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EAST CARROLL PARISH SHERIFF

LAKE PROVIDENCE, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS

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 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

Release Date 3-26-97

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EAST CARROLL PARISH SHERIFF LAKE PROVIDENCE, LOUISIANA COMPONENT UNIT FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1996 WITH SUPPLEMENTAL INFORMATION SCHEDULES

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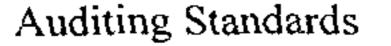
Combined Balance Sheet - All Fund Types and Account Groups

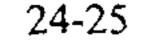
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26-30



Hulsey, Harwood & Hulsey

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To East Carroll Parish Sheriff Lake Providence, Louisiana

We were engaged to audit the accompanying combined balance sheet of the East Carroll Parish Sheriff, a component unit of the East Carroll Parish Police Jury, as of June 30, 1996, and the related combined statement of revenues, expenditures and fund balances for the year then ended. These financial statements are the responsibility of the East Carroll Parish Sheriff.

Because of inadequacies in the accounting records of the East Carroll Parish Sheriff, we were unable to form an opinion regarding the accuracy or completeness of reported expenses in the accompanying statement of income. We were unable to satisfy ourselves about the completeness of reported expenses by means of other auditing procedures. Therefore, we were not able to satisfy ourselves about the amounts at which accounts payable and fund balance are recorded in the accompanying balance sheet at June 30, 1996.

Because of the significance of the inadequacies in the accounting records of the East Carroll Parish Sheriff, and the inability to apply other auditing procedures regarding the completeness of reported expenses as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

HULSEY, HARWOOD AND HULSEY, CPA'S A Professional Accounting Corporation

Theleny. Harwood & Thelery.

October 18, 1996

PREMIER PLAZA • 1900 NORTH 18th STREET • 5th FLOOR • MONROE, LA 71201 • (318) 325-6500 • FAX (318) 325-1423

COMPONENT UNIT FINANCIAL STATEMENTS

EAST CARROLL PARISH SHERIFF (A COMPONENT UNIT OF THE EAST CARROLL PARISH POLICE JURY) LAKE PROVIDENCE, LOUISIANA COMBINED BALANCE SHEET -ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 1996

	<u>Governmental Fund Types</u>			
			Special	
	General		Revenue	
		Fund	<u>Fund</u>	
Assets:				
Cash and cash equivalents	\$	14,383	\$ 46,819	
Receivables		18,515	267,943	
Due from other funds		147	13,507	
Due from other agencies		-	-	
Equipment	. <u> </u>	_	_	

TOTAL ASSETS

<u>\$ 33,045</u> <u>\$ 328,269</u>

•

Liabilities and Fund Equity:

Liabilities:		
Accounts payable	\$ 8,011	\$ 57,358
Withholding payable	16,299	85,704
Due to other agencies	_	-
Due to other funds	<u> 13,507</u>	
Total liabilities	<u> </u>	<u> 143.062</u>
Fund Equity:		
Investment in general fixed assets	-	-
Unreserved - undesignated	<u>(4,772</u>)	185,207
Total fund equity	<u> (4,772</u>)	<u> 185,207</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$33,045</u>	<u>\$_328,269</u>

Fiduciary		
<u>Fund Type</u>	Account Group	
	General	Total
Agency	Fixed	(Memorandum
<u> </u>	Assets	Only)
\$ 81,308	\$-	\$ 142,510
144	-	286,602
-	-	13,654
65,170	_	65,170
	<u> </u>	431,254

.

<u>\$ 146,622</u>	<u>\$ 431,254</u>	<u>\$ 939,190</u>
\$ -	\$-	¢ (5.2(0)
Ψ -	J -	\$ 65,369 102,003
146,475	_	102,003
147	-	<u> </u>
146,622		327,501
	431,254	431,254
•• • • • • • • • • • • • • • • • • • •		180,435
_	431,254	611,689
	<u> </u>	011,007
<u>\$ 146,622</u>	<u>\$ 431,254</u>	\$ 939,190

The accompanying notes to financial statements are an integral part of these statements.

EAST CARROLL PARISH SHERIFF (A COMPONENT UNIT OF THE EAST CARROLL PARISH POLICE JURY) LAKE PROVIDENCE, LOUISIANA COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES-GENERAL AND SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 1996

