

ST. MARY PARISH SHERIFF
Franklin, Louisiana

GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 1997

	Budget	Actual	Variance (Unfavorable)
REVENUES:			
Ad valorem taxes	\$ 2,205,184	\$ 2,195,804	\$ (9,380)
Intergovernmental revenues:			
Federal grants	48,820	83,884	35,064
State grants	73,180	33,418	(39,762)
State supplemental pay	231,260	212,121	(19,139)
Salary reimbursement	144,541	138,711	(5,830)
Value added	85,814	85,814	-
Interest (earning)	98,947	98,947	-
Fees, charges, and commissions for services:			
Commissions on state revenue sharing	184,200	184,200	-
Civil and criminal fees	250,250	260,970	10,720
Court attendance	8,125	9,426	1,301
Transporting of prisoners	12,549	12,591	42
Feeding and keeping of prisoners	452,770	449,146	(3,624)
Commissions on licenses	70,811	81,038	1,227
Interest	37,810	44,823	7,013
Miscellaneous	248,310	218,908	(29,402)
Total revenues	4,277,800	4,234,872	(42,928)
EXPENDITURES:			
Current:			
Public safety:			
Personnel services and related benefits	2,328,472	2,328,147	(325)
Operating services	428,180	434,018	5,838
Materials and supplies	631,787	635,526	3,739
Debt service	28,119	15,784	(12,335)
Capital outlay	128,805	180,548	51,743
Total expenditures	3,546,163	3,610,023	63,860
EXCESS OF REVENUES OVER EXPENDITURES	731,637	594,261	(137,376)
OTHER FINANCING SOURCES:			
Proceeds from capital leases	-	37,687	37,687
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	731,637	631,948	(43,689)
FUND BALANCE, BEGINNING	780,545	780,545	-
FUND BALANCE, ENDING	\$ 1,285,228	\$ 1,191,285	\$ (93,943)

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 21 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and executes duties required by the parish court system, such as providing bailiffs, executing orders of the court, and issuing subpoenas.

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

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

Basis of Presentation

The accompanying general purpose financial statements of the St. Mary 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. The GASB periodically updates its codification of the existing governmental accounting and financial reporting standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GASB for governmental units. The more significant of these accounting policies are described herein and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity

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

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

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Notes to Financial Statements

- Appraising a voting majority of an organization's governing body, the ability to impose its will, and/or the potential of the organization to provide specific financial benefits or impose specific financial burdens.
- Organizations for which a voting majority is not appointed, but are financially dependent.
- 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.

As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. However, since certain operating expenditures of the Sheriff's office are required by Louisiana law to be paid by the parish council, the Sheriff is considered financially dependent and a component unit of the St. Mary Parish Council, the financial reporting entity.

The accompanying financial statements present information only on funds maintained by the Sheriff and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Certain units of local government, such as the parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying general purpose financial statements. These units of government issue financial statements separate from those of the Sheriff.

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.

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

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

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to Financial Statements

General Fund

The General Fund, as provided by Louisiana Revised Statute 18:3472, is the principal fund of the Sheriff and accounts for the operations of the Sheriff's office. The Sheriff's primary sources of revenues is ad valorem taxes levied by the Law Enforcement District. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various special 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.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement basis applied. The general fund is accounted for using a flow of current financial resources measurement basis. With this measurement basis, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) to net current assets. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., when they become 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 general fund uses the following practices in recording revenues and expenditures:

Revenues

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

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

Grant revenues for cost reimbursement grants is recognized in accordance with GASB Statement 3. When the expenditure is incurred, grant revenue is considered to have been earned and therefore available and recognized as revenue.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to Financial Statements

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

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

Plant Financing Sources

Plant assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

Budget Practices

The proposed budget for the fiscal year ended June 30, 1993 was made available for public inspection on June 8, 1993. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal prior to the public hearing, which was held at the Sheriff's office on June 20, 1993, for comments from taxpayers. The budget is legally adopted and recorded, as necessary, by the Sheriff.

