sheriff's current operations require the use of governmental, proprietary, and fiduciary funds. The governmental, proprietary, and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Type - General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax. 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.

Proprietary Fund Type - Employee Insurance Benefits Internal Service Fund

This fund is used to account for employee group insurance to provide medical coverage for covered employee illness or injury. Employee and employer contributions to the fund are recognized as operating revenue. The fund is reinsured for individual employee illness or injury in excess of \$50,000 for any year.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the 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.

BOSSIER PARISH SHERIFF

Benton, Louisiana

Notes to the Financial Statements (Continued)

- 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.
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 police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office, the sheriff was determined to be a component unit of the Bossier 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.

B. FUND ACCOUNTING

The sheriff uses funds and account groups to report on its financial position and the results of its 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 that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

BOSSIER PARISH SHERIFF
Benton, Louisiana

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

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

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Bossier Parish Police Jury is the financial reporting entity for Bossier Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bossier Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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:

BOSSIER PARISH SHERIFF
 Benton, Louisiana
 PROPRIETARY FUND TYPE -
 EMPLOYEE INSURANCE BENEFITS INTERNAL SERVICE FUND

Statement of Cash Flows
 For the Year Ended June 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	<u>(\$85,993)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers in	100,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,007
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>NONE</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$14,007</u></u>

The accompanying notes are an integral part of this statement.

BOSSIER PARISH SHERIFF
Benton, Louisiana
PROPRIETARY FUND TYPE -
EMPLOYEE INSURANCE BENEFITS INTERNAL SERVICE FUND

Statement of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended June 30, 1996

OPERATING REVENUES	
Contributions	\$325,973
Interest	<u>1,220</u>
Total operating revenues	<u>327,193</u>
OPERATING EXPENSES	
Benefits paid	289,956
Reinsurance/conversion premiums	26,106
Administrative services	96,922
Other operating expenses	<u>202</u>
Total operating expenses	<u>413,186</u>
OPERATING INCOME (Loss)	<u>(85,993)</u>
NON-OPERATING REVENUES	
Operating transfers in	<u>100,000</u>
NET INCOME	14,007
RETAINED EARNINGS BEGINNING OF YEAR	<u>NONE</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$14,007</u>

The accompanying notes are an integral part of this statement.

Statement B

BOSSIER PARISH SHERIFF
 Benton, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget
 (GAAP Basis) and Actual, etc.

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$21,603)	(\$38,650)	(\$17,047)
OTHER FINANCING SOURCES (Uses)			
Sale of assets and seized property	60,996	66,765	5,769
Operating transfers out		(100,000)	(100,000)
Total other financing sources (uses)	60,996	(33,235)	(94,231)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	39,393	(71,885)	(111,278)
FUND BALANCE AT BEGINNING OF YEAR	1,712,052	1,945,185	233,133
FUND BALANCE AT END OF YEAR	\$1,751,445	\$1,873,300	\$121,855

(Concluded)

The accompanying notes are an integral part of this statement.

BOSSIER PARISH SHERIFF
Benton, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

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>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes - ad valorem	\$2,669,685	\$2,667,243	(\$2,442)
Intergovernmental revenues:			
Federal grants	68,500	86,038	17,538
State grants:			
State revenue sharing (net)	160,000	124,248	(35,752)
State supplemental pay	255,279	280,830	25,551
Other	230,000	324,824	94,824
Local grants	21,500	68,368	46,868
Fees, charges, and commissions for services:			
Civil and criminal fees	417,640	520,366	102,726
Commissions on licenses and taxes	63,684	61,896	(1,788)
Court attendance	36,000	35,184	(816)
Transportation of prisoners	28,000	33,750	5,750
Feeding and keeping of prisoners	886,016	1,042,570	156,554
Tax notices, etc	32,800	66,659	33,859
Other	603,018	621,290	18,272
Use of money and property	140,060	146,641	6,581
Miscellaneous	42,800	52,253	9,453
Total revenues	<u>5,654,982</u>	<u>6,132,160</u>	<u>477,178</u>
EXPENDITURES			
Current:			
Public safety:			
Personal services and related benefits	3,749,153	4,027,836	(278,683)
Operating services	508,529	608,585	(100,056)
Materials and supplies	545,063	626,870	(81,807)
Travel and other charges	36,394	35,138	1,256
Debt service	269,000	304,323	(35,323)
Capital outlay	568,446	568,058	388
Total expenditures	<u>5,676,585</u>	<u>6,170,810</u>	<u>(494,225)</u>

(Continued)

BOSSIER PARISH SHERIFF
Benton, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1996

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - EMPLOYEE INSURANCE BENEFITS INTERNAL SERVICE FUND	FIDUCIARY FUND TYPE - AGENCY FUNDS	..ACCOUNT GROUPS..		TOTAL (MEMORANDUM ONLY)
				GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS AND OTHER DEBITS						
Cash and cash equivalents	\$1,716,644	\$14,007	\$773,600			\$2,504,251
Receivables	251,060					251,060
Due from other funds	1,500					1,500
Inventory	195		2,867			3,062
Land, buildings, vehicles, office furnishings, and equipment				\$2,485,578		2,485,578
Amount to be provided for retirement of general long-term debt					\$4,539	4,539
TOTAL ASSETS AND OTHER DEBITS	<u>\$1,969,399</u>	<u>\$14,007</u>	<u>\$776,467</u>	<u>\$2,485,578</u>	<u>\$4,539</u>	<u>\$5,249,990</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$84,897					84,897
Due to General Fund			\$1,500			1,500
Due to taxing bodies and others	11,202		774,967			786,169
Lease purchase payable					4,539	4,539
Total Liabilities	<u>96,099</u>	<u>NONE</u>	<u>776,467</u>	<u>NONE</u>	<u>4,539</u>	<u>877,105</u>
Fund Equity:						
Investment in general fixed assets				\$2,485,578		2,485,578
Retained earnings - unreserved		\$14,007				14,007
Fund balance:						
Reserved for inventory	195					195
Unreserved - undesignated	1,873,105					1,873,105
Total Fund Equity	<u>1,873,300</u>	<u>14,007</u>	<u>NONE</u>	<u>2,485,578</u>	<u>NONE</u>	<u>4,372,885</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,969,399</u>	<u>\$14,007</u>	<u>\$776,467</u>	<u>\$2,485,578</u>	<u>\$4,539</u>	<u>\$5,249,990</u>

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

BOSSIER PARISH SHERIFF
Benton, Louisiana
Independent Auditor's Report,
June 30, 1996

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules 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 the Bossier Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued reports dated December 30, 1996, on the Bossier Parish Sheriff's compliance with laws, regulations, contracts, and grants, and my consideration of the agency's internal control structure.



West Monroe, Louisiana
December 30, 1996



Independent Auditor's Report

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

HONORABLE LARRY C. DEEN
BOSSIER PARISH SHERIFF
Benton, Louisiana

I have audited the general purpose financial statements of the Bossier Parish Sheriff, as of June 30, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Bossier Parish Sheriff's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bossier 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.

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C O N T E N T S (CONTD.)

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BOSSIER PARISH SHERIFF
Benton, Louisiana

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

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**BOSSIER PARISH SHERIFF
Benton, Louisiana**

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

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