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**DESOTO PARISH SHERIFF
Mansfield, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1999
With Supplemental Information Schedules**

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

SEP 15 1999

Release Date _____

**VERNON R
COON**

CERTIFIED PUBLIC ACCOUNTANT

DESOTO PARISH SHERIFF
Mansfield, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended June 30, 1999
With Supplemental Information Schedules

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Independent Auditor's Report

HONORABLE HUGH BENNETT
DESOTO PARISH SHERIFF
Mansfield, Louisiana

I have audited the general purpose financial statements of the DeSoto Parish Sheriff, a component unit of the DeSoto Parish Police Jury, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the DeSoto Parish Sheriff's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the DeSoto Parish Sheriff as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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 DeSoto Parish Sheriff. Such information, except for the schedule on the year 2000 issue which is marked unaudited, 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.

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DESOTO PARISH SHERIFF
Mansfield, Louisiana
Independent Auditor's Report,
June 30, 1999

The year 2000 supplementary information on page 28 is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Year 2000 supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the DeSoto Parish Sheriff is or will be year 2000 compliant, that the DeSoto Parish Sheriff's remediation efforts will be successful in whole or in part, or that parties with which the DeSoto Parish Sheriff does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued reports dated August 27, 1999, on my consideration of the DeSoto Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

A handwritten signature in black ink, appearing to be 'K. Smith', written in a cursive style.

West Monroe, Louisiana
August 27, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

DESOTO PARISH SHERIFF
Mansfield, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL ...FUND TYPE...			...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	FIDUCIARY FUND TYPE - AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG- TERM DEBT	
ASSETS						
Cash	\$1,510,827	\$31,543	\$244,631			\$1,787,001
Receivables	107,959	7,269				115,228
Due from other funds		6,701				6,701
Prepaid expenses	2,117					2,117
Office furnishings and equipment				\$1,394,986		1,394,986
Amount to be provided for retirement of general long -term debt					\$38,552	38,552
TOTAL ASSETS	<u>\$1,620,903</u>	<u>\$45,513</u>	<u>\$244,631</u>	<u>\$1,394,986</u>	<u>\$38,552</u>	<u>\$3,344,585</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$31,443					\$31,443
Payroll deductions payable	3,091					3,091
Due to other funds	6,701					6,701
Compensated absences					\$38,552	38,552
Due to taxing bodies and others			\$238,938			238,938
Due to inmates			5,693			5,693
Total Liabilities	<u>41,235</u>	<u>NONE</u>	<u>244,631</u>	<u>NONE</u>	<u>38,552</u>	<u>324,418</u>
Fund Equity:						
Investment in general fixed assets				\$1,394,986		1,394,986
Fund balance:						
Reserved for DWI Fund	23,823					23,823
Unreserved - undesignated	1,555,845	\$45,513				1,601,358
Total Fund Equity	<u>1,579,668</u>	<u>45,513</u>	<u>NONE</u>	<u>1,394,986</u>	<u>NONE</u>	<u>3,020,167</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,620,903</u>	<u>\$45,513</u>	<u>\$244,631</u>	<u>\$1,394,986</u>	<u>\$38,552</u>	<u>\$3,344,585</u>

The accompanying notes are an integral part of this statement.

DESOTO PARISH SHERIFF
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL AND SPECIAL REVENUE FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balances -
Budget (GAAP) Basis and Actual
For the Year Ended June 30, 1999

