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

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

**June 30, 1999**

Under provisions of state law, this report is a public document. A copy of the report shall be furnished to the council, or its committee, and other appropriate public entities. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-12-2000

**Waguespack & Associates (APAC)**

Certified Public Accountants

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

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

**June 30, 1999**

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## INDEPENDENT AUDITOR'S REPORT

Tensas Parish Sheriff  
St. Joseph, Louisiana

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

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

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

The Tensas Parish Sheriff has an unreserved general fund deficit as of June 30, 1999. Management's plans regarding this matter are described in Note B to the financial statements.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedules of financial information listed in the table of contents as supplemental information is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements of Tensas Parish Sheriff. This information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated August 24, 1999 on our consideration of Tensas Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Waguespack & Associates (APAC)*

Belle Rose, Louisiana  
August 24, 1999

**GENERAL – PURPOSE FINANCIAL STATEMENTS**

## TENSAS PARISH SHERIFF

St. Joseph, Louisiana

## ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL FUND - GENERAL FUND	FIDUCIARY FUNDS - AGENCY FUNDS	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
			GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
<b>ASSETS AND OTHER DEBITS</b>					
Assets:					
Cash and cash equivalents	\$ 76,115	\$ 99,599	-	-	\$ 175,714
Accounts receivable	411,795	-	-	-	411,795
Due from other funds	44,445	-	-	-	44,445
Inventory	5,996	-	-	-	5,996
Restricted assets:					
Investments	3,738,404	-	-	-	3,738,404
General fixed assets:					
Automobiles and equipment	-	-	665,676	-	665,676
Construction in progress	-	-	2,914,238	-	2,914,238
Unamortized debt issue costs	629,757	-	-	-	629,757
Other Debits:					
Amount to be provided for payment of long term debt	-	-	-	7,467,223	7,467,223
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 4,906,512</b>	<b>\$ 99,599</b>	<b>\$ 3,579,914</b>	<b>\$ 7,467,223</b>	<b>\$ 16,053,248</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
Liabilities:					
Accounts payable	\$ 503,036	-	-	-	\$ 503,036
Cash (book) overdraft	26,618	-	-	-	26,618
Payroll withholdings payable	28,332	-	-	-	28,332
Due to taxing bodies and others	-	55,154	-	-	55,154
Due to other funds	-	44,445	-	-	44,445
Compensated absences payable	-	-	-	88,621	88,621
Capital lease obligations payable	-	-	-	218,602	218,602
Bonds payable	-	-	-	7,160,000	7,160,000
Total Liabilities	557,986	99,599	-	7,467,223	8,124,808
Equity and Other Credits:					
Investment in general fixed assets	-	-	3,579,914	-	3,579,914
Fund balance (deficit):					
Reserved for jail construction	4,368,161	-	-	-	4,368,161
Reserved for inventory	5,996	-	-	-	5,996
Unreserved - undesignated	(25,631)	-	-	-	(25,631)
Total Equity and Other Credits	4,348,526	-	3,579,914	-	7,928,440
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$ 4,906,512</b>	<b>\$ 99,599</b>	<b>\$ 3,579,914</b>	<b>\$ 7,467,223</b>	<b>\$ 16,053,248</b>

