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**TENNESSEE PARISH SHERIFF**  
St. Joseph, Louisiana

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

June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been furnished 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 1-10-99

**Wagnerpark & Associates (APAC)**  
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**TECHAS PARISH SHERIFF**  
St. Joseph, Louisiana

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

June 30, 1999

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## INDEPENDENT AUDITOR'S REPORT

Honorable Jeff Pitts,  
Tensas Parish Sheriff  
St. Joseph, Louisiana

We have audited the accompanying general-purpose financial statements of Tensas Parish Sheriff, component unit of Tensas Parish Police Jury, as of June 30, 1998, and for the year then ended, as listed in the table of contents. These general-purpose financial statements are the responsibility of Tensas Parish Sheriff's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

We were unable to obtain sufficient documentation needed to support various departmental expenditures with respect to credit card charges made on a Tensas Parish Sheriff's credit card as well as payments made by the Tensas Parish Sheriff to the Sheriff's personal credit card, nor were we able to satisfy ourselves as to these financial activities by other auditing procedures. These various departmental expenditures are included in the general fund and represent approximately \$4,587 of expenditures for the year ending June 30, 1998.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the expenditures discussed in the previous paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Tensas Parish Sheriff, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated December 30, 1998 on our consideration of Tensas Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Tensas Parish Sheriff has a general fund deficit as of June 30, 1998. Management's plans regarding this matter are disclosed in Note 8 to the financial statements.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of financial information listed in the table of contents as supplemental information is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements of Texas Pacific Shredder. This information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, except for the matters discussed in the third paragraph of this report, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Wagmanpack & Associates (AASC)*

Irish Cove, Louisiana

December 18, 1998

**GENERAL - PURPOSE FINANCIAL STATEMENTS**

**TOTAL ASSETS LIABILITY**

St. Joseph, Louisiana

**ALL FUND TYPES AND ACCOUNT GROUPS**

Compared Balance Sheet June 30, 1999

Page 1 of 4

	UNRECORDED		RECORDED		TOTAL	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
<b>ASSETS AND OTHER DEBITS</b>						
Assets:						
Cash and cash equivalents	\$ 72,518	\$ 117,790	-	-	\$ 190,308	
Accounts receivable	270,096	-	-	-	270,096	
Due from other funds	52,435	-	-	-	52,435	
Accounts for and expenses	-	-	219,492	-	219,492	
Inventories	6,800	-	-	-	6,800	
Other Debits	-	-	-	-	-	
Amount to be provided for payment of capital lease obligations	-	-	-	-	-	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$ 461,849</u>	<u>\$ 117,790</u>	<u>\$ 219,492</u>	<u>\$ 52,434</u>	<u>\$ 693,466</u>	
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>						
Liabilities:						
Accounts payable	\$ 262,056	-	-	-	\$ 262,056	
Due from retained	68,179	-	-	-	68,179	
Payroll withholdings payable	24,217	-	-	-	24,217	
Accrued interest	1,842	-	-	-	1,842	
Notes payable	188,070	-	-	-	188,070	
Due to retained funds and others	24,200	68,071	-	-	92,271	
Due to other funds	-	18,465	-	-	18,465	
Capital lease obligations payable	-	-	52,434	-	52,434	
Total Liabilities	<u>668,562</u>	<u>117,790</u>	<u>219,492</u>	<u>52,434</u>	<u>693,466</u>	
Equity and Other Credits:						
Amount in general fund assets	-	-	119,492	-	119,492	
Fund balances (DEFICIT)	4,800	-	-	-	4,800	
Retained for inventory	1,044,815	-	-	-	1,044,815	
Unassigned - undesignated	370,000	-	175,000	-	545,000	
Total Equity and Other Credits	<u>1,020,665</u>	<u>-</u>	<u>294,492</u>	<u>-</u>	<u>1,315,157</u>	
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<u>\$ 1,689,227</u>	<u>\$ 117,790</u>	<u>\$ 513,984</u>	<u>\$ 52,434</u>	<u>\$ 1,315,157</u>	

The accompanying notes are an integral part of this statement.