GENERAL FUND.....			...SPECIAL REVENUE FUNDS...		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Ad valorem taxes	\$2,121,500	\$2,125,250	\$3,750			
Interest on Taxes	3,000	4,829	1,829			
Intergovernmental revenues:						
Federal grants	73,100	95,210	22,110	\$33,940	\$34,460	\$520
State grants:						
State revenue sharing (net)	114,000	114,159	159			
State supplemental pay	179,500	185,835	6,335			
Other grants	45,400	35,860	(9,540)	22,957	22,945	(12)
Local grants	4,600	4,652	52			
Fees, charges, and commissions for services:						
Commissions on licenses and taxes		11,680	11,680			
Commissions on fines and bonds	20,100	10,196	(9,904)			
Civil and criminal fees	192,500	235,853	43,353			
Court attendance	3,500	4,900	1,400			
Transportation of prisoners	3,000	3,649	649			
Feeding and keeping of prisoners	317,700	349,420	31,720			
Tax notices, etc.		12,459	12,459			
Other	15,900	64,721	48,821			
Fines and forfeitures				78,900	79,455	555
Use of money and property	42,900	46,975	4,075	350	400	50
Other	16,000	19,768	3,768	17,670	17,132	(538)
Total revenues	<u>3,152,700</u>	<u>3,325,416</u>	<u>172,716</u>	<u>153,817</u>	<u>154,392</u>	<u>575</u>
EXPENDITURES						
Public safety:						
Current:						
Personal services	2,010,050	2,000,700	9,350	42,618	42,595	23
Operating services	299,200	302,948	(3,748)	18,350	9,201	9,149
Materials and supplies	258,450	270,053	(11,603)	22,911	22,760	151
Travel and other charges	28,900	29,379	(479)	3,025	11,124	(8,099)
Debt service	154,500	154,458	42			
Capital outlay	203,300	205,734	(2,434)	3,800	3,782	18
Intergovernmental					391	(391)
Total expenditures	<u>2,954,400</u>	<u>2,963,272</u>	<u>(8,872)</u>	<u>90,704</u>	<u>89,853</u>	<u>851</u>

(Continued)

DESOTO PARISH SHERIFF
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL
AND SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP) Basis and Actual

GENERAL FUND.....			...SPECIAL REVENUE FUNDS...		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$198,300</u>	<u>\$362,144</u>	<u>\$163,844</u>	<u>\$63,113</u>	<u>\$64,539</u>	<u>\$1,426</u>
OTHER FINANCING SOURCES (Use)						
Sale of assets and seized property	1,000	1,062	62			
Compensation for damaged assets	14,000	14,061	61			
Transfers in	50,000	49,436	(564)	10,500	10,503	3
Transfers out				(60,000)	(59,939)	61
Total other financing sources (use)	<u>65,000</u>	<u>64,559</u>	<u>(441)</u>	<u>(49,500)</u>	<u>(49,436)</u>	<u>64</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	263,300	426,703	163,403	13,613	15,103	1,490
FUND BALANCES AT BEGINNING OF YEAR	<u>1,152,965</u>	<u>1,152,965</u>		<u>30,410</u>	<u>30,410</u>	
FUND BALANCES AT END OF YEAR	<u>\$1,416,265</u>	<u>\$1,579,668</u>	<u>\$163,403</u>	<u>\$44,023</u>	<u>\$45,513</u>	<u>\$1,490</u>

(Concluded)

The accompanying notes are an integral part of this statement.

DESOTO PARISH SHERIFF
Mansfield, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the DeSoto Parish Police Jury is the financial reporting entity for DeSoto 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 DeSoto 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:
 - a. The ability of the police jury to impose its will on that organization and/or

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

- 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 sheriff 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 DeSoto Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The sheriff uses funds and account groups to report on 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 obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

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

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

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 33:1422, is the principal fund and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue 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. Those revenues are legally restricted, either by tax proposition or grant agreement, to expenditures for specified purposes.

Fiduciary Fund Type - Agency Funds

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

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

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. Approximately 3 percent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 97 percent are based on actual historical costs. No depreciation has been provided on general fixed assets.

Long-term obligations, such as compensated absences, are recognized as a liability of a governmental fund only when paid. The remaining portion of such obligations is reported in the general long-term obligations 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 (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 and agency fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The sheriff uses the following practices in 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 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 47:1993 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.

DESOTO PARISH SHERIFF
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

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.

Substantially, all other revenues are recorded when they become available to the sheriff.

Based on the above criteria, fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

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

Other Financing Sources and (Use)

Sales of fixed assets and seized property, compensation for damaged assets, and transfers between funds are accounted for as other financing sources and uses are recognized when the underlying events occur.

