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**CALDWELL PARISH SHERIFF
Columbia, 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 auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-19-2000

**VERNON R
COON**
CERTIFIED PUBLIC ACCOUNTANT

CALDWELL PARISH SHERIFF
Columbia, Louisiana

General Purpose Financial Statements
As of and for the Year Ended
June 30, 1999
With Supplemental Information Schedules

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Independent Auditor's Report

CALDWELL PARISH SHERIFF
Columbia, Louisiana

I have audited the general purpose financial statements of the Caldwell Parish Sheriff, 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 Caldwell 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 in the first paragraph present fairly, in all material respects, the financial position of the Caldwell 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 Caldwell 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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CALDWELL PARISH SHERIFF

Columbia, Louisiana

Independent Auditor's Report,

June 30, 1999

The year 2000 supplementary information on page 30 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 Caldwell Parish Sheriff is or will be year 2000 compliant, that the Caldwell Parish Sheriff's remediation efforts will be successful in whole or in part, or that parties with which the Caldwell Parish Sheriff does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued reports dated December 17, 1999, on the Caldwell Parish Sheriff's compliance with laws, regulations, contracts, and grants, and my consideration of the agency's internal control over financial reporting.



West Monroe, Louisiana

December 17, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

CALDWELL PARISH SHERIFF
Columbia, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL ...FUND TYPE...		FIDUCIARY FUND TYPE - AGENCY FUNDS	...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS						
Cash	\$64,378	\$201,260	\$247,080			\$512,718
Cash with fiscal agent		49,396				49,396
Receivables	139,948	313,466				453,414
Due from other funds	105,451		99			105,550
Land, buildings, office furnishings, and equipment				\$3,489,844		3,489,844
Amount to be provided for retirement of general long -term debt					\$2,099,357	2,099,357
TOTAL ASSETS	\$309,777	\$564,122	\$247,179	\$3,489,844	\$2,099,357	\$6,710,279
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$49,302	\$217,494	\$21,521			\$288,317
Payroll payable	35,598	62,914				98,512
Due to other funds	99	105,451				105,550
Due to taxing bodies and others			225,658			225,658
Capital leases payable				\$56,554		56,554
Certificates of indebtedness payable					291,375	291,375
Revenue bonds payable					1,674,783	1,674,783
Compensated absences payable					76,645	76,645
Total Liabilities	84,999	385,859	247,179	NONE	2,099,357	2,817,394
Fund Equity:						
Investment in general fixed assets				\$3,489,844		3,489,844
Fund balance - unreserved -undesignated	224,778	178,263				403,041
Total Fund Equity	224,778	178,263	NONE	3,489,844	NONE	3,892,885
TOTAL LIABILITIES AND FUND EQUITY	\$309,777	\$564,122	\$247,179	\$3,489,844	\$2,099,357	\$6,710,279

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
Columbia, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL AND SPECIAL REVENUE FUNDS

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

	GENERAL.	SPECIAL REVENUE	TOTAL. (MEMORANDUM ONLY)
REVENUES			
Taxes - ad valorem	\$640,243		\$640,243
Intergovernmental revenues:			
Federal grants	215,018		215,018
State grants:			
State supplemental pay	69,259		69,259
State revenue sharing	44,933		44,933
DARE program	18,170		18,170
Other	30,467		30,467
Local grants	17,706		17,706
Fees, charges, and commissions for services:			
Commissions on fines, bonds, licenses, and taxes	6,070		6,070
Civil and criminal fees	61,773		61,773
Court attendance	896		896
Feeding and keeping of prisoners	182,415	\$3,834,850	4,017,265
Tax notices, etc.	400		400
Other	8,662	3,831	12,493
Fines and forfeitures			0
Use of money and property	114,793	5,836	120,629
Other revenues	9,299	72,083	81,382
Total revenues	1,420,104	3,916,600	5,336,704
EXPENDITURES			
Public Safety:			
Current:			
Personal services and related benefits	964,437	1,821,323	2,785,760
Operating services	271,097	937,648	1,208,745
Materials and supplies	127,434	922,481	1,049,915
Travel and other charges	30,294	2,049	32,343
Debt service	98,409	285,159	383,568
Capital outlay	73,538	14,150	87,688
Intergovernmental	12,524		12,524
Total expenditures	1,577,733	3,982,810	5,560,543

(Continued)

Statement B

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL AND
 SPECIAL REVENUE FUNDS
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, etc.

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(\$157,629)</u>	<u>(\$66,210)</u>	<u>(\$223,839)</u>
OTHER FINANCING SOURCES			
Increase in capital lease	47,031		47,031
Insurance recovery	7,338		7,338
Transfers in	72,305		72,305
Transfers out		(72,305)	(72,305)
Total other financing sources	<u>126,674</u>	<u>(72,305)</u>	<u>54,369</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(30,955)	(138,515)	(169,470)
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	<u>255,733</u>	<u>316,778</u>	<u>572,511</u>
FUND BALANCES AT END OF YEAR	<u><u>\$224,778</u></u>	<u><u>\$178,263</u></u>	<u><u>\$403,041</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
Columbia, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL AND SPECIAL REVENUE FUNDS