**TEXAS PARKS DEPT.**  
**St. Joseph, Louisiana**  
**GOVERNMENTAL FUND-TYPE - GENERAL FUND**

Statement B

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended June 30, 1998**

**REVENUES**

All Admissions taxes	\$ 133,137
Sales tax	184,280
Intergovernmental revenues:	
State revenue sharing	31,240
Grants - Federal	28,821
Grants - state and other	55,699
State supplemental pay	61,711
Fees, charges, and commissions for services:	
Commissions on taxes and licenses	1,280
Civil and criminal fees	68,238
Court attachment	940
Feeding and keeping prisoners	2,796,421
Prisoner work release income	17,160
Commissary income	133,856
Vint and Kolliba's revenue	61,225
Interest earnings	6,818
Miscellaneous	18,142
Total revenues	<u>3,993,025</u>

**EXPENDITURES**

**PUBLIC SAFETY:**

Personnel services and related benefits	1,994,648
Operating services	1,177,848
Materials and supplies	156,779
Travel and other charges	25,584
Debt Service:	
Principal	46,389
Interest	16,815
Capital outlay	12,968
Miscellaneous	516
Total expenditures	<u>3,498,714</u>

**EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES**

(50,710)

**OTHER FINANCING SOURCES**

Sales of fixed assets	158
Interest claims	8,527
Total other financing sources	<u>8,685</u>

**EXCESS (DEFICIENCY) OF REVENUES AND  
OTHER SOURCES OVER EXPENDITURES**

(79,025)

**FUND BALANCE (DEFICIT) - BEGINNING OF YEAR**

(21,845)

**FUND BALANCE (DEFICIT) - END OF YEAR**

\$ (715,887)

The accompanying notes are an integral part of this statement.



TERREBONNE PARISH SHERIFF

St. Joseph, Louisiana

GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement C

Statement of Revenues, Expenditures,  
and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1998

	BUDGET	ACTUAL	VARIANCE PAYABLE (DEFICIT)
<b>REVENUES</b>			
All Voluntary taxes	\$ 404,000	\$ 503,187	\$ 109,187
Sales tax	90,000	184,388	14,388
Intergovernmental revenues:			
State revenue sharing	50,000	51,548	1,548
Grants - federal	-	28,000	28,000
Grants - state and other	20,000	58,099	38,099
State supplemental pay	25,000	62,772	37,772
Fees, charges, and commissions for services:			
Commissions on fees and income	3,000	3,388	388
Civil and criminal fees	70,000	68,316	(1,684)
Court attendance	0,000	948	948
Feeding and keeping prisoners	3,073,000	3,796,621	1,723,621
Prisoner work release income	-	17,568	17,568
Commodity income	-	128,986	128,986
Fines and forfeitures revenue	-	61,325	61,325
Interest earnings	3,000	8,014	5,014
Miscellaneous	12,000	18,142	(1,858)
Total revenues	<u>3,773,000</u>	<u>4,983,621</u>	<u>1,210,621</u>
<b>EXPENDITURES</b>			
<b>PUBLIC SAFETY:</b>			
Personnel services and related benefits	3,398,000	3,994,049	(138,049)
Operating services	-	3,173,888	(3,173,888)
Materials and supplies	500,000	754,772	(254,772)
Travel and other charges	8,000	29,883	(19,883)
Debt Service:			
Principal	-	46,589	(46,589)
Interest	-	18,815	(18,815)
Capital outlay	25,000	52,968	(27,968)
Miscellaneous	8,000	914	7,086
Total expenditures	<u>3,934,000</u>	<u>4,968,744</u>	<u>(2,115,744)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>(98,123)</u>	<u>(98,123)</u>
<b>OTHER FINANCING SOURCES</b>			
Sales of fixed assets	-	180	(180)
Insurance claims	-	8,332	8,332
Total other financing sources	<u>-</u>	<u>8,472</u>	<u>8,472</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<u>-</u>	<u>(79,642)</u>	<u>(79,642)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>-</u>	<u>(95,842)</u>	<u>(95,842)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (175,082)</u>	<u>\$ (175,082)</u>

The accompanying notes are an integral part of this statement.

**TENNESSEE PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**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 on-official tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

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

As the executive 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 fees, costs, and local facilities imposed by the district court.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation**

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

**2. Reporting Entity**

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

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

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

**TENNESSEE PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

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

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

**3. Fund Accounting**

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

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

**GOVERNMENTAL FUNDS**

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 33:1412, is the principal fund of the sheriff's office and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue consist primarily of commissions on state revenue sharing, federal revenue funds, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

**FIDUCIARY FUNDS**

**Agency Funds**

The agency funds are used as depositories primarily for collections of civil suits, cash bonds, fines, fees, and inmate proceeds. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law. The agency funds are recorded in minor (asset equal) liabilities and do not involve measurement of results of operations.

**TERESA PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The Sheriff has the following Agency Funds:

**TAX COLLECTOR FUND**

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

**SHERIFF'S FUND**

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

**INMATE FUND**

The Inmate fund accounts for monies belonging to individual prisoners. The funds are used by prisoners to purchase personal items and any remaining balances are returned to the prisoners upon completion of their jail sentence.

