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EAST CARROLL PARISH SHERRIFF
Lake Providence, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1998

With Supplemental Information Schedules

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
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June 30, 1998
With Supplemental Information Schedules

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditor's Report		3
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	6
Governmental Fund Type:		
General Fund and Special Revenue Funds - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	B	7
Proprietary Fund Type:		
Commissary Enterprise Fund -		
Statement of Revenues, Expenses, and Changes in Retained Earnings	C	8
Statement of Cash Flows	D	9
Notes to the Financial Statements		10

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Contents, June 30, 1998

C O N T E N T S (CONT'D)

	Source	Page No.
Supplemental Information Schedules:		
Special Revenue Funds:		
Combining Balance Sheet	1	24
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	2	25
Supplemental Information Schedules (Cont'd.):		
Fiduciary Fund Type - Agency Funds		
Combining Balance Sheet	3	27
Combining Schedule of Changes in Unsettled Balances Due to Taxing Bodies and Others	4	28
Independent Auditor's Report Required by Government Auditing Standards		
Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting		30
Schedule of Findings and Questioned Costs	5	32
Summary Schedule of Prior Audit Findings	6	35
Corrective Action Plan		



Independent Auditor's Report

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

I have audited the general purpose financial statements of the East Carroll Parish Sheriff, a component unit of the East Carroll 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 the East Carroll Parish Sheriff's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Because of the inadequacy of accounting records for the general fixed asset and general long-term debt account groups, I was unable to form an opinion regarding the amounts at which general fixed assets and general long-term debt are recorded in the accompanying balance sheet at June 30, 1998.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the accounting records for general fixed assets and general long-term debt been adequate, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the East Carroll Parish Sheriff as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund for the year then ended, in conformity with generally accepted accounting principles.

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DEPARTMENT OF BUSINESS
PUBLIC ACCOUNTANTS

OFFICE OF ACCOUNTING
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EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Independent Auditor's Report,
June 30, 1998

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the East Carroll Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated August 4, 1998, on the East Carroll Parish Sheriff's compliance with laws, regulations, contracts, and grants, and my consideration of the agency's internal control.



West Monroe, Louisiana
August 4, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

Fund Balances:

Reserved for inventory									
Unreserved - undesignated	167,614	200,487	19,349	10,349	26,149				
Total Fund Equity	<u>167,614</u>	<u>200,487</u>	<u>38,718</u>	<u>29,698</u>	<u>52,298</u>	<u>8,051</u>	<u>8,051</u>	<u>8,051</u>	<u>54,349</u>
TOTAL LIABILITIES AND FUND EQUITY	511,795	545,420	563,602	563,602	563,602	517,202	517,202	517,202	517,202

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
GOVERNMENTAL FUNDS TYPE - GENERAL FUNDS
AND SPECIAL REVENUE FUNDS

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

	GENERAL FUNDS			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	UNAPPORTIONED AVAILABLE AMOUNTS	BUDGET	ACTUAL	UNAPPORTIONED AVAILABLE AMOUNTS
REVENUES						
Taxes - all values	\$483,000	\$483,000	000			
Intergovernmental revenues:						
State funds:						
Feeding prisoners	75,300	68,365	(1,865)	\$4,795,000	\$4,755,644	\$(4,356)
State vehicle sharing fund	40,000	40,134	734			
State supplemental pay	6,000	6,417	2,417			
Other state grants	4,000	6,107	2,107			
Fees, charges, and commissions for services:						
Commissions on licenses and taxes	19,000	21,448	2,448			
Civil and criminal fees	40,000	42,304	2,304			
Court attendance	2,400	2,895	495			
Transporting prisoners	5,000		(5,000)			
Feeding prisoners	22,000	22,180	280			
Tax returns, etc.	10,000	9,463	(537)			
Bond fees	4,400	5,298	898			
Use of money and property	12,000	29,007	15,037	2,700	42,509	39,809
Other revenues		2,183	2,183	29,500	12,998	(16,502)
Total revenues	<u>600,000</u>	<u>728,624</u>	<u>24,526</u>	<u>4,866,700</u>	<u>4,829,057</u>	<u>(37,643)</u>
EXPENDITURES						
Public safety:						
Corrections:						
Personnel services and related benefits	470,000	420,158	2,842	2,179,000	2,256,608	(77,000)
Operating services	103,000	113,582	(10,582)	1,808,000	1,814,980	6,980
Materials and supplies	42,000	33,209	8,791	683,000	678,608	4,392
Travel and other charges	13,000	62	12,938	3,000	12,908	(7,908)
Capital outlay	25,000	1,896	(23,104)		2,000	(25,104)
Total expenditures	<u>653,000</u>	<u>581,707</u>	<u>(71,293)</u>	<u>4,764,000</u>	<u>4,765,104</u>	<u>(11,900)</u>
EXCESS OF REVENUES OVER EXPENDITURES	77,000	146,918	95,819	25,200	63,953	16,540
FUND BALANCES AT BEGINNING OF YEAR	<u>131,000</u>	<u>131,000</u>	<u>108,470</u>	<u>108,470</u>	<u>108,470</u>	<u>108,470</u>
FUND BALANCES AT END OF YEAR	<u>\$208,000</u>	<u>\$277,918</u>	<u>\$204,389</u>	<u>\$208,470</u>	<u>\$208,470</u>	<u>\$16,540</u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 PROPRIETARY FUND TYPE -
 COMMISSARY ENTERPRISE FUND