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

Without encumbrance accounting or formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying general purpose financial statements include the original adopted budget and all subsequent amendments.

Cash

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with other 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.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the St. Mary Parish Council are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical costs are not available. Estimated amounts are immaterial in relation to total fixed assets.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to Financial Statements

Compensated Absences

The Sheriff has the following policy relating to vacation and sick leave:

After one year of service, employees earn ten days of noncumulative vacation leave. One-half day of sick leave is earned each month less lapses at the end of the month except for major illness. Major illnesses will be with or without pay at the discretion of the Sheriff.

The Sheriff has the following policy for compensatory time:

Compensatory time received by an employee in lieu of cash is at the rate of one hour therefor and one-half hours of compensatory time for each hour of overtime worked.

Long-Term Obligations

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

Fund Balances

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

Total Columns on Balance Sheet

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

Use of Estimates

The Sheriff uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenditures.

NOTE 2. LITTED TAXES

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

	Authorized Millage	Levied Millage	Expiration Date
Law Enforcement District	10.31	10.75	8000
Sub-District No. 1	8.00	8.00	12-31-07

On May 1, 1993, the voters of Law Enforcement Sub-District No. 1 of St. Mary Parish approved a proposition to increase the levy of two mills on all property subject to taxation in said district to eight mills, beginning with the year 1993 and ending with the year 1997.

ST. MARY PARISH SHERIFF
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Notes to Financial Statements

NOTE 3. CASH

At June 30, 1997, the Sheriff has cash (bank balances) totaling \$2,845,907 as follows:

Demand deposits	\$1,858,851
Time deposits	581,351
Total	<u>\$2,440,202</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (at 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, 1997, the Sheriff has \$2,885,829 in deposits (bank balances). These deposits are secured from risk by \$815,428 of Federal deposit insurance and \$2,070,401 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAR Category 7).

Even though the pledged securities are considered uncollateralized (Category 7) under the provisions of GAAR Statement 3, Louisiana Revised Statute 28:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4. RECEIVABLES

The general fund receivables of \$881,218 at June 30, 1997, are as follows:

Class of Receivable	
All various taxes	\$ 799
Federal and state grants	9,167
State supplemental pay	18,133
Salary reimbursement	12,195
Video poker	20,370
Indian gaming	21,176
Civil and criminal fees	20,383
Court attendance	1,508
Transporting of prisoners	1,273
Feeding and housing of prisoners	68,266
Commissions on licenses	6,453
Accrued interest	8,366
Miscellaneous	<u>17,368</u>
Total	<u>\$ 881,218</u>

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to Financial Statements

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

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

Balance, July 1, 1986	\$ 3,349,896
Additions	188,546
Reductions	<u>(288,636)</u>
Balance, June 30, 1987	\$ 3,249,806

NOTE 6. PENSION PLAN

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

Plan members are required to contribute 8.7% of their annual covered salary to the system while the employer is required to contribute at the statutory rate of 8.0% of the total annual covered salary. The employer's contribution to the system for the years ended June 30, 1987, 1986 and 1985 were \$128,041, \$125,371 and \$95,687, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Sheriff's Pension and Relief Fund, P. O. Box 2182, Monroe, Louisiana 71210.

NOTE 7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$228,802 at June 30, 1987 are as follows:

Class of Payable	
Accounts	\$ 67,578
Claims	63,881
Deferred compensation	4,581
Life group insurance	1,427
Pension	33,820
Salaries and benefits	<u>55,515</u>
Total	\$228,802

NOTE 8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions:

ST. MARY PARISH SHERIFF
 Franklin, Louisiana

Notes to Financial Statements

	Capital Leases	Compensated Absences	Workman's Compensation	Total
Reported - Balance at July 1, 1994	\$ -	\$ 48,305	\$126,000	\$174,305
Additions	27,287	7,700	-	35,000
Reductions	<u>25,280</u>	<u>-</u>	<u>25,280</u>	<u>50,560</u>
Balance at June 30, 1997	<u>\$27,014</u>	<u>\$56,005</u>	<u>\$100,720</u>	<u>\$183,740</u>

The beginning balance of Workman's Compensation Liability has been adjusted at June 30, 1997 to correct an understatement of \$126,000 made on June 30, 1994.