The accompanying notes are an integral part of this statement

**TENSAS PARISH SHERIFF**  
**St. Joseph, Louisiana**  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**

Statement B

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended June 30, 1999**

<b>REVENUES</b>	
Ad Valorem taxes	\$ 556,808
Sales tax	103,351
Intergovernmental revenues:	
State revenue sharing	32,584
Refuge revenue sharing	23,006
Grants - federal	9,397
Grants - state and other	52,998
State supplemental pay	69,641
Fees, charges, and commissions for services:	
Commissions on taxes and licenses	8,842
Civil and criminal fees	87,257
Court attendance	1,555
Feeding and keeping prisoners	3,372,503
Prisoner work release income	62,723
Commissary income	204,272
Fines and forfeiture revenue	118,100
Interest earnings	128,292
Miscellaneous	9,638
Total revenues	<u>4,840,967</u>
<b>EXPENDITURES</b>	
Public Safety:	
Personal services and related benefits	1,840,534
Operating services	1,614,837
Materials and supplies	889,221
Travel and other charges	3,669
Debt Service:	
Principal	88,513
Interest	19,073
Capital outlay	391,825
Miscellaneous	5,457
Total expenditures	<u>4,853,129</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(12,162)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Sales of fixed assets	6,514
Insurance claims	28,526
Capital lease proceeds	254,973
Jail bond proceeds	7,160,000
Jail construction in progress costs	(2,914,238)
Total other financing sources (uses)	<u>4,535,775</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES &amp; OTHER FINANCING USES</b>	4,523,613
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>(175,087)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 4,348,526</u>

The accompanying notes are an integral part of this statement.

**TENSAS PARISH SHERIFF**  
**St. Joseph, Louisiana**  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**

Statement C

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

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Ad Valorem taxes	\$ 700,000	\$ 556,808	\$ (143,192)
Sales tax	120,000	103,351	(16,649)
Intergovernmental revenues:			
State revenue sharing	25,000	32,584	7,584
Refuge revenue sharing	20,000	23,006	3,006
Grants - federal	5,000	9,397	4,397
Grants - state and other	30,000	52,998	22,998
State supplemental pay	40,000	69,641	29,641
Fees, charges, and commissions for services:			
Commissions on taxes and licenses	8,000	8,842	842
Civil and criminal fees	70,000	87,257	17,257
Court attendance	1,000	1,555	555
Feeding and keeping prisoners	3,011,000	3,372,503	361,503
Prisoner work release income	60,000	62,723	2,723
Commissary income	150,000	204,272	54,272
Fines and forfeiture revenue	100,000	118,100	18,100
Interest earnings	3,000	128,292	125,292
Miscellaneous	10,000	9,638	(362)
Total revenues	4,353,000	4,840,967	487,967
<b>EXPENDITURES</b>			
Public Safety:			
Personal services and related benefits	1,950,000	1,840,534	109,466
Operating services	1,090,000	1,614,837	(524,837)
Materials and supplies	1,057,000	889,221	167,779
Travel and other charges	2,000	3,669	(1,669)
Debt Service:			
Principal	55,000	88,513	(33,513)
Interest	10,000	19,073	(9,073)
Capital outlay	110,000	391,825	(281,825)
Miscellaneous	5,000	5,457	(457)
Total expenditures	4,279,000	4,853,129	(574,129)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	74,000	(12,162)	(86,162)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sales of fixed assets	-	6,514	6,514
Insurance claims	-	28,526	28,526
Capital lease proceeds	-	254,973	254,973
Jail bond proceeds	-	7,160,000	7,160,000
Jail construction in progress costs	-	(2,914,238)	(2,914,238)
Total other financing sources (uses)	-	4,535,775	4,535,775
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES &amp; OTHER FINANCING USES</b>	74,000	4,523,613	4,449,613
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	(175,087)	(175,087)	-
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	\$ (101,087)	\$ 4,348,526	\$ 4,449,613

The accompanying notes are an integral part of this statement.



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

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

**INTRODUCTION**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

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

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

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

1. Basis of Presentation

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

2. Reporting Entity

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

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

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

- . The ability of the police jury to impose its will on that organization and/or
- . The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

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

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

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

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

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

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

**3. Fund Accounting**

The sheriff uses funds and account groups to report on financial 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. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the sheriff are classified into two categories: governmental (general fund) and fiduciary (agency funds). These funds are described as follows:

**GOVERNMENTAL FUNDS**

**General Fund**

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

**FIDUCIARY FUNDS**

**Agency Funds**

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

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

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

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

The sheriff has the following Agency Funds:

**TAX COLLECTOR FUND**

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

**SHERIFF'S FUND**

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

**INMATE FUND**

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

**WORK RELEASE FUND**

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

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting (except for the Tax Collector Agency Fund, which is prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting). The General Fund 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.