Statement of Revenues, Expenses
 and Changes in Retained Earnings
 For the Year Ended June 30, 1998

OPERATING REVENUES	
Sales - groceries	\$280,809
Name charges	607
Total operating revenue	<u>281,416</u>
OPERATING EXPENSES	
Purchase of groceries	293,336
Salaries	10,000
Legal and accounting	349
Bank charges	70
Data and subscriptions	1,357
Office supplies	7,860
Bus tickets	28,393
Travel supplies	4,208
Postage expense	8,123
State and parish sales tax	3,220
Fuel of Equipment	50
Depreciation	589
Other	<u>360,735</u>
Total operating expenses	
	31,011
NET INCOME	<u>51,105</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>51,105</u>
RETAINED EARNINGS AT END OF YEAR	<u>853,118</u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
PROPRIETARY FUND TYPE -
COMMISSARY ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	<u>\$21,001</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation expense	99
Increase in due from other funds	(3,940)
Decrease in due to other funds	(1,000)
Increase in inventory	(11,409)
Increase in accounts payable	<u>10,785</u>
Total adjustments	<u>(5,565)</u>
Net cash provided by operating activities	<u>15,437</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,437
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,165</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$27,581</u></u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 1988

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 23 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state income sharing funds, apartment licenses, and fines, costs, and bond forfeitures imposed by the district court.

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

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and

EAST CARROLL PARISH SHERIFF

Lake Providence, Louisiana

Notes to the Financial Statements (Continued)

- a. The ability of the police jury to impose its will on the organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office, the sheriff was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds controlled by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

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

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

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

Governmental Funds:

General Fund

The general fund, as provided by Louisiana Revised Statute 13:1412, is the principal fund and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales taxes, and federal grants. These revenues are legally restricted, either by tax proposition or by grant agreement, to expenditures for specified purposes.

Proprietary Type Funds - Commissary Enterprise Fund

The Commissary fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost expenses, including depreciation of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has

EAST CARROLL PARISH SHERIFF

Lake Providence, Louisiana

Notes to the Financial Statements (Continued)

decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds - Agency Fund Type

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, or cotara. Disbursements from the funds are made to various parish agencies, litigants in suits, or cotara, in the manner prescribed by law. The agency funds are custodial in nature (receive equal liabilities) and do not involve measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the police jury are not recorded in the general fixed assets account group. The sheriff has not maintained adequate records of its general fixed assets to determine if the amounts are reported at actual costs or estimated costs; however, all fixed assets purchased during the year ended June 30, 1998 are valued at actual cost. No depreciation has been provided on general fund fixed assets. Proprietary fund fixed assets are recorded in the respective fund and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, fixtures and equipment	3 - 20 years
-----------------------------------	--------------

Long-term debt, such as compensated absences, are recognized as liabilities of a governmental fund only when due. The remaining portion of such debt is reported in the general long-term debt account group.

D. BASIS OF ACCOUNTING

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

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1963 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

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

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

Based on the above criteria, ad valorem taxes, state revenue sharing, intergovernmental revenues, and fees charges and commissions for services are treated as measurable to accrual.