St. Mary Parish Sheriff records items under capital leases as an asset and a related obligation in the accompanying financial statements. The following is an analysis of equipment under capital lease agreements as June 30, 1997:

Telephone Equipment	\$14,805
Office Equipment	<u>8,215</u>
Total	<u>\$23,020</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1997:

Total ending June 30, 1997	\$25,849
Less: Amount representing interest	<u>23,830</u>
Present value of net minimum lease payments	<u>\$20,019</u>

Compensated absences consists of the portion of accumulated vacation and compensatory time of governmental funds that is not expected to require current financial resources.

On May 11, 1988, the Supreme Court of the State of Louisiana ruled that the St. Mary Parish Sheriff and the State of Louisiana were liable for the payment of death benefits under the Workman's Compensation Act. Effective July 1, 1984, the widow and children of a deputy Sheriff killed in the line of duty were entitled to \$160 per week until such time as one or more of the minor children reach the age of eighteen (twenty-three if enrolled as a full-time student) and/or until such time as the widow dies or remarries. The Sheriff's liability (84 percent) is \$538.12 per month.

In January 1, 1995, both children were 18 or older and did not enroll in college; therefore, the monthly payments of \$538.12 were not to be paid per R.S. 33:1237. The new monthly payments of \$269.06 began January, 1995. The Sheriff's liability at June 30, 1997 is \$122,828. This amount was computed using a "Period Life Table" issued by the Social Security Administration.

ST. MARY PARISH SHERIFF
Franklin, Louisiana

Notes to Financial Statements

NOTE 9. RESERVATION OF FUND BALANCE

Property in Law Enforcement Sub-District No. 1 is subject to a tax millage through the year 1997. The tax is in addition to the tax levied by the Law Enforcement District and collections are dedicated to providing uniformed patrol's within Sub-District No. 1. Unexpended amounts at June 30, 1987 have been reserved in the general fund for that purpose.

NOTE 10. CHANGES IN AGENCY FUND BALANCES

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

	Sheriff Fund	Bond Fund	Tax Collector Fund	Total
Balance on July 1, 1986	\$ 16,000	\$ 442,866	\$ 1,041,609	\$ 1,499,135
Additions	477,385	1,340,133	37,354,508	13,192,026
Reductions	(455,825)	(1,813,518)	(22,561,800)	(24,830,153)
Balance on June 30, 1987	\$ 37,560	\$ 610,295	\$ 1,824,818	\$ 1,662,085

NOTE 11. TAXES PAID UNDER PROTEST

The uncollected balances due to taxing bodies and others in the Agency Funds at June 30, 1987 include \$433,613 of taxes paid under protest plus interest accrued to date on the investment of these funds totaling \$18,704. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Fund.

NOTE 12. LITIGATION AND CLAIMS

At June 30, 1987, the Sheriff is involved in numerous lawsuits which seek unspecified damages along with a claim by the Louisiana Department of Wildlife and Fisheries in the amount of \$19,340 for prior years' licensees. In the opinion of the Sheriff's legal council, the Wildlife and Fisheries' claim is without merit and will be defended if a lawsuit is filed. Therefore, no provision for any liability has been made in the financial statements. The ultimate resolution of the other claims would not materially affect the general purpose financial statements and any liability incurred from these claims is adequately covered by insurance.

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Franklin, Louisiana

Notes to Financial Statements

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

The Sheriff's office is located in a building owned by the parish council. Expenditures for operation and maintenance of the parish jail and building, as required by state statute, are paid by the St. Mary Parish Council and are not included in the accompanying general purpose financial statements.