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

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

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

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

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

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

Expenditures

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

Other Financing Sources (Uses)

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

5. Budget Practices

The proposed budget for 1999 was prepared on the modified accrual basis of accounting, and published in the official journal at least 15 days prior to the public hearing. Public hearings are held at the sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary.

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

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

6. Cash, Cash Equivalents and Investments

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

Investments are limited by R.S. 33:2955 and the sheriff's policy. The sheriff may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. If the original maturity of investments exceed 90 days, they are classified as investments; however, if the original maturity is 90 days or less, they are classified as cash equivalents.

7. Inventory

Inventory at June 30, 1999 consists of food, various sundry items and supplies that are maintained at the Tensas Parish Detention Center. The inventory items are valued at cost, which approximates market. Cost is determined using specific identification method which is not considered to be a material departure from GAAP.

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

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

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

**8. Restricted Assets**

Certain proceeds associated with the bond issue for the new jail facility are invested and set aside for the remaining costs of construction of the new detention center.

**9. Fixed Assets**

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. Interest costs incurred during the construction are capitalized in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost.

**10. Compensated Absences**

After one year of service, all employees are granted 10 days of vacation leave each year. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff. Employees of the Sheriff's office also earn compensatory leave. Compensatory leave is earned at the rate of time and a half for overtime worked and may be carried forward to subsequent years. Compensatory leave can be accumulated up to a maximum of 480 hours. Any leave earned in excess of the 480 hours has to be paid to the employee in the subsequent payroll period.

**11. Long-Term Obligations**

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

**12. Total Column on Balance Sheet**

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

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

At June 30, 1999, the Tensas Parish Sheriff has an unreserved general fund deficit in the amount of \$25,631. During 1998, the sheriff implemented a plan to eliminate the deficit over the next three fiscal years. During September 1998, the sheriff negotiated a management agreement with a firm that will develop and construct a detention center in Waterproof, Louisiana. This detention center will be leased to the Tensas Parish Sheriff and the detention center will house approximately 400 Louisiana Department of Correction inmates. It is expected that the sheriff's revenues and associated profits from the housing of prisoners and commissary sales will significantly increase. The Tensas Parish Sheriff is also currently reviewing its operations to determine if certain expenditures can be reduced or eliminated. In addition, other sources of revenues and additional fees are being sought to increase revenue sources. Management believes that the increase in revenues associated with the new detention facility, the cost reduction plan, and the seeking of additional revenue sources will enable the Tensas Parish Sheriff to eliminate the general fund's deficit.

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

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

**NOTE C - LEVIED TAXES**

The following is a summary of Tensas Parish's authorized and levied ad valorem taxes for 1999.

<u>Description</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish Tax:			
General Alimony Tax	3.15 M	3.15 M	N/A
Sheriff's Office	8.32 M	8.32 M	N/A
Health Unit	2.61M	2.61M	2006
Library	4.00 M	3.80 M	2006
School Constitutional	3.94 M	3.94 M	N/A
School Special Maintenance	6.36 M	6.36 M	2002
School District 3 Special Maintenance	10.00 M	10.00 M	2000
Assessor	4.79 M	4.79 M	N/A
Sheriff's Special	10.00 M	10.00 M	2007
Police Jury Special Maintenance	10.00 M	10.00 M	2007
5th Louisiana Levee District	3.83 M	3.83 M	N/A
Drainage District #1	4.61 M	4.61 M	2006
Drainage District #2	3.04 M	3.04 M	2001
Drainage District #3	3.60 M	3.60 M	2003
Forestry Tax	\$.08/acre	\$.08/acre	N/A

**NOTE D - CASH AND CASH EQUIVALENTS**

At June 30, 1999 the sheriff has cash and cash equivalents (book balances) totaling \$175,714 as follows:

Cash on hand	\$ 1,000
Demand deposits	59,528
Interest-bearing demand deposits	<u>115,186</u>
	<u>\$ 175,714</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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the sheriff has \$263,224 in deposits (collected bank balances). These deposits are covered by federal deposit insurance and pledged securities owned by the fiscal agent bank.