Expenditures

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

K. BUDGET PRACTICES

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least ten days prior to the public hearing. Public hearings are held at the sheriff's office during the month of June for comments from

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

inspects. The budgets are then legally adopted by the sheriff and amended during the year, as necessary. Budgets are established and controlled by the sheriff at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

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

F. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the sheriff has cash and cash equivalents (bank balances) totaling \$476,472 as follows:

Demand deposits	\$476,447
Temp Cash	25
Total	<u>\$476,472</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1998, are secured as follows:

Bank Balances	<u>\$647,719</u>
Federal deposit insurance	\$374,458
Pledged securities (collateralized)	<u>1,328,078</u>
Total	<u>\$1,380,536</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered noncollateralized (Category 3) under the provisions of GASB Classification C28.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to affirm and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

agent has failed to pay deposited funds upon demand. Further, LRS 38:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

G. INVENTORY

Inventories of the proprietary fund are recorded at the lower of cost or market, on a first-in, first-out basis.

H. VACATION AND SICK LEAVE

Employees of the sheriff's office and detention center earn from 5 to 21 days of vacation leave each year, depending on length of service. Vacation time earned can be carried forward for employees of the detention center. Employees of the sheriff's office cannot carry forward vacation time. Employees of the detention center earn 6 days of sick leave annually, and sheriff office employees earn 5 days of sick leave annually. Sick time not used is not carried forward.

At June 30, 1988, employees have accumulated and vested \$677,202 of employee leave benefits, computed in accordance with GASB Codification Section 650. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current-year expenditure within the governmental funds when leave is actually taken or when employees are paid for accrued sick leave upon retirement, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

**J. TOTAL COLUMN ON
COMBINED STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis (overview). Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

2. LEVIED TAX

As provided by Louisiana Revised Statute 33-9001, a law-enforcement district has been created for the purpose of providing financing to the office of the sheriff of East Carroll Parish, Louisiana. Louisiana Revised Statute 33-9005 requires the district to levy a tax on the assessed valuation of all property appearing on the 1977 and subsequent tax rolls in an amount that would produce for the district in the initial year the same revenue as that estimated to be produced by the sheriff's contribution on all valuation taxes for the fiscal year 1976-77. For the 1987 tax roll, the district levied 18.58 milfs.

3. RECEIVABLES

The following is a summary of receivables at June 30, 1988:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Intergovernmental revenues:			
State grants:			
Video Printer	\$619		\$619
Fees, charges, and commissions for services:			
Licenses	14		14
Court attendance	275		275
Civil fees	351		351
Feeding and keeping prisoners	12,300	\$294,212	406,512
Phone commission		15,084	15,084
Other revenue	566		566
Total	<u>\$14,125</u>	<u>\$294,296</u>	<u>\$308,421</u>

4. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 1988, are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$3,032	\$3
Agency Funds:		
Criminal Fund		2,680
Tax Collector Fund		322
Inmate Fund	3	4,393

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

	<u>Debit</u>	<u>Credit</u>
Proprietary Fund:		
Commissary Fund	<u>\$4,333</u>	
Total	<u>\$7,948</u>	<u>\$7,948</u>

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment follows:

	Sheriff's Office	Detention Center	Proprietary Fund Equipment	Total
Balance, June 30, 1987	\$284,335	\$219,729	\$787	\$504,851
Additions	1,885	\$2,000		3,885
Deletions	<u>(35,509)</u>			<u>(35,509)</u>
Balance, June 30, 1988	<u>\$170,711</u>	<u>\$221,729</u>	<u>\$787</u>	<u>\$393,227</u>

Beginning balances have been adjusted to reflect items that were added to the general fixed asset listing but not reported in prior years. A summary of proprietary fund type property, plant, and equipment at June 30, 1988, follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$787	(316)	\$471

6. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 30 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year of total service is at least 52 but less than 19 years, 2.75 per cent for each

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1985 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1989). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 35 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (518) 362-3194.

Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the East Carroll Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the East Carroll Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:109, 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 East Carroll Parish Sheriff's contributions to the System for the years ended June 30, 1998, 1997, and 1996 were \$105,820, \$98,286, and \$85,940, respectively, equal to the required contributions for each year.

3. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of lease transactions for the year ended June 30, 1998:

	<u>Balance</u>	<u>Compensatory</u>	<u>Total</u>
Payable at June 30, 1997	<u>\$62,352</u>	<u>\$18,277</u>	<u>\$80,629</u>
Additions	<u>80,618</u>	<u>38,825</u>	<u>119,443</u>
Reductions	<u>(41,699)</u>	<u>(22,222)</u>	<u>(63,921)</u>
Payable at June 30, 1998	<u>\$80,271</u>	<u>\$34,880</u>	<u>\$115,151</u>

The beginning balance for compensated absences could not be reconciled to the June 30, 1997 ending balance.

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

8. CHANGES IN AGENCY FUND BALANCES

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

	Tax Collective Fund	Criminal Fund	Civil Fund	Jail Inventory	Detention Center Income Fund	Total
Balance, July 1, 1997	\$83,666	\$26,717	\$389	\$671	\$14,586	\$119,609
Additions	2,285,714	276,933	58,541	4,589	409,587	2,949,565
Reductions	(1,265,811)	(278,651)	(58,079)	(4,613)	(282,732)	(1,289,386)
Balance June 30, 1998	\$83,666	\$25,000	\$21	\$347	\$37,441	\$119,609

9. LITIGATION AND CLAIMS

At June 30, 1998, the East Carroll Parish Sheriff is involved in several lawsuits. Resolution of these law suits will not result in any liability in excess of insurance coverage.

10. CHANGE IN ELECTED OFFICIAL

Effective May 10, 1998, the term of office of Interim Sheriff James Thornton expired. As a result of elections held in 1998, Sheriff Mark Schumann assumed office effective May 11, 1998.

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

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

12. LEASE COMMITMENTS

At June 30, 1998, the entity was obligated under several operating leases, as follows:

A. The entity leases the Riverbend Detention Center facility from E & T Enterprise, Inc. The lease is for a period of 25 years expiring April, 2022. Lease payments are based on the following:

EAST CARROLL PARISH SHERIFF

Lake Providence, Louisiana

Notes to the Financial Statements (Continued)

1. 25% of the gross monthly payments received from the Louisiana Department of Corrections and from any other entities or governmental agencies for the care of prisoners who are incarcerated at the facility.
2. Fifty (50) cents per meal for each meal prepared at the Riverbend Detention Center, including all meals prepared for inmates incarcerated at the East Carroll Parish Detention Center, and the East Carroll Parish jail.
3. The entity leases the East Carroll Parish Detention Center from East Carroll Correctional Systems, Inc. The lease is renewable annually in April. Lease payments are 25% of the gross monthly payments received by the Sheriff for the care of prisoners who are incarcerated in the East Carroll Parish Detention Center.

1A. SUBSEQUENT EVENTS

Sheriff Mark Schanatic removed all the prisoners from the Riverbend Detention Center on July 9, 1998 which resulted in its closure. The sheriff's office is currently trying to reestablish a contract with the agency that would be more beneficial to the sheriff's office and the community.

SUPPLEMENTAL INFORMATION SCHEDULES

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1997

SPECIAL REVENUE FUNDS

EAST CARROLL DETENTION CENTER (ECDC)

The East Carroll Detention Center Special Revenue Fund accounts for the operation and maintenance of the East Carroll Parish Detention Center. The primary source of revenues are state and parish funds for maintaining state and parish prisoners.

RIVERBEND DETENTION CENTER

The Riverbend Detention Center Special Revenue Fund accounts for the operation and maintenance of the Riverbend Detention Center. The primary source of revenues are state and parish funds for maintaining state and parish prisoners.

NARCOTICS FUND

The Narcotics Fund accounts for monies seized from suspects and monies given the sheriff's office by court order on drug cases. These funds are restricted and are to used for drug enforcement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Combining Balance Sheet, June 30, 1998

	<u>NARCOTICS</u>	<u>UCDC</u>	<u>RYEBRAND</u>	<u>TOTAL</u>
ASSETS				
Cash	\$3,432	\$20,196	\$9,476	\$33,104
Receivables		282,895	126,441	409,296
Utility deposit			280	280
TOTAL ASSETS	<u>\$3,432</u>	<u>\$203,991</u>	<u>\$136,197</u>	<u>\$443,620</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable		\$157,438	\$85,456	\$242,894
Payroll deductions payable		847	399	1,246
Total Liabilities	<u>\$0,000</u>	<u>158,285</u>	<u>85,855</u>	<u>342,353</u>
Fund Balance - unreserved - undesignated	\$3,432	144,705	\$2,342	100,467
TOTAL LIABILITIES AND FUND EQUITY	<u>\$3,432</u>	<u>\$203,991</u>	<u>\$136,197</u>	<u>\$443,620</u>