NOTE 14. DUE FROM GENERAL FUND

At June 30, 1997, the General Fund owed the Tax Collector Agency Fund \$18,000 resulting from a shortage in the sports license accounts. During the year it was discovered that an employee embezzled funds during the current and prior years. The employee was arrested and pled guilty to charges brought by the District Attorney. At a restitution hearing, the individual was ordered by the 16th District Judicial Court to make full restitution to the Louisiana Department of Wildlife and Fisheries and the St. Mary Parish Sheriff.

Supplementary information

BY MARY PARTON SHERIFF
Parish, Louisiana

Supplementary Information
As of and for the Year Ended June 30, 1987

FUNDARY FUND TYPE - ACCOUNT FUNDS

SHERIFF FUND

The Sheriff Fund accounts for funds held in civil suits, Sheriff's sales, and garnishments. It also accounts for payment of these funds to the recipients in accordance with applicable laws.

BOSS FUND

The Boss Fund accounts for collections of bonds, fines, and costs and payment of these collections to the 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 and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

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REGULAR FUND TYPE - ASSESSOR FUNDS
Combining Balance Sheet
June 30, 1997

	Sheriff Fund	Donor Fund	Tax Collector Fund	TOTAL
ASSETS				
Cash	\$ 31,828	\$ 818,280	\$ 980,777	\$ 1,830,885
Due from General Fund	-	-	25,000	25,000
Total Assets	\$ 31,828	\$ 818,280	\$ 1,005,777	\$ 1,855,885
LIABILITIES				
Due to taxing bodies and others	\$ 31,828	\$ 818,280	\$ 1,004,818	\$ 1,855,885

ST. MARY PARISH SHERIFF
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FUNDIARY FUND TYPE - AGENCY FUNDS
Schedule of Changes in Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 1997

	Sheriff Fund	Grand Fund	Tax Collector Fund	TOTAL
BALANCES, BEGINNING OF YEAR	\$ 14,010	\$ 863,608	\$ 1,011,488	\$ 1,889,106
ADDITIONS				
Deposits:				
Sheriff's Sales	354,273	-	-	354,273
Fees	-	1,136,027	-	1,136,027
Contributions	218,102	-	-	218,102
Taxes, fees, etc. paid to tax collector	-	-	22,000,018	22,000,018
Interest	-	21,495	71,240	92,735
Total additions	472,375	1,157,522	22,071,258	23,701,155
Total	487,485	1,023,770	22,142,517	24,217,291
DEDUCTIONS				
Taxes, fees, etc. distributed to taxing bodies and others	38,218	-	22,141,201	22,179,419
Deposits settled to:				
Sheriff's General Fund	71,532	82,272	-	153,804
St. Mary Parish Council	-	82,480	-	82,480
District Attorney	-	218,800	-	218,800
St. Mary Parish Clerk of Court	22,800	88,440	-	111,240
St. Mary Parish Coroner	-	21,080	-	21,080
Intergov. Detention Board	-	109,200	-	109,200
Acadiana Crime Lab	-	88,280	-	88,280
Injury Trust Fund	-	24,250	-	24,250
Municipal Police Departments	-	26,650	-	26,650
Ligands	202,848	178,278	-	381,126
Other Settlements	5,101	26,188	-	31,289
Total Deductions	446,659	1,073,548	22,141,201	23,661,408
BALANCES, END OF YEAR	\$ 31,820	\$ 610,208	\$ 1,024,815	\$ 1,867,063

ROBERT T. DUCHARME, Jr
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL CORPORATION)
444-D BOSSIERE STREET
POST OFFICE BOX 944
MONROE CITY, LOUISIANA 70081
(224) 383-3882

Robert T. Ducharme, II CPA

**Independent Auditor's Report on Compliance
and on Internal Control over Financial Reporting
Based on an Audit of General Purpose Financial Statements
Performed in Accordance with Government Auditing Standards**

Honorable David A. Napkin
St. Mary Parish Sheriff
Franklin, Louisiana

We have audited the general purpose financial statements of the St. Mary Parish Sheriff, a component unit of the St. Mary Parish Council, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 15, 1997. We have conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Parish Sheriff's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which is described below.