**NOTE E - INVESTMENTS**

At June 30, 1999, the Tensas Parish Sheriff had \$3,738,404 (amortized cost) invested in guaranteed investment contracts backed by U.S. Treasury obligations. These investments bear interest rates ranging from 4.70% to 5.45%. These investments are stated at cost, which approximates market. These investments are held in an escrow fund which will be used to finalize construction of a new detention center facility. In order to provide an indication of the level of risk assumed by the entity at year end, the investments in United States Government Securities are Category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the sheriff or its agent in the sheriff's name.

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

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

**NOTE F – ACCOUNTS RECEIVABLES**

The General Fund receivables as of June 30, 1999 are as follows:

Intergovernmental Revenue:	
Grants – state & other	\$ 134,512
Refuge revenue sharing	11,369
Fees, charges, and commissions for services:	
Civil and criminal fees	2,189
Commissions on licenses & tax	100
Sales of fixed assets	756
Court attendance	757
Feeding and keeping prisoners	260,568
Miscellaneous	<u>1,544</u>
	<u>\$ 411,795</u>

**NOTE G – INTERFUND RECEIVABLES AND PAYABLES**

The following schedule as of June 30, 1999 represents interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 44,445	\$ -
Fiduciary Funds – Agency Funds		
Inmate Fund	-	35,879
Work Release Fund	<u>-</u>	<u>8,566</u>
	<u>\$ 44,445</u>	<u>\$ 44,445</u>

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

A summary of changes in general fixed assets follows:

	<u>OFFICE FURNITURE AND EQUIPMENT</u>	<u>LAW ENFORCEMENT EQUIPMENT</u>	<u>VEHICLES AND BOATS</u>	<u>CONSTRUC- TION IN PROGRESS</u>	<u>TOTAL</u>
Balance, June 30, 1998	\$ 31,659	\$ 78,909	\$ 264,854	\$ -	\$ 375,422
Additions	227,213	22,661	141,569	2,914,238	3,305,681
Deductions	<u>2,866</u>	<u>7,621</u>	<u>90,702</u>	<u>-</u>	<u>101,189</u>
Balance, June 30, 1999	<u>\$ 256,006</u>	<u>\$ 93,949</u>	<u>\$ 315,721</u>	<u>\$ 2,914,238</u>	<u>\$ 3,579,914</u>

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

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

**NOTE H – CHANGES IN GENERAL FIXED ASSETS - Continued**

Included in the \$2,914,238 construction in progress amount which is associated with the construction of a new detention center is \$210,226 of interest expense which was capitalized for year ended June 30, 1999.

**NOTE I – REVENUE ANTICIPATION NOTE**

During the June 30, 1999 fiscal year, the sheriff borrowed \$303,000 on a revenue anticipation note for cash flow purposes. The note was paid prior to the fiscal year end primarily from ad valorem and sales tax revenues. The amount of interest paid upon maturity of the note was \$10,561.

**NOTE J - PENSION PLAN**

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage 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 percent for each year if total service is at least 20 years. 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 the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

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

**Funding Policy.** Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Tensas 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 per cent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Tensas 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 on the results of the valuation for the prior fiscal year. The Tensas Parish Sheriff's contributions to the System for the years ending June 30, 1999, 1998, and 1997 were \$80,608, \$75,917, and \$51,931, respectively, equal to the required contributions for each year.



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

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

**NOTE K - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Tensas Parish Sheriff does provide certain health care and life insurance benefits for retired employees. The sheriff recognizes the cost of providing these postretirement health care and life insurance benefits as an expenditure when the monthly premiums are due which was \$4,522 for the year ended June 30, 1999.

**NOTE L - COMPENSATED ABSENCES**

At June 30, 1999, employees of the sheriff have accumulated and vested \$88,621 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount of \$88,621 is recorded within the general long-term debt obligations account group.