EAST CARROLL PARISH Sheriff
 Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE

Combining Schedule of Revenues, Expenditures, and
 Changes in Fund Balances
 For the Year Ended June 30, 1998

	<u>PARCOTEC</u>	<u>HCDC</u>	<u>EVERHARD</u>	<u>TOTAL</u>
REVENUES				
Intergovernmental revenues - state grants		\$3,217,649	\$1,535,795	\$4,753,444
Feeding and restraining prisoners				62,393
Use of money and property	\$130	60,388	1,863	12,886
Miscellaneous revenues	651	10,603	752	
Total revenues	781	3,388,890	1,538,394	4,829,025
EXPENDITURES				
Public safety:				
Current:				
Personal services and related benefits		1,523,297	713,333	2,236,630
Operating services		1,164,891	650,090	1,814,981
Materials and supplies		648,548	251,108	670,648
Travel and other charges		8,270	4,638	12,908
Capital outlay		2,019		2,019
Total expenditures	88291	3,347,915	1,589,201	4,737,117
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	781	141,874	(50,807)	91,848
FUND BALANCES AT BEGINNING OF YEAR	2,851	2,839	103,148	708,638
FUND BALANCES AT END OF YEAR	32,432	\$144,713	\$52,342	\$180,487

LAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1998

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

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

CRIMINAL FUND

The Criminal Fund accounts for the collection of bonds, fines and costs, and payment of the collections to recipients in accordance with applicable laws.

CIVIL FUND

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

INMATE COMMISSARY FUND

The Jail Commissary Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the jail.

DETENTION CENTER INMATE COMMISSARY FUND

The Detention Center Inmate Commissary Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1998

	TAX COLLECTOR FUND	CRIMINAL FUND	CIVIL FUND	LAB- INMATE	DEFINITION CENTER INMATE	TOTAL
ASSETS						
Cash and cash equivalents	\$23,023	\$65,717	\$20	\$644	\$33,784	\$125,188
Due from other funds				3		3
TOTAL ASSETS	<u>\$23,023</u>	<u>\$65,717</u>	<u>\$20</u>	<u>\$647</u>	<u>\$33,784</u>	<u>\$125,192</u>
LIABILITIES						
Due to other funds	\$322	\$2,690			\$4,333	\$7,345
Due to inmates				\$647	33,451	32,698
Due to taxing bodies and others	22,784	63,027	\$20			85,749
TOTAL LIABILITIES	<u>\$23,023</u>	<u>\$65,717</u>	<u>\$20</u>	<u>\$647</u>	<u>\$33,784</u>	<u>\$125,192</u>

DAVE CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
FUNDIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unaudited
 Balances Due to Taxing Bodies and Others
 For the Year Ended June 30, 1999

	TAX COLLECTION FUND	GENERAL FUND	CRIM. FUND	LAB. FUND	DEFENSE FUND	TOTAL
UNAUDITED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>383,196</u>	<u>283,717</u>	<u>2999</u>	<u>8621</u>	<u>5,14,296</u>	<u>3113,209</u>
ADDITIONS						
Deposits:						
Ad valorem taxes	2,228,793					2,228,793
State Revenue Sharing	186,283					186,283
Apportioned Income	81,293					81,293
Rent and Lease Income	4,218					4,218
Interest on:						
MRF accounts	7,299					7,299
Delinquent taxes	2,796					2,796
Precedent taxes held in escrow	913					913
Prior year taxes	1,761					1,761
Tax notices, etc.	11,693					11,693
Refunds	279					279
Agency funds, fees, etc.		279,932				279,932
Income deposits				4,389	409,267	413,656
Subs:			58,441			58,441
Total additions	<u>2,503,214</u>	<u>279,932</u>	<u>58,241</u>	<u>4,389</u>	<u>409,267</u>	<u>2,955,043</u>
Total	<u>2,503,214</u>	<u>279,932</u>	<u>58,241</u>	<u>4,389</u>	<u>409,267</u>	<u>2,955,043</u>
DEDUCTIONS						
Deposits applied to:						
Chief of Court		18,143	11,213			29,356
Parish's Bond Administration			32,322			32,322
Louisiana Department of Parole	3,149					3,149
Louisiana Dept. of Wildlife & Fisheries	21,154					21,154
Louisiana Tax Commission	935					935
Fifth District Levy Board	89,841					89,841
Tax Council Parishes:						
Assessor	135,808					135,808
Criminal Court Fund		63,828				63,828
District Attorney		24,266				24,266
Police Jury	1,008,337					1,008,337
School Board	299,102					299,102
Board B	217,689	24,262	8,879			250,830
Hospital	199,212					199,212
Indigent Defender Board		23,604				23,604
Lake Providence Port Commission	68,137					68,137
Police Funds	66,908					66,908
Income allocations:						
McComb	298	45,654		4,213	382,792	433,967
Other employees	288	27,278	7,415			34,981
Total deductions	<u>2,463,967</u>	<u>218,032</u>	<u>95,895</u>	<u>4,213</u>	<u>382,792</u>	<u>2,964,904</u>
UNAUDITED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>323,023</u>	<u>340,617</u>	<u>211</u>	<u>847</u>	<u>521,471</u>	<u>3118,158</u>