E. BUDGET PRACTICES

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least 10 days prior to the public hearing. Public hearings are held at the sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary. Budgets are established and controlled by the sheriff at the object level of expenditure. Encumbrance accounting is not recognized within the budgetary accounting system.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

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, 1999, the sheriff has cash (book balance) totaling \$1,787,001 as follows:

Demand deposits	\$1,786,891
Petty cash	<u>110</u>
Total	<u>\$1,787,001</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 (bank balances) at June 30, 1999, are secured as follows:

Bank Balances	<u>\$1,849,493</u>
Federal deposit insurance	\$443,073
Pledged securities(uncollateralized)	<u>2,314,513</u>
Total	<u>\$2,757,586</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

G. VACATION AND SICK LEAVE

After one year of service, all employees are granted 10 days of vacation leave each year. Vacation leave may be accumulated and carried forward to succeeding years. Upon termination of employment, employees are paid for up to 120 hours of accumulated vacation leave. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

DESOTO PARISH SHERIFF
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

II. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the sheriff maintains commercial insurance policies covering; automobile liability, medical payments, uninsured motorist, and collision; health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. In addition to the above policies, the sheriff also maintains a liability insurance policy with the Louisiana Sheriffs' Risk Management Program. No claims have been filed on the policy during the past three years nor is the sheriff aware of any unfiled claims.

I. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. RECEIVABLES

The following is a summary of receivables at June 30, 1999:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Taxes:			
Ad valorem	\$4,066		\$4,066
Intergovernmental revenues:			
Federal grants	37,548		37,548
State Supplemental Pay	16,186	\$4,485	20,671
Other state grants	3,524	2,784	6,308
Fees, charges, and commissions for services:			
Court attendance	925		925
Commissions on licenses	2,093		2,093

DESOTO PARISH SHERIFF
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

	General Fund	Special Revenue Funds	Total
Transporting of prisoners	\$507		\$507
Feeding and keeping prisoners	34,476		34,476
Tax notices, etc.	1,240		1,240
Other	3,085		3,085
Other revenue	2,908		2,908
Use of money and property - telephone commission	1,401		1,401
Total	<u>\$107,959</u>	<u>\$7,269</u>	<u>\$115,228</u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 1998	\$1,185,470
Additions	209,516
Reductions	<u>NONE</u>
Balance, June 30, 1999	<u>\$1,394,986</u>

4. CHANGES IN GENERAL LONG-TERM DEBT

During the year ended June 30, 1997, the sheriff entered into a loan agreement for \$375,308 to be used for the purchase of law enforcement vehicles. The loan agreement requires monthly payments of \$11,350 at 5.65 per cent per annum, through August, 1998. All debt retirement payments were made from the General Fund. The following is a summary of the changes in long-term debt during the year:

	Compensated Absences	Bank Loan	Total
Balance, June 30, 1998	\$27,814	\$153,544	\$181,358
Additions	51,647		51,647
Reductions	(41,950)	(153,544)	(195,494)
Adjustment	1,041		1,041
Balance, June 30, 1999	<u>\$38,552</u>	<u>NONE</u>	<u>\$38,552</u>

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

Agency policy for accrual of compensated absences changed allowing accrual of vacation time in the current year. The adjustment is net of increases in pay rates and decreases due to limit on hours that can be accrued.

5. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the DeSoto 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 DeSoto Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

on the results of the valuation for the prior fiscal year. The DeSoto Parish Sheriff's contributions to the System for the years ended June 30, 1999, 1998, and 1997 were \$79,430, \$70,878, and \$75,490, respectively, equal to the required contributions for each year.