**NOTE M - CAPITAL LEASE OBLIGATIONS**

The Tensas Parish Sheriff records vehicles acquired through capital leases as an asset and an obligation in the accompanying financial statements. The following is a summary of the capital lease obligation transactions for the year ended June 30, 1999:

Capital Lease Obligations Payable at June 30, 1998	\$ 52,142
Additions	254,973
Reductions	<u>(88,513)</u>
Capital Lease Obligations Payable at June 30, 1999	<u>\$ 218,602</u>

The capital leases are for patrol vehicles, radio and grass cutting equipment used in the sheriff's law enforcement operations. The payment terms of the capital leases range from 30 to 48 months at various interest rates ranging from 5.60% to 15.4%. All of the capital lease agreements contain non-appropriation clauses; therefore, in the event sufficient funds are not budgeted for the purposes of funding the capital lease obligation the sheriff (lessee) can terminate the lease arrangement with the lessor upon notification in writing.

Future minimum lease payments under the capital leases, together with the present value of net minimum lease payments as of June 30, 1999 are scheduled as follows:

Fiscal year:	
2000	\$ 87,249
2001	85,850
2002	52,901
2003	<u>14,144</u>
Total minimum lease payments	240,144
Less - amount representing interest	<u>(21,542)</u>
Present value of net minimum lease payments	<u>\$ 218,602</u>

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

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

**NOTE N – BONDS PAYABLE**

The Tensas Parish Sheriff issued bonds/certificates of participation, Series 1998, totaling \$7,160,000 on September 1, 1998 to finance the acquisition of land, construction and equipping of a 425 inmate jail facility in the parish. The issuance of the bonds was done pursuant to an assigned agreement dated September 1, 1998 between the lessor, Western Correctional Corporation, and the lessee, Tensas Parish Sheriff, where the lessee will lease the jail facility for a term of 20 years with an option to buy the facility for \$1 (one). In conjunction with this rental agreement and issuance of debt, the Tensas Parish Sheriff entered into a Cooperative Endeavor Agreement with the Louisiana Department of Public Safety and Corrections. This agreement guarantees 40% occupancy of the estimated capacity of 375 Department of Correction inmates. A portion of the revenues earned primarily from the housing of Department of Correction inmates will be used to pay the lease and retire the bonds/certificates of participation, series 1998.

The following is a summary of bonds payable transactions for the year ended June 30, 1999:

Bonds payable at June 30, 1998	\$	-
Additions		7,160,000
Deletions		<u>                  -</u>
Bonds payable at June 30, 1999		<u>\$7,160,000</u>

The principal payment terms of the bonds are biannually beginning September 1, 2000 through September 1, 2018 with interest payments which began March 1, 1999. The interest rate on these bonds is 7.00%. The bond contains a non-appropriation clause; therefore, in the event sufficient funds are not budgeted for the purposes of funding the bonds the sheriff can terminate the arrangement upon notification in writing.

The annual requirements to amortize all debt outstanding at June 30, 1999, including \$6,584,200 interest payments, are as follows:

2000	\$	501,200
2001		670,075
2002		667,475
2003		669,000
2004		664,650
Thereafter		<u>10,571,800</u>
		<u>\$13,744,200</u>

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

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

**NOTE O - CHANGES IN AGENCY FUND BALANCES**

A summary of changes in agency fund balances due to taxing bodies and others for the year ended June 30, 1999 follows:

<u>Description</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Tax Collector Fund	\$ 21,226	\$ 2,383,007	\$ 2,383,623	\$ 20,610
Sheriff's Fund	31,829	1,022,265	1,034,654	19,440
Inmate Fund	55,850	252,468	257,335	50,983
Work Release Fund	8,858	124,937	125,229	8,566
	<u>\$ 117,763</u>	<u>\$ 3,782,677</u>	<u>\$ 3,800,841</u>	<u>\$ 99,599</u>

**NOTE P - TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others at June 30, 1999 as reflected in Statement A, include \$19,958 of Ad Valorem taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$541. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**NOTE Q - LITIGATION**

The Sheriff's Office is involved in various litigation at June 30, 1999. The Tensas Parish Sheriff has been named as defendant in actions alleging civil rights violations. It is not possible at present for the Tensas Parish Sheriff's legal counsel to predict the outcome or the range of potential loss, if any, that may result from those actions. No provision for any liability that may result has been made in the financial statements, nor has it been determined if the Tensas Parish Sheriff's insurer will cover such losses that may result from those actions.