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	General Fund		Special Revenue Funds	Total (Memorandum Only)
Revenues:				
Local sources:				
Taxes - Ad valorem	\$	415,500	\$-	\$ 415,500
Intergovernmental revenues:				
State grants:				
State revenue sharing		41,819	-	41,819
State supplemental pay		24,753	-	24,753
State Department of Corrections		-	3,149,741	3,149,741
Fees, charges and commissions				
for services:				
Civil and criminal fees		43,177	-	43,177
Court attendance		1,925	-	1,925
Transportation of prisoners		293	-	293
Commission on licenses and fees		20,142	-	20,142
Feeding and keeping of prisoners		136,059	-	136,059
Other revenues		22,227	271,482	293,709
Earned Interest		6,142	5,140	11,282
Miscellaneous		3,794	47.587	51,281
Total revenues		715,831	3,473,850	4,189,681
Expenditures: Public safety: Personal services and related benefits Operating services Material and supplies Travel and other charges Capital outlay Miscellaneous	·	556,639 133,461 31,726 37,720 656 425	1,645,405 971,472 300,146 451,909 32,132 937	2,202,044 1,104,933 331,872 489,629 32,788 1,362
Total expenditures	_	760,627	3,402,001	4,162,628
Excess (deficiency) of revenues over expenditures	(<u>44,796</u>)	<u>71,849</u>	27,053
Other financing sources (uses): Sales of fixed assets Operating transfers in Operating transfers out	(2,600 274)		2,600 239,541 <u>(239,815</u>)
Total other financing sources (uses)		2,326	**	2,326
Excess (deficiency) of revenues and other sources over expenditures and other uses	(42,470)	71,849	29,379
Fund balance, beginning	<u></u>	37,698	113,358	151,056

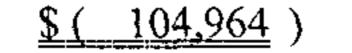
Fund balance, ending $\frac{(4,772)}{185,207}$ $\frac{185,207}{5,180,435}$

The accompanying notes to financial statements are an integral part of these statements.

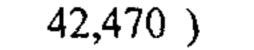
EAST CARROLL PARISH SHERIFF (A COMPONENT UNIT OF THE EAST CARROLL PARISH POLICE JURY) LAKE PROVIDENCE, LOUISIANA COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -GOVERNMENTAL FUND TYPES GENERAL AND SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 1996

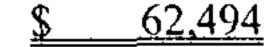
	General Fund			
	Budget	Actual	Variance Favorable (<u>Unfavorable</u>)	
Revenues: Local sources: Taxes Intergovernmental revenues:	\$ 398,986	\$ 415,500	\$ 16,514	
Federal entitlements State grants:	~	-	-	
State revenue sharing State supplemental pay State Department of Corrections Fees, charges, and commissions for services:	42,000 16,000 -	41,819 24,753 -	(181) 8,753	
Civil and criminal fees Court attendance	37,000 4,000	43,177 1,925	(6,177 (2,075)	
Transportation of prisoners Commission on licenses and fees Feeding and keeping of prisoners Other revenues	$10,000 \\ 25,000 \\ 117,000 \\ 5,000 \\ $	293 20,142 136,059 22,227	$\begin{pmatrix} 9,707 \\ 4,858 \end{pmatrix}$ 19,059 17,227	
Earned interest Miscellaneous	5,000 <u>15,000</u>	6,142 <u>3,794</u>	1,142 (11,206)	
Total revenues	674,986	715,831	40,845	
Expenditures: Public safety: Personal services and benefits Operating services Material and supplies Travel and other charges Capital outlay Miscellaneous	523,450 133,500 38,500 34,500 50,000	556,639 133,461 31,726 37,720 656 425	$\begin{pmatrix} 33,189 \\ 39 \\ 6,774 \\ (3,220) \\ 49,344 \\ (425) \end{pmatrix}$	
Total expenditures	<u> </u>	760,627	<u> </u>	
Excess (deficiency) of revenues over expenditures	<u> (104,964</u>)	<u> (44,796</u>)	60,168	
Other financing sources (uses): Sale of fixed assets Operating transfers in Operating transfers out	⊨ ■ ₽ <u>+</u>	2,600 (274)	2,600 (274)	
Total other financing sources (uses)	■4 ====================================	2.326	2,326	

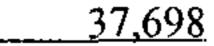
Excess (deficiency) of revenues and other sources over expenditures and other uses

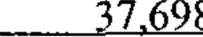


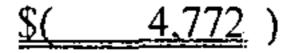
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Fund balance, beginning

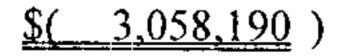
Fund balance, ending

;

	<u>\$</u>	pecial	Revenue Fur	nd	
Budget Actual		V Fa	/ariance avorable <u>favorable</u>)		
\$	-	\$	-	\$	-
	12,000		-	(12,000)
	-		-		-
	3,127,320	-	3,149,741		- 22,421

.

-	-	-
- - - 2,740	271,482 5,140 47,487	271,482 5,140 44,747
3,142,060	3,473,850	331,790
$1,233,000 \\ 1,159,125 \\ 153,000 \\ 495,000 \\ 3,160,125 \\ \\ 6,200,250$	1,645,405 971,472 300,146 451,909 32,132 937 3,402,001	(412,405) 187,653 (147,146) 43,091 3,127,993 (937) 2,798,249
<u>(3,058,190</u>)	<u> </u>	<u>(3,130,039</u>)
- - -	239,815 (<u>239,815</u>)	(239,815) 239,815

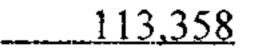


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The accompanying notes to financial statements are an integral part of these statements. $\frac{6}{6}$

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 system, and serving subpoenas.