**WORK RELEASE FUND**

The work release fund is used to account for monies earned by inmates employed by a local company while serving their prison sentence. A portion of the monies earned is contributed to the Sheriff's general fund and the remaining portion is transferred to the inmate fund which is added to the inmate's individual total.

**B. 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 transactions made, regardless of the measurement basis applied. The Central Fund is accounted for using a flow of current financial resources measurement basis. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting (except for the Tax Collector Agency Fund, which is prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting). The Central Fund uses the following practices in recording revenues and expenditures:

**REVENUES**

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

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

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

TRUSSARD PARISH SHERIFF  
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS  
June 30, 1998

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

**Expenditures**

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

**Other Financing Sources (Used)**

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

**3. Budget Practices**

The proposed budget for 1998 was prepared on the modified accrual basis of accounting, and published in the official journal at least 15 days prior to the public hearing. Public hearings are held at the sheriff's office during the month of June the immediate prior to the year. The budgets are then legally adopted by the sheriff and amended during the year, as necessary.

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

Similar performance accounting, or fiscal, integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**4. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax refunds must be deposited in a bank domiciled in the parish where the funds are collected.

**5. Inventory**

Inventory at June 30, 1998 consists of food, various supply items and supplies that are maintained at the Trussard Parish Detention Center. The inventory items are valued at cost, which approximates market. Cost is determined using specific identification method which is not considered to be a material departure from GAAP.

**6. Fixed Assets**

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed

**TEXAS PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

assets screen group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost.

**8. Compensated Absences**

After one year of service, all employees are granted 30 days of vacation leave each year. Vacation leave must be taken in the year earned and may not be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

**10. Long-Term Obligations**

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

**11. Total Column on Balance Sheet**

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

**NOTE B - MANAGEMENT'S PLANS FOR FUTURE OPERATIONS**

At June 30, 1998, the Texas Parish Sheriff has a general fund deficit in the amount of \$494,887. The sheriff is currently implementing a plan to eliminate this deficit over the next three fiscal years. During September 1998, the sheriff negotiated a management agreement with a firm that will develop and construct a detention center in Waterproof, Louisiana. This detention center will be leased to the Texas Parish Sheriff and the detention center will house approximately 400 Louisiana Department of Corrections inmates. It is expected that the sheriff's revenues and associated profits from the leasing of prisoners and commodity sales will significantly increase. The Texas Parish Sheriff is also currently reviewing its operations to determine if certain expenditures can be reduced or eliminated. In addition, other sources of revenues and additional fees are being sought to increase revenue sources. Management believes that the increase in revenues associated with the new detention facility, the cost reduction plan, and the seeking of additional revenue sources will enable the Texas Parish Sheriff to eliminate the general fund's deficit over the next three fiscal years.

**NOTE C - LEVIED TAXES**

The following is a summary of Texas Parish's authorized and levied ad valorem taxes for 1998.

Description	Authorized Millage	Levied Millage	Expiration Date
Parish Tax:			
General Ad Valorem Tax	3.15 M	3.15 M	NA
Sheriff's Office	2.52 M	2.52 M	NA
Health Unit	2.67 M	2.67 M	2006
Library	4.08 M	3.80 M	2006
School Conditional	3.94 M	2.94 M	NA

**TERREBONNE PARISH SHERIFF**  
St. Amant, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**NOTE C - LEVIED TAXES - Continued**

Description	Authorized Millage	Levied Millage	Expiration Year
School Special Maintenance	6.36 M	6.36 M	2002
School District 3 Special Maintenance	18.00 M	18.00 M	2000
Assessor	4.79 M	4.79 M	NA
ShawW's Special	18.00 M	18.00 M	2007
Police Day Special Maintenance	18.00 M	18.00 M	2007
9th Louisiana Levee District	2.83 M	3.82 M	NA
Drainage District #1	4.61 M	4.61 M	2006
Drainage District #2	3.84 M	3.84 M	2001
Drainage District #3	3.85 M	3.85 M	2003
Forestry Tax	1.00 acres	0.00 acres	NA

**NOTE D - CASH AND CASH EQUIVALENTS**

As June 30, 1998 the sheriff has cash and cash equivalents (bank balances) totaling \$190,651 as follows:

Cash on hand	\$ 200
Demand deposits	61,628
Interest-bearing demand deposits	<u>128,823</u>
	<u>\$ 190,651</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance on 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. As June 30, 1998, the sheriff has \$194,841 in deposits (collected bank balances). These deposits are covered by federal deposit insurance and pledged securities owned by the fiscal agent bank.