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

**NOTE R - INSURANCE COVERAGE**

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

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

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

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

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

**NOTE T - UNRESERVED FUND DEFICIT**

The following fund has an unreserved fund balance deficit at June 30, 1999.

General Fund	\$ (25,631 )
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**NOTE U - EXPENDITURES - ACTUAL AND BUDGET**

The General Fund had actual expenditures and other financing uses of \$7,767,367 over budgeted expenditures and other financing uses of \$4,279,000, thus creating an unfavorable variance of \$3,488,367.

**NOTE V - RESERVED FUND BALANCE**

Reserves for inventories and jail construction - The reserves for inventories and jail construction were created to represent the portion of the fund balance that is not available for expenditure because the sheriff expects to use these resources within the next budgetary period.

**NOTE W - THE YEAR 2000 ISSUE**

The year 2000 issue is a result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond if date sensitive coding is not corrected. The Tensas Parish Sheriff is aware of the year 2000 issue and has installed new hardware and software systems related to office/accounting operations. The Sheriff has completed the testing and validation of these new systems. The Sheriff is in the process of assessing, testing and validating the remaining systems that are used to conduct the daily operations. Management expects that testing and validation of these systems will be completed before the year 2000.

**SUPPLEMENTAL INFORMATION**

**FIDUCIARY FUNDS - AGENCY FUNDS**

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

**SUPPLEMENTAL INFORMATION  
June 30, 1999**

**FIDUCIARY FUNDS - AGENCY FUNDS**

**TAX COLLECTOR FUND**

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

**SHERIFF'S FUND**

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

**INMATE FUND**

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

**WORK RELEASE FUND**

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

TENSAS PARISH SHERIFF  
St. Joseph, Louisiana

FIDUCIARY FUNDS - AGENCY FUNDS  
Combining Balance Sheet  
June 30, 1999

AGENCY FUNDS

	TAX COLLECTOR	SHERIFF	INMATE FUND	WORK RELEASE FUND	TOTAL
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,610	\$ 19,440	\$ 50,983	\$ 8,566	\$ 99,599
Total Assets	<u>\$ 20,610</u>	<u>\$ 19,440</u>	<u>\$ 50,983</u>	<u>\$ 8,566</u>	<u>\$ 99,599</u>
<b>LIABILITIES</b>					
Liabilities:					
Due to taxing bodies and others	\$ 20,610	\$ 19,440	\$ 15,104	\$ -	\$ 55,154
Due to other funds	-	-	35,879	8,566	44,445
Total Liabilities	<u>\$ 20,610</u>	<u>\$ 19,440</u>	<u>\$ 50,983</u>	<u>\$ 8,566</u>	<u>\$ 99,599</u>