**Independent Auditor's Reports Required
by Government Auditing Standards**

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



Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting

EAST CARROLL PARISH SHERIFF Lake Providence, Louisiana

I have audited the general purpose financial statements of the East Carroll Parish Sheriff as of and for the year ended June 30, 1998 and have issued my report (report dated August 4, 1998). I conducted my 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 East Carroll Parish Sheriff's general purpose financial statements are free of material misstatement, I 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed three instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 98-4, 98-5, and 98-6.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered East Carroll Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations that I considered to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the East Carroll 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 98-1, 98-2, 98-3.

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EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 1998

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



West Monroe, Louisiana
August 4, 1998

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an qualified opinion on the general purpose financial statements of East Carroll Parish Sheriff.
2. Three instances of noncompliance material to the financial statements of East Carroll Parish Sheriff were disclosed during the audit.
3. Three reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

88-1 Need to Reconcile Inmate Balances

Findings: The inmate balance report at the Riverbend and East Carroll Detention Centers were not reconciled to the general ledger cash account, the inmate balance report, which identifies when the money in the Inmate Fund belongs to, had a balance of \$38,143 at June 30, 1998. The general ledger cash account had a balance of \$35,384, or a difference of \$2,651. At this time the agency is unable to determine to which inmate the money belongs. Proper internal control dictates that the inmate balance report be reconciled to the general ledger. Without a proper reconciliation, the sheriff's office has no assurance that its fiduciary duty as custodian of inmate receipts has been fulfilled.

Recommendation: I recommend that the cash account be reconciled to the inmate balance report each month so that differences can be located quickly and corrected on a timely basis.

**88-2 Need to Verify Balances for
Vacation and Compensatory Time**

Findings: The beginning balances shown on the schedule of changes in vacation time provided by the bookkeeper at the detention center could not be reconciled to the prior year report. I tested ten additions and reductions to the vacation schedule. My test disclosed that three of the ten additions (30%) and five of the ten reductions(50%) tested did not agree to leave records. Further, I was unable to test beginning balances or additions and deletions to the schedule of changes in compensatory time due to the fact that the records are kept on index cards and they do not have beginning or ending dates by year. Because of

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs (Cont'd.)
For the Year Ended June 30, 1998

the lack of adequate accounting records maintained by the prior administration and the failure of the bookkeeper to properly reconcile activity for the year, the current sheriff has no assurance that the stated balances at June 30, 1998 are correct or that all transactions for the year have been recognized.

Recommendation: I recommend that the current administration determine what its actual liability for vacation and compensatory time is as soon as possible. Further, for the audit for the year ended June 30, 1999 the sheriff's office should be able to provide an accurate list showing beginning balances, additions, reductions, and ending balances by employee.