As the chief 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 services 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the East Carroll 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.

Reporting Entity

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the East Carroll 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.
- 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 provides for the operation and maintenance of office space and jail facilities in its parish courthouse, the Sheriff was determined to be a component unit of the East Carroll 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.

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 relating to certain government functions or activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". The funds presented in the financial statements are described as follows:

Governmental Type Funds:

These are funds through which most governmental functions are typically financed. The funds included in this category are 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 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 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.

Special Revenue Fund:

The Special Revenue Fund, as set up by contract between the East Carroll Correctional System, Inc., is the principal fund for the maintenance of state prisoners. The Fund's primary source of revenue is from the allowable state maintenance per diem of twenty-one dollars and twenty-five cents per prisoner day. The operating expenditures are paid from this fund.

Fiduciary Type Funds:

These funds account for assets held by the Sheriff as a trustee or agent for other units of

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government. This fund includes the following:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency Funds:

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these fund 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 component unit financial statements, is reported for the periods from April 30, 1995 to April 30, 1996.

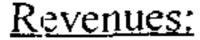
Fixed Assets

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 within the general fixed assets account group. Fixed assets are valued at historical cost or estimated historical cost, if historical cost is not available. No depreciation has been provided on general fixed assets. The account group is not a "fund". It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

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 accompanying component unit 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 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 that 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 General Fund uses the following practices in recording revenues and expenditures:



Ad valorem taxes and commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued):

valorem taxes are assessed for the calendar year and become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

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

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/(Uses):

Transfers between funds that are not expected to be repaid and the sale of general fixed assets are accounted for as other financing sources/ (uses).

Budgetary Practices

The East Carroll Parish Sheriff prepares annual budgets for the general and special revenue funds. The budgets are prepared on a modified accrual basis of accounting. After adoption, the budgets are periodically reviewed and amended, as necessary, to maintain financial control. Budgeted amounts in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. Appropriations which are not expended lapse at year end.

Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposits, and petty cash. The Sheriff considers all highly liquid debt instruments with an initial maturity of three months or less to be cash

equivalents. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

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.

Compensated Absences

Employees of the Sheriff's office are granted 10 days of annual leave each year after one year of service. Annual leave cannot be accumulated. There is no formal policy on sick leave for employees. No amounts have been accrued because this amount cannot be reasonably estimated.

Total Columns on Combined Statements - Overview

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Short-term Interfund Receivables/Payables

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

NOTE 2 - CASH AND CASH EQUIVALENTS

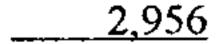
At year end, the carrying amount of the Sheriff's deposits was \$142,510, and the bank balance was \$292,172. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$ 254,504
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Amount collateralized with securities held by the pledging financial institution's agent in the Sheriff's name









NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

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.

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.

NOTE 3 - PENSION PLAN

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

All sheriffs and 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. 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 by state statute.

NOTE 3 - PENSION PLAN (Continued)

Contributions to the System 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. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statutes 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 following provides certain disclosures for the Sheriff and the retirement system that are required by GASB Codification Section P20.129:

Year Ended June 30, 1996

East Carroll Parish Sheriff

Total Current-Year Payroll

<u>\$1,727,627</u>

Total Current-Year Covered Payroll

<u>\$1,508,361</u>

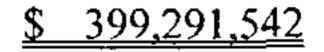
	Required by Statute		Actual		Actuarially Required	
	Percent	<u>Amount</u>	Percent	Amount	Percent	Amount
Contributions:		_				
Employees	8.70 %	\$ 131,227	8.22 %	\$ 123,975	8.70 %	\$ 131,227
Employer	6.00	90,502	5.67	<u> </u>	6.00	<u> </u>
TOTAL	14 70 9/	© 221 720	12 20 0/	¢ 200 515	14 20 9/	€ <u>001</u> 700
TOTAL	<u>14.70 %</u>	<u>\$ 221,729</u>	<u>13,89 %</u>	<u>\$ 209,515</u>	<u> 14.70 %</u>	<u> </u>

Percent of employer's actuarially required contribution to all participating employers

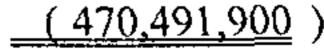
Year Ended June 30, 1995

Retirement System

Net Assets

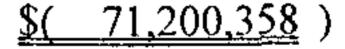


<u>′.254%</u>









NOTE 3 - PENSION PLAN (Continued)

The pension benefit obligation is presented as of June 30, 1995, because the June 30, 1996, information is not available. The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1995, comprehensive annual financial

report. The East Carroll Parish Sheriff does not guarantee the benefits granted by the System.