6. CHANGES IN AGENCY FUND BALANCES

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

	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>
Tax Collector	\$116	\$17,214,664	(\$17,132,639)	\$82,141
Civil	24,257	338,676	(335,750)	27,183
Criminal	71,419	1,044,888	(1,002,815)	113,492
Drug Seizures Escrow	36,885	11,668	(32,431)	16,122
Inmate Commissary	NONE	39,933	(34,240)	5,693
Total	<u>\$132,677</u>	<u>\$18,649,829</u>	<u>(\$18,537,875)</u>	<u>\$244,631</u>

7. FUND BALANCE RESERVE

The DWI program is funded from court costs levied in DWI cases by the district court. The revenues are used to pay necessary costs for operating the DWI program in the parish. The following schedule provides detail on changes in the reserves during the year ended June 30, 1999:

Balance on hand at July 1, 1998	\$21,795
Increases	5,300
Decreases	<u>(3,272)</u>
Balance on hand at June 30, 1999	<u>\$23,823</u>

8. LITIGATION AND CLAIMS

At June 30, 1999, the DeSoto Parish Sheriff is involved in two lawsuits which are either adequately covered by liability insurance or, in the opinion of the sheriff's legal counsel, will not result in any liability to the sheriff.

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Notes to the Financial Statements (Continued)

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

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

10. FEDERAL FINANCIAL ASSISTANCE

During the year ended June 30, 1999, the DeSoto Parish Sheriff participated in the following federal financial assistance programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Issues/ Expenditures</u>
United States Department of Justice			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Multi-Jurisdictional Task Force	16.579	97-B010B020G27	\$13,962
Multi-Jurisdictional Task Force	16.579	97-B010B020H15	20,498
Domestic Violence	16.588	96-M1-M.04-0403	13,035
Law Enforcement Equipment	16.592	97-Z1-Z.1C-0687	5,704
Direct Program - Community Oriented Policing Services	16.710	97-VMWX0674	<u>76,471</u>
Total Federal Financial Assistance			<u>\$129,670</u>

SUPPLEMENTAL INFORMATION SCHEDULES

DESOTO PARISH SHERIFF
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1999

SPECIAL REVENUE FUNDS

DRUG TASK FORCE FUND

The Drug Task Force Fund consists of a federal grant from the United States Department of Justice passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and local matching grants. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

DRUG TASK FORCE FUND - PROGRAM INCOME

The Drug Task Force Program Income Fund accounts for income from the sale of seized assets and contributions. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

DARE FUND

The DARE Fund consists of a state grant from the Louisiana Commission on Law Enforcement and public donations. The grant and donations are used to reduce illegal drug use among youth through educational programs.

COMMISSARY FUND

The Commissary Fund accounts for the profit made from the inmate fund. These funds will be used to purchase necessary items for the inmates.

DESOTO PARISH SHERIFF
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Combining Balance Sheet, June 30, 1999

	TASK FORCE BUDGET FUND	TASK FORCE PROGRAM INCOME FUND	DARE FUND	COMMISSARY FUND	TOTAL
ASSETS					
Cash	\$3,436	\$12,672	\$12,828	\$2,607	\$31,543
Receivables	4,485		2,784		7,269
Due from other funds			6,701		6,701
TOTAL ASSETS	<u>\$7,921</u>	<u>\$12,672</u>	<u>\$22,313</u>	<u>\$2,607</u>	<u>\$45,513</u>
LIABILITIES					
Fund Balance - unreserved - undesignated	<u>\$7,921</u>	<u>\$12,672</u>	<u>\$22,313</u>	<u>\$2,607</u>	<u>\$45,513</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$7,921</u>	<u>\$12,672</u>	<u>\$22,313</u>	<u>\$2,607</u>	<u>\$45,513</u>