**TENSAS PARISH SHERIFF**  
**St. Joseph, Louisiana**  
**FIDUCIARY FUNDS - AGENCY FUNDS**

**Schedule of Changes in Deposit Balances by Funds**  
**Year Ended June 30, 1999**

	TAX COLLECTORS FUND	SHERIFF FUND	INMATE FUND	WORK RELEASE FUND
BALANCES, Beginning of Year	\$ 21,226	\$ 31,829	\$ 55,850	\$ 8,858
ADDITIONS:				
Sheriff's sale	-	796,514	-	-
Fines, bond forfeitures, and costs	-	183,753	-	-
Garnishments	-	29,557	-	-
Interest	-	794	-	-
Taxes, fees, etc. paid to tax collector	2,383,007	-	-	-
Other deposits	-	11,647	252,468	124,937
Total additions	<u>2,383,007</u>	<u>1,022,265</u>	<u>252,468</u>	<u>124,937</u>
Total	<u>2,404,233</u>	<u>1,054,094</u>	<u>308,318</u>	<u>133,795</u>
REDUCTIONS:				
Deposits settled to:				
Sheriff's General Fund	-	96,295	-	-
Police Jury	-	62,185	-	-
State agencies	-	7,824	-	-
Municipalities	-	67	-	-
District attorney	-	31,692	-	-
Sixth Judicial District Court	-	6,098	-	-
Clerk of Court	-	21,650	-	-
Crime lab	-	9,358	-	-
Indigent defender board	-	21,940	-	-
Attorneys, litigants, appraisers, etc.	-	35,276	-	-
Sheriff sale settlements	-	725,226	-	-
Other settlements	-	6,304	257,335	125,229
Other reductions:				
Refunded bonds	-	8,423	-	-
Restitution	-	2,316	-	-
Taxes, fees, etc., distributed to taxing bodies and other	-	-	-	-
Total reductions	<u>2,383,623</u>	<u>1,034,654</u>	<u>257,335</u>	<u>125,229</u>
BALANCES, End of Year	<u>\$ 20,610</u>	<u>\$ 19,440</u>	<u>\$ 50,983</u>	<u>\$ 8,566</u>

**INDEPENDENT AUDITOR'S REPORT AND OTHER SCHEDULES  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 1999

**A. Summary of Audit Results**

- The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the Tensas Parish Sheriff.
- The reportable conditions in internal control disclosed during the audit of the general purpose financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards. The two conditions are reported as material weaknesses. (See 99-4 and 99-5 in Part B of this Schedule)
- There were instances of noncompliance material to the general purpose financial statements which are disclosed during the audit and reported in the Report On Compliance And Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards. (See 99-1, 99-2 and 99-3 in Part B of this Schedule)

**B. Findings – Financial Statement Audit**

**99-1 BUDGET AMENDMENTS AND ADOPTION**

Louisiana Statutes require that the sheriff's office amend its operating budget when the fund balance is budgeted and there is a 5% unfavorable variance in revenues and expenditures. For the year ended June 30, 1999, the sheriff's office failed to meet this requirement and the budget was not amended.

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

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

**99-2 PROHIBITED PAYMENT TO SHERIFF FROM SHERIFF'S OFFICE VENDOR**

We noted during our review of fixed assets that the prior Sheriff sold his personal vehicle to a vendor (leasing company) whom later leased the vehicle to the Sheriff's office. This transaction per discussions with the Louisiana Board of Ethics is a violation of Louisiana Revised Statutes 42:1111C(2)(d) which prohibits a public servant from being compensated by any person who has a contractual relationship with their public agency.

We recommend that management of the Sheriff's office closely monitor their contractual relationships with vendors and their purchases/sales of fixed assets in order to avoid transactions that are prohibited by the revised statutes.

Management concurs with the finding. Management will review all future transactions and consult with legal counsel when questions arise in the future.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 1999

**B. Findings – Financial Statement Audit - Continued**

**99-3 PROHIBITED SALE OF FIXED ASSET TO SHERIFF'S OFFICE EMPLOYEE**

We noted during our review of fixed assets that an employee purchased a vehicle from the sheriff's office through a sealed bid after the office advertised for sale certain vehicles. This employee submitted a sealed bid and was allowed to purchase the vehicle from the office after submitting the highest bid. This transaction per discussions with Louisiana Board of Ethics was a violation of Louisiana Revised Statutes 42:1113A which prohibits a public servant from bidding or entering into a contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

We recommend that management of the Sheriff's office implement a policy which prohibits employees from purchasing any assets from the Sheriff's office or engaging in similar transactions that are prohibited by the above mentioned revised statute.

Management concurs with the finding. Management will implement policies and procedures that will prohibit employees from purchasing any fixed assets from the Sheriff's office.

**99-4 SEGREGATION OF DUTIES**

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

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

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

**99-5 NEED TO PROPERLY MONITOR AND RECORD LEAVE BENEFITS**

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

Management of the sheriff's office has established policies and procedures with respect to monitoring overtime hours, vacation and sick pay. Management however, has not been properly monitoring the recorded leave benefits to ensure that the employee accounts are being updated in accordance with the office's policy. Management needs to improve the monitoring of vacation and compensatory time so that the proper amount of accrued leave is being recorded and being paid to the employees in accordance with the office policy.