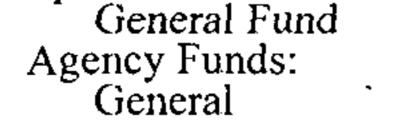
NOTE 4 - RECEIVABLES

General Fund receivables of \$18,515 at June 30, 1996, are as follows:

Department of Corrections Fees and Charges		\$	10,444 <u>8,071</u>
Total		<u>\$</u>	<u>18,515</u>
Special Revenue Fund receivables of \$267,943 at June	e 30, 1996, are as fe	ollows:	
Department of Corrections Fees and Charges		\$	261,902 <u>6,041</u>
Total		<u>\$</u>	<u>267,943</u>
NOTE 5 - DUE TO/FROM OTHER FUNDS			
Fund	Due From Other Funds	-	e To <u>Funds</u>
General Fund: Civil Fund Detention Center	\$147	\$	- 13,507

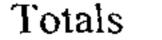
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13,507 -

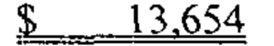


Special Revenue Fund:





<u>\$ 13,654</u>



NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

		General R		Revenue		
		Fund Fund				
	<u> </u>	Equipment	<u> </u>	<u>quipment</u>	.	Total
Balance - July 1, 1995	\$	252,139	\$	180,824	\$	432,963
Additions		656		31,244		31,900
Deletions	(33,609)			_(33,609)

Balance- June 30, 1996 <u>\$ 219,186</u> <u>\$ 212,068</u> <u>\$ 431,254</u>

NOTE 7 - CHANGES IN AGENCY FUND BALANCES

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

				Tax						
	S	Sheriff's	С	collector's	C	riminal	Na	arcotic		
		Fund		Fund		Fund	<u></u>	Fund		<u>Totals</u>
Balance - June 30, 1995	\$	42	\$	150,598	\$	23,713	\$	6,837	\$	181,190
Additions		50,608	2	2,306,516		288,392		381	2	,645,897
Deductions	Ĺ	50,503)	<u>(2</u>	2,372,981)	(254,911)	(2,070)	<u>(2</u>	.680.465)
Balance - June 30, 1996	<u>\$</u>	147	<u>\$</u> .	<u>84,133</u>	<u>\$</u>	<u>57,194</u>	<u>\$</u>	<u>5,148</u>	<u>\$</u>	146,622

NOTE 8 - LITIGATION AND CLAIMS

The East Carroll Parish Sheriff, at the present time, has pending litigation according to the client's legal counsel. In the opinion of counsel, the amount of the Sheriff's liability, if any, with respect to those matters will not materially affect the financial statement.

NOTE 9 - EXPENSES OF THE SHERIFF'S OFFICE PAID BY THE POLICE JURY

The Sheriff's office is located in the parish courthouse. Expenditures of maintenance and operation of the parish courthouse are paid by the East Carroll Parish Police Jury.

NOTE 10 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget/Actual Variances

Actual revenues and expenditures did not exceed budgeted expenditures on any fund required to be budgeted by law, by more than 5%, except as follows:

Budget Actual

Variance

General Fund: Total Revenues	\$ 674,986	\$ 715,831	\$ 40,845
Special Revenue Fund: Total Revenues Total Expenditures	\$ 3,142,060 \$ 6,200,250	\$ 3,473,850 \$ 3,402,001	\$

NOTE 11 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The East Carroll Parish Sheriff provides certain health care and life insurance benefits for its 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. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the Sheriff for employees and part by the employees for their dependents. The Sheriff recognizes the cost of providing these benefits, which was \$250,361 for 1996, (the Sheriff's portion of the premium) as an expenditure when the monthly premiums are due. There were no retirees during the year.

NOTE 12 - SUBSEQUENT EVENTS

The East Carroll Parish Sheriff signed a contract to lease from Mississippi River Bend Corporation, through its President Buford Perry and the East Carroll Law Enforcement District represented by its Officio Chief Executive Officer Dale Rinicker, the current elected Sheriff in and for East Carroll Parish.

NOTE 12 - SUBSEQUENT EVENTS (Continued)

The lease between the Mississippi River Bend Corporation and the East Carroll Parish Sheriff is for facility that has the capacity to house 200 prisoners. The lease also includes kitchen equipment and a 200 square foot food storage area. The total monthly fee for this area will be .50 cents per prisoner per meal served, payable on the 15th of each month. The kitchen facility started providing meals in May, 1995 to prisoners in the East Carroll Detention Center and the parish jail located in the Courthouse.

The River Bend Correctional Facility was scheduled to receive state prisoners on July 1, 1995. However, the Federal Judge did not approve the facility. At August 10, 1995, the facility is operating with funds generated from the East Carroll Detention Center.