**DENVER PARISH Sheriff**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**NOTE E - ACCOUNTS RECEIVABLES**

The General Fund receivables as of June 30, 1998 are as follows:

Ad valorem tax	\$ 2,354
Intergovernmental Revenue:	
Grants - state & other	3,104
State supplemental pay	3,818
Fees, charges, and commissions for services:	
Civil and criminal fees	6,300
Commissions on licenses & tax	120
Furling and keeping prisoners	211,733
Interest earnings	50
Miscellaneous	<u>        39</u>
	<u>\$ 231,588</u>

**NOTE F - INTERFUND RECEIVABLES AND PAYABLES**

The following schedule as of June 30, 1998 represents interfund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund	\$ 22,458	\$ -
Following Funds - Agency Funds		
Jury Fund	-	43,383
Work Release Fund	<u>        -</u>	<u>    3,828</u>
	<u>\$ 22,458</u>	<u>\$ 47,211</u>

**NOTE G - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	OFFICE FURNITURE AND EQUIPMENT	LAW ENFORCEMENT EQUIPMENT	VEHICLES AND BOATS	TOTAL
Balance, June 30, 1997	\$ 27,500	\$ 61,322	\$ 349,640	\$ 438,462
Additions	4,328	11,387	15,314	31,029
Deductions	<u>        -</u>	<u>        -</u>	<u>        -</u>	<u>        -</u>
Balance, June 30, 1998	<u>\$ 31,828</u>	<u>\$ 72,709</u>	<u>\$ 364,954</u>	<u>\$ 469,491</u>



**TERRELL PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1999

**NOTE H - REVENUE ANTICIPATION NOTE**

During the June 30, 1999 fiscal year, the sheriff borrowed \$175,000 on a revenue anticipation note for cash flow purposes. The note was paid prior to the fiscal year end primarily from ad valorem and sales tax revenues. The amount of interest paid upon maturity of the note was \$3,303.

**NOTE I - PENSION PLAN**

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 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 (which is to read the each year of service) is 2.5 per cent for each year if total service is at least 33 but less than 35 years, 3.75 per cent for each year if total service is at least 35 but less than 36 years, and 5 percent for each year if total service is at least 36 years. In any case, the retirement benefit cannot exceed 80 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefits accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained in writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 386, Monroe, Louisiana 71278, or by calling (337) 662-1091.

**Funding Policy.** Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Terrell Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 6.0 percent of annual covered payroll. Contributions to the System also include one-half of one per cent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium trusts. The contribution requirements of plan members and the Terrell Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:806, 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 Terrell Parish Sheriff's contributions to the System for the years ending June 30, 1998, 1997, and 1996 were \$73,877, \$53,911, and \$42,853, respectively, equal to the required contributions for each year.

**NOTE J. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Terrell Parish Sheriff does provide certain health care and life insurance benefits for retired employees. The sheriff recognizes the cost of providing these postretirement health care and life insurance benefits as an expenditure when the monthly premiums are due which was \$4,122 for the year ended June 30, 1999.

TEXAS PARISH SHERIFF  
St. Joseph, Louisiana

NOTES TO FINANCIAL STATEMENTS  
June 30, 1998

**NOTE K - CAPITAL LEASE OBLIGATIONS**

The Texas Parish Sheriff records vehicles acquired through capital leases as an asset and an obligation in the accompanying financial statements. The following is a summary of the capital lease obligation transactions for the year ended June 30, 1998:

Capital Lease Obligations Payable at June 30, 1987	\$ 98,730
Additions	-
Reductions	<u>145,583</u>
Capital Lease Obligations Payable at June 30, 1998	\$ <u>52,147</u>

The capital leases are for patrol vehicles and radio equipment used in the sheriff's law enforcement operations. The payment terms of the capital leases range from 24 to 36 months at various interest rates ranging from 6.00% to 11.4%. All of the capital lease agreements contain non-appropriation clauses, therefore, in the event the insufficient funds are budgeted for the purposes of funding the capital lease obligations the sheriff (county) can terminate the lease arrangement with the lease upon notification in writing.