DESOTO PARISH SHERIFF
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 1999

	TASK FORCE BUDGET FUND	TASK FORCE PROGRAM INCOME FUND	DARE FUND	COMMISSARY FUND	TOTAL
REVENUES					
Intergovernmental revenues					
Federal grants	\$34,460				\$34,460
State grants			\$22,945		22,945
Fines and forfeitures		\$68,030	11,425		79,455
Use of money and property			400		400
Other	7	51	21	\$17,053	17,132
Total revenues	<u>34,467</u>	<u>68,081</u>	<u>34,791</u>	<u>17,053</u>	<u>154,392</u>
EXPENDITURES					
Public safety:					
Current:					
Personal services and related benefits	23,577		19,018		42,595
Operating services	4,986	2,069		2,146	9,201
Materials and supplies	2,220	895	5,334	14,311	22,760
Travel and other charges	9,810	114	1,200		11,124
Capital outlay	3,782				3,782
Intergovernmental		391			391
Total expenditures	<u>44,375</u>	<u>3,469</u>	<u>25,552</u>	<u>16,457</u>	<u>89,853</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(9,908)</u>	<u>64,612</u>	<u>9,239</u>	<u>596</u>	<u>64,539</u>
OTHER FINANCING SOURCE (Use)					
Transfers in	10,503				10,503
Transfers out		(59,939)			(59,939)
Total other financing source (use)	<u>10,503</u>	<u>(59,939)</u>	<u>NONE</u>	<u>NONE</u>	<u>(49,436)</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	595	4,673	9,239	596	15,103
FUND BALANCES AT BEGINNING OF YEAR	<u>7,326</u>	<u>7,999</u>	<u>13,074</u>	<u>2,011</u>	<u>30,410</u>
FUND BALANCES AT END OF YEAR	<u>\$7,921</u>	<u>\$12,672</u>	<u>\$22,313</u>	<u>\$2,607</u>	<u>\$45,513</u>

DESOTO PARISH SHERIFF
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1999

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

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

CIVIL FUND

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

CRIMINAL FUND

The Criminal Fund is a depository for cash bonds which are posted in criminal cases and the collection of a \$7 bond fee charge levied for the processing of cash bonds. Bond fee charges are transferred to the sheriff's General Fund and cash bonds are held until cases are heard in court and then either refunded to defendants, when they are found not guilty, or are distributed.

DRUG SEIZURES ESCROW FUND

In accordance with Louisiana Revised Statute 40:2616, The District Attorney for the Eleventh Judicial District has appointed the DeSoto Parish Sheriff as administrator for the Drug Seizures Escrow Fund. This fund accounts for seized property and controlled substances that, if not rightfully claimed, is subject to forfeiture to the law enforcement agencies that participated in the seizing process. The distributions to the appropriate agencies are made only upon order of the district attorney.

INMATE FUND

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1999

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	DRUG SEIZURES ESCROW FUND	INMATE FUND	TOTAL
ASSETS						
Cash	<u>\$82,141</u>	<u>\$27,183</u>	<u>\$113,492</u>	<u>\$16,122</u>	<u>\$5,693</u>	<u>\$244,631</u>
LIABILITIES						
Due to taxing bodies and others	\$82,141	\$27,183	\$113,492	\$16,122		\$238,938
Due to inmates					\$5,693	5,693
TOTAL LIABILITIES	<u>\$82,141</u>	<u>\$27,183</u>	<u>\$113,492</u>	<u>\$16,122</u>	<u>\$5,693</u>	<u>\$244,631</u>

DESOTO PARISH SHERIFF
Mansfield, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

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

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	DRUG SEIZURE ESCROW FUND	INMATE FUND	TOTAL
UNSETTLED BALANCES AT BEGINNING OF THE YEAR	\$116	\$24,257	\$71,419	\$36,885	NONE	\$132,677
ADDITIONS						
Deposits:						
Sheriff's sales		151,662				151,662
Fines, forfeitures, and costs			1,044,888			1,044,888
Garnishments		187,014				187,014
Seizures, etc.				11,668		11,668
Taxes, fees, etc., paid to tax collector:						
Ad valorem taxes:						
Current year	16,404,595					16,404,595
Prior year	19,015					19,015
Protested	82,076					
State revenue sharing	553,944					553,944
Sportsmen licenses	77,948					77,948
Interest on:						
NOW account	24,792					24,792
Delinquent taxes	11,959					11,959
Prior year taxes	557					557
Cost of tax notices, etc.	16,479					16,479
Redemptions	23,299					23,299
Other additions					\$39,933	39,933
Total additions	<u>17,214,664</u>	<u>338,676</u>	<u>1,044,888</u>	<u>11,668</u>	<u>39,933</u>	<u>18,649,829</u>
Total	<u>17,214,780</u>	<u>362,933</u>	<u>1,116,307</u>	<u>48,553</u>	<u>39,933</u>	<u>18,782,506</u>
REDUCTIONS						
Deposits, taxes, fees, etc. settled to:						
Louisiana Wildlife and Fisheries	66,255					66,255
Louisiana Department of Forestry	25,480					25,480
Red River Levee District	3,493					3,493
Louisiana Tax Commission	8,620					8,620
Louisiana Commission on Law Enforcement			15,966			15,966