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

Certain balance sheet accounts have been restated from the prior financial statement. At June 30, 1996, prior period adjustments were made as follows:

		pecial enue Fund
Beginning fund balance	\$	37,752
Prior period adjustments: Write off old outstanding checks reissued		55,344
Addition of cash accounts not previously reported		20,262
Beginning fund balance, as restated	<u>\$</u>	<u>113,358</u>

SUPPLEMENTAL INFORMATION SCHEDULES

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EAST CARROLL PARISH SHERIFF (A COMPONENT UNIT OF THE EAST CARROLL PARISH POLICE JURY) LAKE PROVIDENCE, LOUISIANA SUPPLEMENTAL INFORMATION SCHEDULES FOR THE YEAR ENDED JUNE 30, 1996

FIDUCIARY FUND TYPE - AGENCY FUNDS

<u>Civil Fund</u>

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

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.

<u>Criminal Fund</u>

The Criminal Fund accounts for the collection of cash bonds posted by individuals, and the collection of fines, forfeitures, and criminal costs awaiting disbursements to the respective agencies and refund of bonds and forfeitures in accordance with applicable laws.

Narcotic Fund

This fund accounts for the collection of monies seized from suspects involved in drug investigations and used in drug enforcement with the Court's permission.

EAST CARROLL PARISH SHERIFF (A COMPONENT UNIT OF THE EAST CARROLL PARISH POLICE JURY) LAKE PROVIDENCE, LOUISIANA COMBINING BALANCE SHEET -ALL AGENCY FUND ACCOUNTS JUNE 30, 1996

	(neriff Civil <u>`und</u>		Tax ollector <u>Fund</u>
Assets:				
Cash and cash equivalents	\$	147	\$	18,963
Accounts receivable:				-
Due from other funds		-		-
Due from State of Louisiana		-		<u>65,170</u>
TOTAL ASSETS	<u>\$</u>	<u>147</u>	<u>\$</u>	<u> 84,133</u>

Liabilities and Fund Equity:

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Liabilities:		
Due to other funds	\$ 147	\$-
Due to other agencies		84,133
Total liabilities	147	<u> </u>
Fund Equity:		
Fund balances	<u> </u>	
Total fund equity		
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 147</u>	<u>\$ 84,133</u>



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Schedule 1

C 	riminal <u>Fund</u>		arcotic <u>Fund</u>	<u> </u>		
\$	57,150	\$	5,048	\$	81,308	
	44 		100		144 65,170	
<u>\$</u>	<u> </u>	<u>\$</u>	<u>5,148</u>	<u>\$</u>	146,622	

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\$- <u>57,194</u>	\$- <u>5,148</u>	\$ 147 <u>146,475</u>
<u> </u>	<u> </u>	146,622
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<u>\$ 57,194</u>	<u>\$ 5,148</u>	<u>\$ 146,622</u>

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EAST CARROLL PARISH SHERIFF (A COMPONENT UNIT OF THE EAST CARROLL PARISH POLICE JURY) LAKE PROVIDENCE, LOUISIANA SCHEDULE OF CHANGES IN BALANCES DUE TO TAXING BODIES AND OTHERS FOR THE YEAR ENDED JUNE 30, 1996

Uncettled belonged at beginning of years	Ç	eriff ivil und	Tax Collector Fund	
Unsettled balances at beginning of year - due to taxing bodies and others	\$	42	\$	150,598
Additions: Deposits: Sheriff's sale Collections for others Ad valorem taxes State revenue sharing Cash bonds, fines, and costs Interest on now accounts Licenses Interest on delinquent taxes and prior year taxes Other		50,583 25 - - - -		- 2,032,338 195,511 - 58,634 9,942 10,091
Total additions		<u>50,608</u>		2 <u>,306,516</u>
Total		50,650		2,457,114
Reductions:				

Sales and seizures:

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Sales and seizures:		
East Carroll Parish Sheriff	6.863	-
East Carroll Parish Clerk	6.563	_
East Carroll Parish Sheriff East Carroll Parish Clerk Other sheriff's and clerk's	235	-
Advertising	255	-
Appraisers and curators	330	-
Storage	4 4 3 9	-
Refunds	31'778	-
Collections for others	<i>31,74</i> 0	_
Tax collection and criminal fees:	10	
Distributions:		
State Department of Treasury: Agriculture and forestry		
Agriculture and forestry	_	2,306
Cash management information service	<u> </u>	
Cash management information service Wildlife and fisheries commission	-	46 289
Louisiana tax commission	-	46,289 8,204
Commission on law enforcement	-	- 0,204
Commission on law enforcement Louisiana traumatic head and spinal cord	-	_
State police	-	-
Crime victim reparation	-	-
Fifth Louisiana Levee District	-	103,444
Crime victim reparation Fifth Louisiana Levee District East Carroll Parish:		105,444
Assessor	-	139 949
Hospital service district	-	177'714
Police jury	-	<u> </u>
Police jury School board	-	266'591
Sheriff	-	4 80'661
Port commission	-	'XŎ'ŎŎİ
Pension funds	-	62'057
Refunds	-	ĬĨĬĬŎŹ
Town of Lake Providence	-	-
Town of Lake Providence Sixth Judicial District:		· · ·
Indigent defender fund	<u> </u>	-
District attorney	-	-
Judicial expense fund	-	-
North Louisiana Criminalistic Laboratory	-	_
North Louisiana Criminalistic Laboratory Delta Recovery Clinic East Carroll Narcotic Fund		-
East Carroll Narcotic Fund	-	-