Future minimum lease payments under the capital leases, together with the present value of net minimum lease payments as of June 30, 1998 are scheduled as follows:

Final year:	
1999	\$ 41,084
2000	33,878
2001	<u>1,072</u>
Total minimum lease payments	54,996
Less - amount representing interest	<u>(2,850)</u>
Present value of net minimum lease payments	\$ <u>52,147</u>

**TERRELL PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**NOTE L - 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, 1998 follows:

Description	Balance Beginning of Year	Additions	Deductions	Balance at End of Year
Tax Collector Fund	\$ 4,268	\$ 1,190,517	\$ 2,316,581	\$ 21,136
Sheriff's Fund	28,550	112,289	299,820	25,879
Incident Fund	-	187,845	117,886	50,959
Work Release Fund	-	85,472	33,821	5,151
	\$ 23,818	\$ 1,355,463	\$ 2,840,208	\$ 113,765

**NOTE M - NOTES PAYABLE**

For the year ended June 30, 1998, the Terrell Parish Sheriff's office incurred short-term obligations at interest rates ranging from 4.8% to 6.5% the use in providing operating funds while awaiting the collection of Ad Valorem taxes and other anticipated revenues.

The following is a summary of notes payable as of June 30, 1998:

Terrell State Bank - Note payable dated  
April 2, 1998, due June 30, 1998  
including interest at 6.5%. Note was  
paid in full along with interest to  
the amount of \$1,100,000 on July 13, 1998

\$ 1,100,000

**NOTE N - TAXES PAID UNDER PROTEST**

The classified liabilities due to taxing bodies and others at June 30, 1998 as reflected in Statement A, include \$5,181 of Ad Valorem taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$343. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**TERRAS PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1998

**NOTE G - LITIGATION**

The Sheriff's Office is involved in various litigation as June 30, 1998. The Terras Parish Sheriff has been named as defendant in various alleging civil rights violations. It is not possible to predict for the Terras Parish Sheriff's legal counsel to predict the outcome or the range of potential loss, if any, that may result from these actions. No provision for any liability that may result has been made in the financial statements, nor has it been determined if the Terras Parish Sheriff's insurers will cover such losses that may result from these actions.

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

**NOTE F - INSURANCE COVERAGE**

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

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

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

**NOTE R - FUND DEFICIT**

The following fund has a fund balance deficit as June 30, 1998.

General Fund	1	(715,987)
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**NOTE S - EXPENDITURES - ACTUAL AND BUDGET**

The General Fund had actual expenditures of \$3,886,794 over budgeted expenditures of \$1,707,000, thus creating an unfavorable variance of \$2,179,794.

**NOTE T - RESERVED FUND BALANCE**

Reserve for Investments - The reserve for investments was created to represent the portion of the fund balance that is not available for expenditures because the sheriff expects to use these resources within the next budgetary period.

**TEXAS PARISH SHERIFF**  
St. Joseph, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 1999

**NOTE 1 - THE YEAR 2000 ISSUE**

The year 2000 issue is a result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond if date sensitive coding is not corrected. The Texas Parish Sheriff is aware of the year 2000 issue and is currently assessing all of its systems.

## SUPPLEMENTAL INFORMATION

**REVENUE FUNDS - AGENCY FUNDS**

**TENNESSEE PARISH SHERIFF**  
St. Joseph, Louisiana

**SUPPLEMENTAL INFORMATION**  
June 28, 1998

**FIDUCIARY FUNDS-- AGENCY FUNDS**

**TAX COLLECTION FUND**

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

**SHERIFF'S FUND**

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

**INMATE FUND**

The inmate fund accounts for monies belonging to individual prisoners. The funds are used by prisoners to purchase personal items and any remaining balances are returned to the prisoners upon completion of their jail sentence.

**WORK RELEASE FUND**

The work release fund is used to account for monies raised by inmates employed by a local company while serving their prison sentence. A portion of the monies earned is transferred to the Sheriff's general fund and the remaining portion is transferred to the inmate fund which is added to the inmate's individual total.



TEXAS PARKS SERVICE  
St. Joseph, Louisiana

Schedule I

PROFICIENCY FUNDS - AGENCY FUNDS  
Comparative Balance Sheet  
June 30, 1998

ASSETS	AGENCY FUNDS				TOTAL
	TAX COLLECTOR	SPECIAL FUND	POSITIVE FUND	STOCK RELEASE FUND	
Cash and cash equivalents	\$ 21,125	\$ 11,829	\$ 12,258	\$ 8,628	\$ 53,840
Total Assets	<u>\$ 21,125</u>	<u>\$ 11,829</u>	<u>\$ 12,258</u>	<u>\$ 8,628</u>	<u>\$ 53,840</u>
LIABILITIES					
Liabilities:					
Due to taxing bodies and others	\$ 21,125	\$ 11,829	\$ 12,258	\$ -	\$ 55,111
Due to other funds	-	-	43,492	8,628	52,120
Total Liabilities	<u>\$ 21,125</u>	<u>\$ 11,829</u>	<u>\$ 55,750</u>	<u>\$ 8,628</u>	<u>\$ 117,332</u>