**88-3 Need Better Controls over
Payroll Expenditures**

The following deficiencies were noted during my test of payroll: (a) During the prior administration employees in the sheriff's office were allowed to take off an hour for lunch without punching out which resulted in four employees being paid for hours not actually worked, (b) signatures of supervisors are not required on time sheets, and (c) adequate documentation was not maintained for raises during the prior administration. Proper internal control dictates that evidence be present to support management's assertion that payroll expenditures are for work performed or leave earned at the correct rate of pay. Lack of approved time sheets and raises precludes the sheriff from providing this evidence. During the field work I spoke with the current administration about employees being paid for hours not worked and supervisor's signatures on time sheets and they have corrected both of these problems.

Recommendation: I recommend that all time sheets be approved by the employees' supervisor, employees only be paid for actual hours worked, and written documentation should be maintained on all raises.

**88-4 Need to Maintain Records of
General Fixed Assets**

Findings: The prior administration of the sheriff's office did not maintain complete records of general fixed assets as required. IRS 24-515(b)(1) requires that the sheriff maintain records of all land, buildings, improvements, furniture, and equipment purchased or otherwise acquired by the sheriff. The records must include information as to the date of purchase, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property disposed of. A complete physical

EAST CARRILL PARISH SHERIFF
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs (cont.)
For the Year Ended June 30, 1998

Inventory was taken when the current sheriff took office on May 11, 1998. No actual or estimated costs were recorded as assets of the two detention centers. Therefore, the sheriff's records lacked sufficient information to support the value reported in the financial statements. The list that the current administration was provided had no values for individual assets only a total by class therefore, due to the time involved to compile this information it was impossible for the current administration to find values for all assets before the conclusion of the audit. The current administration is currently working to establish values for all assets.

Recommendation: I recommend that the sheriff complete the fixed asset list by insuring that all required information is provided on the list. The list should include actual or estimated information on the date of purchase, the original cost, the location of the asset and a notation of whether the information is actual or estimated. Fixed asset records should be updated for all future acquisitions when they are received.

**58-B Need to Comply with Louisiana
Local Government Budget Act**

Finding: The prior administration did not comply with budgetary requirements. The following deficiencies were noted: (a) the General Fund budget was not made available for public inspection or adopted until July 15, 1997, (b) the Detention Center special revenue fund did not hold a public hearing and did not adopt the budget until July 3, 1997. However, the Detention Center special revenue fund's proposed budget was advertised in the paper two times on June 28, 1997 and July 3, 1997. Louisiana Revised Statutes (LRS) 39:1305 (B) requires the sheriff's budget to be completed and available for public inspection no later than fifteen days prior to the beginning of each fiscal year while LRS 39:1306 (A) requires the sheriff to adopt the budget prior to July 1 of the next fiscal year. In addition, LRS 39:1306 (D) states: "upon completion of the proposed budget and, if applicable, its submission to the governing authority, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least ten days prior to the date of the first public hearing."

Recommendation: I recommend that the current sheriff familiarize himself with and comply with all the requirements of the Louisiana Local Government Budget Act.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs (cont'd.)
For the Year Ended June 30, 1998

98-6 Need to Disburse Protested Taxes

Findings: The audit for the year ended April 30, 1997 found that the funds being held in the protest tax bank account should be disbursed to the local taxing bodies since a judgment was rendered in their favor. As June 30, 1998 the balance in the bank account is \$19,534. This balance consists of:

1995 Protested taxes from Pro Bell Chemical and Fertilizer	\$1,317
1996 Protested taxes from Monticello Gin and Elevator Company	14,410
1995 taxes not protested by Pro Bell Chemical	<u>3,650</u>
Total taxes in account	18,377
Interest from 1996 - June 30, 1998	<u>1,157</u>
Total of Bank Account	<u>\$19,534</u>

The judgment in favor of the Assessor against Monticello Gin Company was issued on April 30, 1996 in the Sixth Judicial District Court. The judgement in favor of Pro Bell was issued on April 17, 1997 in the Sixth Judicial District Court. The decision for Pro Bell entitled them to a refund, however, the remainder of the money in the account is due to the taxing bodies in the parish. These monies should have been sent during the first ten days of the month following judgement.

Recommendation: I recommend that the money be immediately disbursed to the local taxing bodies entitled to the funds and to Pro Bell Chemical.

LAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1998

1997 Finding No. 1 - Pension Payable

Condition: This finding related to untimely payments to the Sheriff's Pension and Relief Board.

Recommendation: The auditor recommended that pension liabilities be paid timely in accordance with LRS 11:2176.

Current Status: This finding has been resolved. Payments to the Pension Board were made in a timely manner.