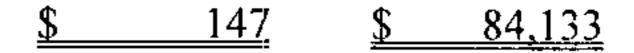
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Special Investigations

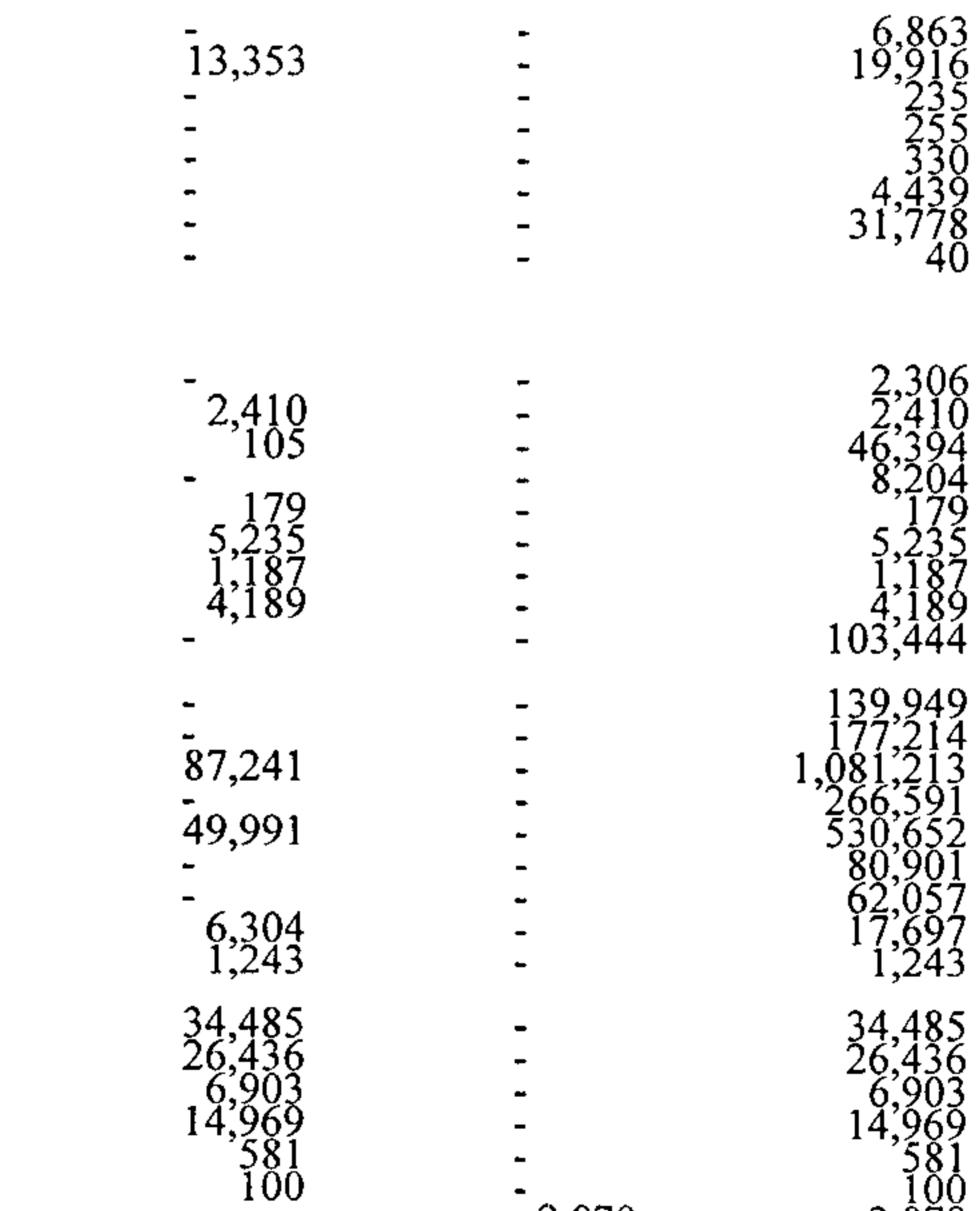
Total reductions

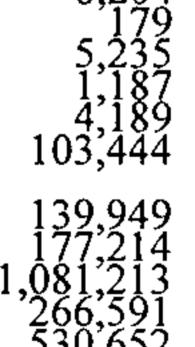
Unsettled balances at end of year due to taxing bodies and others