(Continued)

DESOTO PARISH SHERIFF
Mansfield, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS
Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	DRUG SEIZURE ESCROW FUND	INMATE FUND	TOTAL
REDUCTIONS: (CONTD.)						
DeSoto Parish:						
Sheriff's General Fund	\$2,268,401	\$89,462	\$101,611	\$18,094		\$2,477,568
Police Jury	2,777,737		2,600			2,780,337
School Board	8,597,379					8,597,379
Assessor	575,621					575,621
Municipalities			9,787			9,787
District Attorney			150,443	13,368		163,811
Communications District	166,240					166,240
Criminal court fund			296,096			296,096
Clerk of court	4,020	10,731	55,880			70,631
Indigent defender board			139,638			139,638
Attorneys and litigants		219,535				219,535
Pension funds	446,736					446,736
Northwest Crime Lab			45,240			45,240
Northwest Juvenile Detention Center			41,907			41,907
Louisiana Rehabilitation Services			21,210			21,210
Fire Protection Service District No.1	178,232					178,232
Fire Protection Service District No.2	36,561					36,561
Fire Protection Service District No.5	81,797					81,797
Fire Protection Service District No.8	753,434					753,434
Fire Protection Service District No.9	119,163					119,163
Water District	1,000,171					1,000,171
Other settlements			92,982			92,982
Refunds	23,299		18,291	969		42,559
Other reductions		16,022			\$31,199	47,221
Intergovernmental			11,164		3,041	14,205
Total reductions	<u>17,132,639</u>	<u>335,750</u>	<u>1,002,815</u>	<u>32,431</u>	<u>34,240</u>	<u>18,537,875</u>
UNSETTLED BALANCES AT END OF YEAR	<u>\$82,141</u>	<u>\$27,183</u>	<u>\$113,492</u>	<u>\$16,122</u>	<u>\$5,693</u>	<u>\$244,631</u>

(Concluded)

DESOTO PARISH SHERIFF
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended June 30, 1999

YEAR 2000 ISSUE (Unaudited)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The DeSoto Parish Sheriff has completed an inventory of computer systems that may be affected by the year 2000 issue and that are critical to conducting operations of the sheriff's office. The sheriff has identified the following system requiring 2000 remediation; a financial reporting system. All testing and validation of this system has been performed.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the sheriff is or will be Year 2000 ready, that the sheriff's remediation efforts will be successful in whole or part, or that parties with whom the sheriff does business will be year 2000 ready.

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

The following independent auditor's report 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.



MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

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

DESOTO PARISH SHERIFF
Mansfield, Louisiana

I have audited the general purpose financial statements of the DeSoto Parish Sheriff, a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 1999 and have issued my report thereon dated August 27, 1999. 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 DeSoto Parish Sheriff's 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the DeSoto 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

DESOTO PARISH SHERIFF

Mansfield, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 1999

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

A handwritten signature in black ink, appearing to be 'V. ...', written in a cursive style.

West Monroe, Louisiana

August 27, 1999

DESOTO PARISH SHERIFF
Mansfield, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of DeSoto Parish Sheriff.
2. No instances of noncompliance material to the financial statements of DeSoto Parish Sheriff were disclosed during the audit.
3. No 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

None

DESOTO PARISH SHERIFF
Mansfield, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1999

There were no audit findings reported in the audit for the year ended June 30, 1998.