**TENNESSEE PAROLE SHEET**  
**By Joseph L. Lavin**  
**RECORDARY FUNDS - AGENCY 01.0106**

**Statement of Change in Deposit Balances by Funds**  
**Year Ending Year-06, 2006**

	TAX COLLECTORS FUND	SHERIFF FUND	BOATFE FUND	WORK RELEASE FUND
<b>BALANCE, Beginning of Year</b>	\$ 4,288	\$ 11,071	\$ -	\$ -
<b>ADDITIONS:</b>				
Identify sale	-	42,684	-	-
Fines, bond forfeitures, and costs	-	346,822	-	-
Grant-in-aid	-	22,178	-	-
Interest	-	871	-	-
Trans. fees, etc. paid to tax-refundor	2,293,137	-	-	-
Other deposits	2,281,427	831	187,988	41,879
Total additions	<u>2,283,627</u>	<u>11,258</u>	<u>187,988</u>	<u>41,879</u>
<b>Total</b>	<u>2,287,915</u>	<u>22,329</u>	<u>187,988</u>	<u>41,879</u>
<b>DEDUCTIONS:</b>				
Expenses related to:				
Identify General Fund	-	70,286	-	-
Public Aid	-	79,791	-	-
State agencies	-	15,288	-	-
Manufacturers	-	3,811	-	-
County attorney	-	30,910	-	-
State Judicial District Court	-	7,996	-	-
Clerk of Court	-	14,174	-	-
Crime lab	-	50,053	-	-
Judges defensible board	-	29,240	-	-
Attorneys, litigants, appraisers, etc.	-	18,462	-	-
Other refunds	-	20,036	131,066	16,821
Other refunds:				
Refunded bonds	-	2,408	-	-
RFP awards	-	78	-	-
Reimbursals	-	5,446	-	-
Trans. fees, etc. distributed by using books and other Total reductions	<u>2,076,288</u>	<u>249,035</u>	<u>117,066</u>	<u>17,641</u>
<b>BALANCE, End of Year</b>	\$ 211,627	\$ 11,294	\$ 70,922	\$ 24,238

**INDEPENDENT AUDITORS' REPORT AND OTHER SUPPLEMENTAL  
REQUIRED BY GOVERNMENT ACCOUNTING STANDARDS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 1998

**A. Summary of Audit Results**

- The auditor's report expresses a qualified opinion on the general purpose financial statements of the Terrell Parish Sheriff.
- The reportable conditions in internal control disclosed during the audit of the general purpose financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards. The five conditions are reported as material weaknesses. (See 95-1, 95-2, 95-4, 95-5, and 95-6 in Part B of this Schedule)
- There was an instance of noncompliance material to the general purpose financial statements which was disclosed during the audit and reported in the Report On Compliance And Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards. (See 96-1 in Part B of this Schedule)

**B. Findings - Financial Statement Audit**

**95-1 SUBJECT, AMENDMENTS AND ADOPTION**

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

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

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

**96-1 SEGREGATION OF DUTIES**

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

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

Management of the Sheriff's office concurs with the finding. Management has hired additional accounting personnel, but due to budget and staff limitations, additional personnel needed to have a complete segregation of duties can not be accomplished at this time.

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

**96-3 NEED TO IMPROVE CONTROLS OVER CREDIT CARD USAGE**

Our review of credit card statements and credit card payment disbursements disclosed that during part of this fiscal period certain charges were not supported by documentation or receipts.

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

Management of the sheriff's office has implemented additional policies and procedures during this fiscal period to ensure that all credit card charges are supported by a receipt and other forms of documentation necessary to substantiate the expenditures.

**96-4 NEED TO IMPROVE CONTROLS OVER TRAVEL EXPENSE DISBURSEMENTS**

Our review of travel expenses indicates an inconsistent policy during part of this fiscal year with respect to amounts reimbursed to employees as well as travel expenses paid for employees who may travel on office business.

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

Management of the sheriff's office concurs with the finding. They are consulting with legal counsel to determine the statutory requirements and have started to implement new policies and procedures during this fiscal year in order to improve controls with respect to travel expense disbursements.

**96-5 NEED TO PROPERLY MONITOR AND RECORD LEAVE BENEFITS**

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

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

Management of the sheriff's office has implemented new policies and procedures during October 1998 necessary to ensure compliance with the applicable requirements.