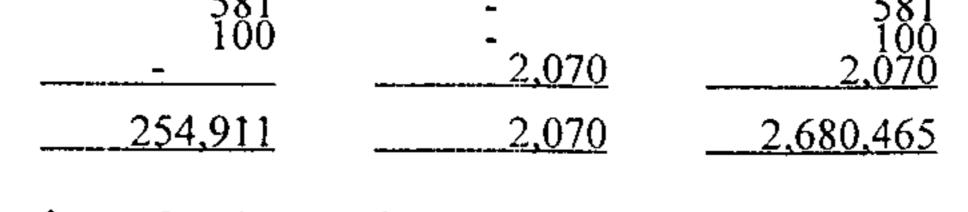
Schedule 2

Crin F1	ninal und	N	arcotic Fund	 Total
\$	23,713	\$	6,837	\$ 181,190
			281	 50,583 2,032,338 195,511 286,489 2,184 58,634 9,942 10,191
	2 <u>88,392</u> 12,105	<u></u> .	<u> </u>	2 <u>,645,897</u> 2,827,087





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<u> 57,194</u> <u>5,148</u> 146,622 <u>\$</u>____ <u>\$</u>____ <u>\$____</u>





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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>

East Carroll Parish Sheriff Lake Providence, Louisiana

We were engaged to audit the component unit financial statements of the East Carroll Parish Sheriff as of and for the year ended June 30, 1996, and have issued our report thereon dated October 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the <u>Government Auditing Standards</u> 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 component unit financial statements are free of material misstatement.

The East Carroll Parish Sheriff is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by him 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 the Sheriff's authorization and recorded properly to permit the preparation of the component unit 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.

In planning and performing our audit of the component unit financial statements of the East Carroll Parish Sheriff for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of

the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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Our consideration of the internal control structure would not necessarily disclose all matters in the

internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 and irregularities in amounts that would be material in relation to the component unit 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. We noted the following matters involving internal control structure and its operation which we consider to be a material weakness as defined above:

These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of East Carroll Parish Sheriff, for the year ended June 30, 1996.

Finding No. 2 - Computerized Records:

The general ledger for the East Carroll Parish Sheriff general fund was out of balance by a substantial amount. In addition, the prior auditor's adjusting entries had not been posted to the general ledger, the general ledger had been closed as of May 31, which caused incorrect year-todate balances at June 30, 1996. Also, several of the entities funds are not maintained on computer. These funds are accounted for in manual ledgers, which only list deposits and disbursements, or are only accounted for in a checkbook. The general ledger serves as a complete 'log' of all financial transactions related to an entity. Without maintaining a general ledger, an entity cannot ensure completeness and accuracy of its reported transactions.

Finding No. 3 - Cash Reconciliations:

During our procedures related to cash, we noted that the bank statement is not reconciled to cash per the general ledger for the general fund or the detention center fund. The entity maintains a manual journal of all disbursements and receipts by month. Bank statements are reconciled to these manual journals and no emphasis is placed on the accuracy of the information in the computer.

Based on our consideration of the internal control structure, we concluded that the operations of the East Carroll Parish Sheriff are of a size that it is not feasible to have an adequate separation of duties. Accordingly, we considered this condition and appropriate substantive audit procedures and tests were applied in our audit of the June 30, 1996 financial statements.

This report is intended for the information of the East Carroll Parish Sheriff and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which upon acceptance by the East Carroll Parish Sheriff, is a matter of public record.

HULSEY, HARWOOD AND HULSEY, CPA'S

A Professional Accounting Corporation

Thilsey, Hawood + Hulacy October 18, 1996





Hulsey, Harwood & Hulsey

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>

East Carroll Parish Sheriff Lake Providence, Louisiana

We were engaged to audit the component unit financial statements of East Carroll Parish Sheriff, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in <u>Government Auditing Standards</u>, 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 component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to East Carroll Parish Sheriff, is the responsibility of the Sheriff. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the 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 provision. Accordingly we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the component unit financial statements. The results of our tests of compliance disclosed the following instances of noncompliance, the effects of which have been considered in the June 30, 1996, component unit financial statements of the East Carroll Parish Sheriff.

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Finding No. 1 - Budgeting:

The East Carroll Parish Sheriff adopted its budget for the general fund and the East Carroll Detention Center fund on June 14, 1995. However, the budgets were not amended during the year to reflect changes in budgeted amounts.

Recommendation:

We recommend that the East Carroll Parish Sheriff monitor the revenues and expenditures on a monthly basis and when these amounts get close to exceeding the budgeted amount, then they should amend the budget in accordance with Louisiana Revised Statute 39:1309.

Response:

We plan to follow the recommendation of the auditor. We will also conduct a Budget meeting on the fifteenth of each month.