Audit Report Not Timely Filed

Finding:

The audit report of the St. Mary Parish Sheriff is required to be filed with the Legislative Auditors office within six (6) months of their year end. Due to a cash shortage regarding the sports license account in the tax collector fund, an additional one (1) month extension of time was requested and granted.

Recommendation:

The audit report should be filed with the Legislative Auditors Office within six (6) months of their year end.

Response:

Audit reports will be timely filed in the future.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the St. Mary Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, would adversely affect the St. Mary Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structures over financial reporting 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. We noted certain matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

Independent Segregation of Accounting Functions

Finding:

The function of accounting for sports licenses was the sole responsibility of one employee. The employee was able to account for sports licenses with the Louisiana Department of Wildlife and Fisheries, to collect funds and make deposits, disburse funds and reconcile bank accounts without supervision. Because functions were not segregated, the system failed to adequately safeguard assets, resulting in a shortage of funds.

Recommendation:

There should be a segregation of duties within the function of accounting for sports licenses, as well as all other accounting functions, in order to insure adequate internal control.

Response:

Adequate segregation of duties have been implemented.

Independent Fidelity Bond Insurance Coverage

Finding:

The Sheriff currently maintains fidelity bond insurance coverage on employees in the amount of \$70,000 with a \$1,000 deductible. Due to the current year cash shortfall in the tax collector fund, this amount appears to be inadequate.

Recommendation:

In view of the large amount of funds handled by employees who work in the tax collection department, the amount of Fidelity bond insurance should be increased to higher levels in order to safeguard assets.

Response:

We are currently looking into increasing our Fidelity bond insurance coverage and will implement this recommendation.

We noted certain other instances of noncompliance that are immaterial and which we have reported to the Sheriff and his management in a separate letter dated October 15, 1991.

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

Robert Buchanan, CFS

Bergas City, Louisiana
October 15, 1991

ROBERT T. DUCHARME, II
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION
402-B SODERLICK STREET
POST OFFICE BOX 948
MORGAN CITY, LOUISIANA 70381
(504) 385-8862

Robert T. Ducharme, II CPA

MANAGEMENT LETTER

The Honorable David A. Nequin
St. Mary Parish Sheriff
Franklin, Louisiana

We have completed our audit of the general purpose financial statements of the St. Mary Parish Sheriff for the year ended June 30, 1997 and submit the following recommendations for your information; in improving the efficiency and effectiveness of the operations of the Sheriff's Office.

- (1) Regarding the Sheriff's Fund, the due to others subsidiary should be reconciled to the cash balance on a monthly basis.
- (2) Regarding the Bond Fund, the due to others subsidiary should be reconciled to the cash balance on a monthly basis.
- (3) The duties of processing receipts and disbursements for the D.A.S.C. account should be segregated.

We would like to express our appreciation to you and your office staff for the cooperation and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

Sincerely,



Robert T. Ducharme, II CPA

Morgan City, Louisiana
October 15, 1997

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ST. MART PARISH SHERIFF
Franklin, Louisiana

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Clerk of the House office of the Legislative Auditor and, upon request, at the office of the parish clerk of court.