Management of the Sheriff's office concurs with the finding. Management will appoint a responsible official within the accounting department to monitor the accrued leave on a monthly basis.

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

**Schedule 4**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 1999**

**COMPLIANCE FINDINGS**

**98-1 BUDGET AMENDMENTS**

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

**Current status:** This finding still applies and is noted in the current audit for the year ending June 30, 1999. (See current finding noted as 99-1.) Management has implemented a new accounting system that will assist them in monitoring revenues and expenses on a monthly basis. This will allow them to properly amend the budget as needed and publish for public inspection.

**INTERNAL CONTROL FINDINGS**

**98-2 SEGREGATION OF DUTIES**

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

**Current status:** This finding still applies and is noted in the current audit for the year ending June 30, 1999. (See current finding noted as 99-2.) Management indicates that no action can be taken at this time.

**98-3 NEED TO IMPROVE CONTROLS OVER CREDIT CARD USAGE**

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

**Current status:** Management has since implemented policies to limit credit card usage and ensure that receipts and other forms of documentation are being turned in in order to substantiate each expenditure.

**98-4 NEED TO IMPROVE CONTROLS OVER TRAVEL EXPENSE DISBURSEMENTS**

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

**Current status:** Management has since established policies and procedures to improve controls with respect to travel expense disbursements.

**98-5 NEED TO PROPERLY MONITOR AND RECORD LEAVE BENEFITS**

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

**Current status:** This finding still applies and is noted in the current audit for the year ending June 30, 1999. (See current finding 99-5.) Management has implemented policies and procedures but needs to improve its monitoring of accrued leave.

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

**Schedule 4**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 1999**

**98-6 RECONCILIATION OF INMATE FUND**

**Condition:** During the course of our audit, we noted that the Tensas Parish Sheriff's Office did not reconcile some of the individual prisoner accounts on a monthly basis.

**Current status:** The Tensas Parish Sheriff's Office has since corrected this finding by assigning an employee independent of the commissary sales function to reconcile each prisoner account at the end of each month.



**Tensas Parish Sheriff's Department**

P. O. Box 138  
 St. Joseph, Louisiana 71366

Ref No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-1	Budget Amendments and Adoption	We have implemented a new accounting system that will assist us in monitoring revenues and expenditures on a monthly basis. This will allow us to follow and properly amend our budget.	Ricky Jones Necci Gregory	31-Dec-99
99-2	Prohibited payment to Sheriff from Sheriff's office vendor	We are in the process of implementing policies and procedures which will enable us to closely monitor contractual relationships with vendors and their purchases and sales of fixed assets in order to avoid transactions that are prohibited by state statutes.	Ricky Jones Necci Gregory	31-Dec-99
99-3	Prohibited sale of fixed asset to Sheriff's office employee	We are in the process of implementing policies and procedures which will prohibit employees or anyone not independent from purchasing or bidding on Sheriff's office fixed assets.	Ricky Jones Necci Gregory	31-Dec-99
99-4	Segregation of Duties	Not feasible at this time due to budget and staff limitations.	Ricky Jones Necci Gregory	N/A
99-5	Need to properly monitor and record leave benefits	Management will appoint a responsible official within the accounting department to monitor the accrued leave on a monthly basis.	Ricky Jones Necci Gregory	31-Dec-99

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

# WAGUESPACK & ASSOCIATES

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

We have audited the general-purpose financial statements of Tensas Parish Sheriff, component unit of Tensas Parish Police Jury, as of and for the year ended June 30, 1999. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Louisiana Governmental Audit Guide issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants.

### *Compliance*

As part of obtaining reasonable assurance about whether Tensas Parish Sheriff's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 99-1, 99-2 and 99-3.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Tensas Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Tensas 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 99-4 and 99-5.

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



weaknesses. However, of the reportable conditions described above, we consider items 99-4 and 99-5 to be material weaknesses.

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

*Waguespack & Associates (APAC)*

Belle Rose, Louisiana  
August 24, 1999