TERESA PARISH SHERIFF  
St. Joseph, Louisiana

Schedule 5 - continued

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

June 30, 1998

**98-6 RECONCILIATION OF INMATE FUND**

During the course of our audit, we noted that the Teresa Parish Sheriff's Office did not reconcile items of the individual prisoner accounts on a monthly basis.

We recommend that the Teresa Parish Sheriff's Office reconcile each prisoner account on a monthly basis.

Management of the sheriff's office concurs with the finding. They are in the process of implementing policies and procedures whereby an employee independent of the commissary sales function reconciles each prisoner account at the end of each month.

TEXAS PARISH SHERIFF  
St. Joseph, Louisiana

Section 4

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 1998

**COMPLIANCE FINDINGS**

**95-1 UNTIMELY COMPLETION AND FILING OF AUDIT REPORT**  
(For fiscal years ending June 30, 1997 and 1998)

**Condition:** The Texas Parish Sheriff failed to complete and file the audit report by December 31, 1997.

**Current status:** The Texas Parish Sheriff has complied with the Louisiana Statutes for year ending June 30, 1998 with the timely filing of the Sheriff's audit report.

**95-2 BUDGET AMENDMENTS**  
(For fiscal years ending June 30, 1997 and 1998)

**Condition:** Louisiana Statutes require that the Sheriff's office amend its operating budget when the final balance is budgeted and there is a 2% unfavorable variance in revenues and expenditures. For the years ended June 30, 1997 and 1998, the Sheriff's office failed to meet this requirement and the budget was not amended.

**Current status:** This finding still applies and is noted in the current audit for the year ending June 30, 1998. (See current finding noted as 96-1.) Management has implemented a new accounting system that will assist them in monitoring revenues and expenses on a monthly basis. This will allow them to properly amend the budget as needed and payroll for public employees.

**INTERNAL CONTROL FINDINGS**

**97-1 SEGREGATION OF DUTIES**  
(For fiscal years ending June 30, 1997 and 1998)

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

**Current status:** This finding still applies and is noted in the current audit for the year ending June 30, 1998. (See current finding noted as 96-1.) Management indicates that no action can be taken at this time.

**95-3 NEED TO IMPROVE CONTROLS OVER CREDIT CARD USAGE**  
(For fiscal years ending June 30, 1997 and 1998)

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

**Current status:** This finding was applicable for part of the fiscal year and is noted in the current audit for the year ending June 30, 1998. (See current finding noted as 96-1.) Management has since implemented policies to limit credit card usage and ensure that receipts and other forms of documentation are being turned in in order to substantiate each expenditure.

TEXAS PARISH SHERIFF  
St. Joseph, Louisiana

Schedule 4 - continued

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 1998

99-5 NEED TO IMPROVE CONTROLS OVER TRAVEL EXPENSE DISBURSEMENTS  
(for fiscal years ending June 30, 1997 and 1998)

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

**Current status:** This finding was applicable for part of the fiscal year and is noted in the current audit for year ending June 30, 1998. (See current finding noted as 99-4.) Management is consulting with legal counsel and establishing policy and procedures in order to improve controls and documentation with respect to travel expense disbursements.

99-6 NEED TO CONDUCT PHYSICAL INVENTORY OF FIXED ASSETS  
(for fiscal years ending June 30, 1997 and 1998)

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

**Current status:** Management of the Texas Parish Sheriff's office has properly conducted a physical inventory of movable property at June 30, 1998 and continues to maintain the fixed asset listing which aids the Sheriff's office in updating fixed assets but are prohibited to sell.

99-7 NEED TO DOCUMENT SPECIAL INVESTIGATION EXPENDITURES  
(for fiscal years ending June 30, 1997 and 1998)

**Condition:** Our review of special investigation expenditures indicated that controls and procedures with respect to cash disbursement amounts for special investigations need to be improved.

**Current status:** The Texas Parish Sheriff's office has implemented a policy whereby all investigators sign off and record all necessary information pertaining to the use of cash expenditures in a special investigation logbook.

99-8 NEED TO PROPERLY MONITOR AND RECORD LEAVE BENEFITS  
(for fiscal years ending June 30, 1997 and 1998)

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

**Current status:** This finding still applies and is noted in the current audit for year ending June 30, 1998. (See current finding noted as 99-1.) Management of the Sheriff's office has indicated that they have implemented new policies and procedures during October 1998 which should ensure compliance with the applicable requirements.





**Tensas Parish Sheriff's Department**

P. O. Box 130  
 St. Joseph, Louisiana 71302

Corrective Action Plan for  
 Current Year Audit Findings  
 For the Year Ended June 30, 1998.