Finding No. 2 - Computerized Records:

The general ledger for the East Carroll Parish Sheriff general fund was out of balance by a substantial amount. In addition, the prior auditor's adjusting entries had not been posted to the general ledger, the general ledger had been closed as of May 31, which caused incorrect year-todate balances at June 30, 1996. Also, several of the entities funds are not maintained on computer. These funds are accounted for in manual ledgers, which only list deposits and disbursements, or are only accounted for in a checkbook. The general ledger serves as a complete 'log' of all financial transactions related to an entity. Without maintaining a general ledger, an entity cannot ensure completeness and accuracy of its reported transactions.

Recommendation:

We recommend the entity implement procedures to start maintaining their financial transactions within the software and reconciling monthly to ensure that the general ledger is accurate and includes all transactions. We also recommend that all of the entity's funds be placed on the computer system and that the accounting personnel be trained on accounting matters affecting the general ledger. This will allow the entity to more closely monitor the transactions within a fund and provide a basis for reconciliations of cash balances.

Response:

All transactions will be posted to the computer and reconciled on a monthly basis.



Finding No. 3 - Cash Reconciliations:

During our procedures related to cash, we noted that the bank statement is not reconciled to cash per the general ledger for the general fund or the detention center fund. The entity maintains a manual journal of all disbursements and receipts by month. Bank statements are reconciled to these manual journals and no emphasis is placed on the accuracy of the information in the computer.

Recommendation:

We recommend that the entity start maintaining all financial transactions on computer and the bank statement be reconciled to the general ledger monthly. Reconciling to the general ledger provides a means of ensuring that all financial transactions are recorded.

Response:

All transactions will be posted to the computer and records will be kept up to date on a monthly basis.

Finding No. 4 - Inmate Account:

During our audit procedures for cash, we noted that numerous checks in the inmate accounts were made out to cash and the inmate account has not been reconciled to the inmate cards.

Recommendation:

We recommend that the inmate account be reconciled periodically with the inmate cards and checks be made out to the inmate, endorsed, and then cashed.

Response:

We will follow the recommendation of the auditor. Money orders will be purchased from the bank at a fee of \$2.50 per money order.

Finding No. 5 - General Fixed Assets:

The entity does not have a complete inventory of fixed assets. Safekeeping of assets is important, especially with items such as weapons, and no inventory of assets has been taken since June 30, 1994. In addition, the existing list has not been updated for any additions or deletions during the last two years.

Recommendation:

We recommend that a physical inventory of assets be taken at least annually. This will provide a means of keeping track of asset additions and deletions due to purchases, obsolescence, theft, or damage.

Response:

A complete inventory of all fixed assets will be performed annually and all items will be tagged.

Finding No. 6 - Securities Pledged to Cover Deposits:

During our procedures performed for the audit of cash for the East Carroll Sheriff's Office, we noted that the entity has deposits in excess of federal deposit insurance and no securities pledged as of June 30, 1996, at Louisiana Delta Bank. Under state law, these deposits must be secured by federal deposit insurance (FDIC) of the pledge of securities owned by the bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

Recommendation:

We recommend that measures be taken to ensure that the entity's depository banks are pledging securities to cover deposits in excess of FDIC insurance limits.

Response:

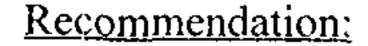
We plan to follow the recommendation of the auditor and we have contacted our bank.

Finding No. 7 - Segregation of Duties:

In planning and performing our audit, we considered the entities internal control structure in order to determine our auditing procedures. All operating procedures and accounting methods utilized by the entity should contain an adequate system of internal checks and controls to serve as the primary safeguard against possible irregularities. Such a system should include the following:

- Segregation of functional responsibilities so that persons charged with the receipt, custody and disbursement of assets are separate and distinct from those maintaining the records pertaining thereto.
- Periodic rotation of personnel whose duties form an integral part of the internal control system.
- A system of authorization and recording procedures adequate to provide reasonable control over assets, liabilities, revenue and expenditures.
- Periodic proofs of records.
- Regular annual vacations by all personnel, with the work of those personnel routinely performed by another employee.

During our documentation process at the Detention Center, we noted that the person in charge of recordkeeping also serves as purchasing agent and approves purchase orders for purchases of all supplies, etc.



We recommend that policies be implemented to separate the receipt, custody and disbursement of assets from the recordkeeping function.

Response:

Frances Wray has been appointed as the new purchasing agent. She will seek the approval of the Warden or Deputy Warden on all purchases over \$50.00.

We are implementing a system requiring double signatures on checks issued from the Detention Center.

We considered these instances of noncompliance in forming our opinion on whether the component unit financial statements of the East Carroll Parish Sheriff are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated October 18, 1996 on those financial statements.

This report is intended for the East Carroll Parish Sheriff and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

HULSEY, HARWOOD AND HULSEY, CPA'S A Professional Accounting Corporation

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Sulsey, sawood

October 18, 1996