1997 Finding No. 2 - Budgeting

Condition: This finding related to the General Fund budget not being amended as required for the year ended June 30, 1997 and the June 30, 1998 budget not being made available for public inspection fifteen days before the beginning of the fiscal year.

Recommendation: The auditor recommended that revenues and expenditures be monitored monthly and when they were close to exceeding the budget and amendment should be adopted in accordance with LRS 39:1209. They also recommended that procedures be put in place to ensure that budgets are made available for public inspection in accordance with LRS 39:1307.

Current Status: This finding has been partially resolved. Budgets were amended as required for the year ended June 30, 1998. The budget for the year ended June 30, 1999 was made available for public inspection as required by LRS 39:1307. However, finding 98-5 repeats the finding from the prior year on the budget not being made available for public inspection at least fifteen days prior to the beginning of the fiscal year.

1991 Finding No. 3 - Settle Protested Taxes

Condition: This finding relates to the settlement of protested taxes based on the judgment rendered.

Recommendation: The auditor recommended that the taxes be transferred to the tax account and disbursed.

Current Status: This finding has not been resolved. See finding 98-6.

EAST CADDILLAC PARISH SHERIFF
Lake Providence, Louisiana

Summary Schedule of Prior Audit Findings (cont.)
For the Year Ended June 30, 1998

1997 Finding No. 4 - Settlement of Taxes

Condition: This finding relates to the settlement of taxes by the tenth of the month following collection.

Recommendation: The auditor recommended that the taxes be settled within the first ten days of the month following collection.

Current Status: This finding has been resolved.



East Carroll Parish
P.O. Box 246
Lake Charles, Louisiana 70564

CORRECTIVE ACTION PLAN

The following is corrective action to be taken with regard to findings contained in the East Carroll Parish Sheriff's 1998 audit report.

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 98-1 Need to Reconcile Inmate Balances

Corrective Action - The current administration is currently working to identify and correct the difference between the general ledger cash account and the inmate balance report. After all prior year errors are corrected, we will reconcile the general ledger cash account and the inmate balance report on a monthly basis to ensure that any errors will be found and corrected in a timely manner.

Finding 98-2 Need to Verify Balances for Vacation and Compensatory Time

Corrective Action - Management is currently working to determine the correct liability for vacation and compensatory time. The balance for each employee will be recalculated to ensure that all employees receive all compensation and/or leave time they are entitled to. A new record keeping system will be implemented to record changes for compensatory time. The new system will utilize beginning and ending dates by year. Sheriff's office management will be able to provide an accurate list of all required information for the audit of our financial statements for the year ended June 30, 1998.

Finding 98-3 Need Better Controls Over Payroll Expenditures

Corrective Action - We have implemented procedures to ensure that this finding will be corrected. The current administration now requires that all employees clock out when they are not working and that supervisors or department heads approve all time sheets. In the future, when a raise is given, documentation of the raise will be given in writing to the bookkeeper as support for the employee's salary. A copy of this documentation will be placed in the employee's personnel file.

Finding 98-4 Need to Maintain Records of General Fixed Assets

Corrective Action - Management of the Sheriff's office is currently working to establish values for all assets. In addition, a complete inventory will be taken to determine that all assets owned by the Sheriff's office are included on the general fixed assets listing. All additional information, required by the statute, will also be included as the corrected list is compiled.

Finding 98-5 Fined to comply with Louisiana Local Government Budget Act

Corrective Action - Management of the Sheriff's office is familiarizing itself with all requirements of the budget act to ensure compliance. The budget for the year ended June 30, 1998 complied with all provisions of the Louisiana Local Government Budget Act dealing with public participation and adoption. The advertisement for the public hearing was on June 11, 1998, which was ten days before the hearing. The public hearing was held on June 23, 1998. In addition, the budgets were adopted on June 25, 1998, which was prior to the beginning of the next fiscal year.

Finding 98-6 Need to Disburse Protected Taxes

Corrective Action - Management is currently working to compute the tax and interest amounts owed to the taxing bodies and Pro Bell Chemical. The monies will be transferred to the tax collector account and will be disbursed by August 7, 1998.

Corrective Action Plan

Page 3

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark W. Shumate". The signature is written in a cursive style with a long horizontal stroke at the end.

Mark W. Shumate

Sheriff