Ref No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
88-1	Budget Assessments and Allocation	We are currently implementing a new accounting system that will assist us in monitoring revenues and expenditures on a monthly basis. This will allow us to follow and properly amend our budget.	Jeff Bell Yvonne Felley	31-Jan-99
88-2	Segregation of Duties	Not feasible at this time due to budget and staff limitations.	Jeff Bell Yvonne Felley	N/A
88-3	Need to Improve Controls over Credit Card Usage	We have implemented policies during this fiscal year to limit the office credit card usage. Furthermore, receipts and other forms of documentation are being required and maintained on file to substantiate each expenditure.	Jeff Bell Yvonne Felley	31-Mar-99
88-4	Need to Improve Controls Over Travel Expense Disbursements	We are consulting with our legal advisors and have begun to implement policies and procedures in order to improve controls with respect to travel expense disbursements and related documentation.	Jeff Bell Yvonne Felley	31-Mar-99
88-5	Need to Properly Monitor and Record Leave Benefits	We have recently implemented new policies and procedures to ensure compliance with all the applicable requirements.	Jeff Bell Yvonne Felley	31-Dec-98
88-6	Reconciliation of Inmate Fund	We are in the process of implementing a new policy that each prisoner account has to be reconciled monthly by an employee independent of the commissary sales function.	Jeff Bell Yvonne Felley	31-Dec-98

Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended June 30, 2008

Findings	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
Suggestion 1905-1	Elimination of General Fund Deficit	We are implementing a plan to eliminate the deficit over the next three years as discussed in note 8 to the financial statements, and as discussed in management's response to the management letter comment.	Jeff Bell Treasury Director	30-Jun-2008

The above corrective action plan addresses the auditor's current year findings and the management letter comment. If you need additional information, please feel free to contact us.

  
Robert John Bell

  
Thomas J. Finley, Chief Civil Society

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

We have audited the general purpose financial statements of Tronox Parish Sheriff's, component unit of Tronox Parish Police Jury, as of and for the year ended June 30, 1998. Except as discussed in our report dated December 10, 1998, we conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Louisiana Governmental Audit Guide* issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants.

### Compliance

As part of obtaining reasonable assurance about whether Tronox Parish Sheriff's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 56-1.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tronox Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Tronox Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 56.2 through 56-6.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial

reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 94-2 through 94-6 to be material weaknesses.

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

*Wagnonpach & Associates (APAC)*

Belle Four, Louisiana

December 10, 1995

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Timothy J. Gallagher, CPA

We have audited the general-purpose financial statements of Texas Parish Sheriff, a component unit of Texas Parish Police Jury, as of and for the year ended June 30, 1998, and have issued our report thereon dated December 10, 1998. (Except as discussed in our report dated December 10, 1998, we conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Department Auditing Standards*, issued by the Comptroller General of the United States; and Louisiana Government Audit Guide issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants.

As a part of our examination, we have issued our report on the general purpose financial statements, dated December 10, 1998, and our report on internal control and compliance with laws, regulations, and contracts dated December 10, 1998.

During the course of our examination, we became aware of the following matter and we offer the following recommendations and comments.

## Suggestion 1998-1 Elimination of General Fund Deficit

### Issue:

During the year ended June 30, 1998, the Texas Parish Sheriff's general fund deficit increased from \$85,840 to \$175,087. This was due to deficit spending whereby expenditures exceeded revenues by approximately \$79,247 during fiscal year ending June 30, 1998.

### Recommendation:

We recommend that the Sheriff take all necessary steps to eliminate this deficit. The Sheriff should review all costs associated with the operations including but not limited to personnel costs, materials and supplies, operating services and other general fund related expenditures. The Sheriff should then adopt and follow a budget which will eliminate the deficit as soon as possible.

### Management's response:

Management of the Texas Parish Sheriff indicates that they are implementing a plan to eliminate the deficit over the next three fiscal years as discussed in note 8 to the financial statements as of and for the year ended June 30, 1998. This plan includes leasing a detention center which is currently under construction and which will house approximately 400 Louisiana Department of Corrections inmates. Management expects that this facility will significantly increase the Sheriff's revenues and respective profit associated with the housing of prisoners and community sales.

The Texas Parish Sheriff is also reviewing operations to determine if certain general fund expenses can be reduced or eliminated. Management believes that the increase in revenues from the new detention facility, the cost reduction plans, and the seeking of additional revenue sources will enable the Texas Parish Sheriff to eliminate the general fund's deficits over the next three fiscal years.

We encourage that management address the above-mentioned issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

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

*Wagnerbach & Associates (APAC)*

Bella Rose, Louisiana  
December 30, 1998