REC 7 5 1988

Webster Page

ROBERT T. DUCHAMNE, II
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION
402-B ROBERTSON STREET
PO BOX OFFICE 888 844
MONROE CITY, LOUISIANA 70001
(504) 345-1442

Robert T. Duchamne, II CPA

Independent Auditor's Report

Memorable David A. Hayslip
St. Mary Parish Sheriff
Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the St. Mary Parish Sheriff, a component unit of the St. Mary Parish Council, as of and for the year ended June 30, 1993, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the St. Mary Sheriff and his management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Tax Collector Fund, which represents 81 percent of the assets of the agency funds. These financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tax Collector Fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Sheriff and his management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish Sheriff as of June 30, 1993, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 13, 1992 on our consideration of the Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of

The St. Mary Parish Sheriff. Such information, except for the Tax Collector fund which was audited by other auditors, has been subjected to the auditing procedure applied in the audit of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Robert J. Williams, CPA

Burgas City, Louisiana
October 18, 1997

General Purpose Financial Statements

ST. BARTY PARISH SHERIFF

Terrebonne, Louisiana

Reconciled Balance Sheet
All Fund Types and Account Groups
June 30, 1997

	GOVERNMENTAL FUND TYPE		POLICY FUND TYPE	ACCOUNT GROUPS		TOTAL Disbursement Debt
	General Fund	Fund		General Fund Assets	General Long-Term Debt	
ASSETS AND OTHER DEBITS						
Cash (Note 3)	1,207,278	\$	1,008,860	\$	-	\$
Receivables (Note 4)	261,278		-		-	261,278
Due from Other Funds (Note 14)	-		28,850		-	28,850
Other Prepayments and Equipment (Note 5)	-		-		1,467,766	1,467,766
Amount to be provided for Retirement of General Long-Term Obligations	-		-		-	271,000
TOTAL ASSETS AND OTHER DEBITS	1,468,556	\$	1,037,710	\$	1,467,766	1,486,111

	LIABILITIES AND FUND EQUITY		POLICY FUND TYPE	ACCOUNT GROUPS		TOTAL Disbursement Debt
	General Fund	Fund		General Fund Assets	General Long-Term Debt	
LIABILITIES AND FUND EQUITY						
Accounts, Balances and Other Payables (Note 7)	228,852	\$	-	\$	-	\$
Due to Other Funds (Note 14)	28,850		-		-	28,850
Due to Funding Bodies and Others (Note 10)	-		1,807,008		-	1,807,008
Capital Leases (Note 8)	-		-		22,278	22,278
Commodities Accounts (Note 6)	-		-		76,543	76,543
Retirement Obligations (Note 5)	-		-		152,888	152,888
Total Liabilities	256,702		1,807,008		181,709	2,045,499
Fund Equity						
Investment in General Fund Assets	-		-		1,467,766	-
Fund Balance	1,191,854		-		-	1,191,854
Investment in Infrastructure	1,181,300		-		1,467,766	-
Total Fund Equity	2,373,154		-		1,467,766	2,373,154
TOTAL LIABILITIES AND FUND EQUITY	2,629,856	\$	1,807,008	\$	1,467,766	2,418,653

ST. MARY PARISH SHERIFF
Franklin, Louisiana

GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 1997

REVENUES:	
Ad valorem taxes	\$ 2,180,889
Intergovernmental revenues:	
Federal grants	83,834
State grants	35,416
State supplemental pay	232,151
Salary reimbursement	130,211
Video poker	85,814
Initial gaming	86,847
Fees, charges, and commissions for services:	
Commissions on state revenue sharing	184,308
Civil and criminal fees	388,878
Court attendance	9,428
Transporting of prisoners	32,883
Feeding and keeping of prisoners	488,745
Commissions on licenses	81,888
Interest	44,833
Miscellaneous	278,568
Total revenues	4,224,872
EXPENDITURES:	
Current:	
Public safety	
Personal services and related benefits	2,088,747
Operating services	474,838
Materials and supplies	625,538
Debt service	15,764
Capital outlay	188,548
Total expenditures	3,373,435
EXCESS OF REVENUES OVER EXPENDITURES	851,437
OTHER FINANCING SOURCES:	
Proceeds from capital leases	27,867
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	879,304
FUND BALANCE, BEGINNING	789,546
FUND BALANCE, ENDING	\$ 1,668,850