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

GENERAL FUND.....		SPECIAL REVENUE FUNDS.....		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes:						
Ad valorem	\$647,000	\$640,243	(\$6,757)			
Intergovernmental revenues:						
Federal grants	250,000	215,018	(34,982)			
State grants:						
State supplemental pay	69,000	69,259	259			
State revenue sharing	44,900	44,933	33			
DARE program	12,000	18,170	6,170			
Other	26,700	30,467	3,767			
Local grants	37,500	17,706	(19,794)			
Fees, charges, and commissions for services:						
Commissions on fines, bonds, licenses, and taxes	6,200	6,070	(130)			
Civil and criminal fees	64,150	61,773	(2,377)			
Court attendance	1,650	896	(754)			
Feeding and keeping of prisoners	182,000	182,415	415	\$3,552,048	\$3,834,850	\$282,802
Tax notices, etc.	3,200	400	(2,800)			
Other	4,350	8,662	4,312		3,831	3,831
Fines and forfeitures						
Use of money and property	118,000	114,793	(3,207)		5,836	5,836
Other revenues	11,500	9,299	(2,201)		72,083	72,083
Total revenues	<u>1,478,150</u>	<u>1,420,104</u>	<u>(58,046)</u>	<u>3,552,048</u>	<u>3,916,600</u>	<u>364,552</u>
EXPENDITURES						
Public Safety:						
Current:						
Personal services and related	913,000	964,437	(51,437)	1,652,727	1,821,323	(168,596)
Operating services	311,000	271,097	39,903	830,819	937,648	(106,829)
Materials and supplies	142,000	127,434	14,566	633,172	922,481	(289,309)
Travel and other charges	26,300	30,294	(3,994)		2,049	(2,049)
Debt service	59,000	98,409	(39,409)	351,840	285,159	66,681
Capital outlay	35,000	26,507	8,493		14,150	(14,150)
Intergovernmental		12,524	(12,524)			
Total expenditures	<u>1,486,300</u>	<u>1,530,702</u>	<u>(44,402)</u>	<u>3,468,558</u>	<u>3,982,810</u>	<u>(514,252)</u>

(Continued)

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL
 AND SPECIAL REVENUE FUNDS
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (Non-GAAP) Basis and Actual, etc.

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 (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(\$8,150)</u>	<u>(\$110,598)</u>	<u>(\$102,448)</u>	<u>\$83,490</u>	<u>(\$66,210)</u>	<u>(\$149,700)</u>
OTHER FINANCING SOURCES						
Insurance recovery		7,338	7,338			
Transfers in	111,000	72,305	(38,695)			
Transfers out					(72,305)	(72,305)
Total other financing sources	<u>111,000</u>	<u>79,643</u>	<u>(31,357)</u>	<u>NONE</u>	<u>(72,305)</u>	<u>(72,305)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>102,850</u>	<u>(30,955)</u>	<u>(133,805)</u>	<u>83,490</u>	<u>(138,515)</u>	<u>(222,005)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>206,924</u>	<u>255,733</u>	<u>48,809</u>	<u>293,403</u>	<u>316,778</u>	<u>23,375</u>
FUND BALANCES AT END OF YEAR	<u>\$309,774</u>	<u>\$224,778</u>	<u>(\$84,996)</u>	<u>\$376,893</u>	<u>\$178,263</u>	<u>(\$198,630)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
Columbia, 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 Caldwell Parish Police Jury is the financial reporting entity for Caldwell 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 the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the police jury for financial reporting purposes. Basic criteria 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*

CALDWELL PARISH SHERIFF
Columbia, 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 police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office, the sheriff was determined to be a component unit of the Caldwell 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 its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions 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 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

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Notes to the Financial Statements (Continued)

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 only 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

The special revenue funds are used to account for general operating expenditures of the detention and correctional centers.

Fiduciary Funds - Agency Fund Type

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.

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded in the general fixed assets account group. Approximately 4 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 96

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Notes to the Financial Statements (Continued)

per cent are based on actual historical costs. Donated fixed assets are valued at their estimated fair market value on the date received. No depreciation has been provided on general fixed assets. Interest costs incurred during construction of the detention center are capitalized.

Long-term debt, such as capital leases, bond anticipation notes and bonds payable are recognized as liabilities of a governmental fund only when due. The remaining portion of such debt is reported in the general long-term debt account group.

D. BASIS OF ACCOUNTING

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

The modified accrual basis of accounting is used for reporting all governmental and fiduciary 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.

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana
Notes to the Financial Statements (Continued)

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

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

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds which are not expected to be repaid, increases in capital leases, and insurance recovery are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGET PRACTICES

Proposed budgets are published in the official journal at least ten days prior to the public hearing. Budgets are prepared on the modified accrual basis of accounting, except for recognition of additions to capital leases. During the year the sheriff's office increased capital leases by \$47,031, which is not included in the budgetary comparison statement.

Public hearings are held at the Caldwell Parish 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 subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The sheriff may invest in certificates and time deposits of state

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Notes to the Financial Statements (Continued)

banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the sheriff has cash (book balances) totaling \$570,029 as follows:

Demand deposits	\$418,142
Time deposits	150,637
Petty Cash	<u>1,250</u>
Total	<u><u>\$570,029</u></u>

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 deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1999, are secured as follows:

Bank Balances	<u><u>\$742,733</u></u>
Federal deposit insurance	\$517,446
Pledged securities (uncollateralized)	<u>843,024</u>
Total	<u><u>\$1,360,470</u></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

Employees of the sheriff's office earn from 48 to 120 hours of both vacation and sick leave per year, based on years of service. Vacation and sick leave are non-cumulative and must be taken in the year credited to their payroll records. Compensatory time (K-time) is earned by employees above lieutenant. Employees can carry compensatory time forward and, upon separation from service, are paid for such time at their current overtime rate of pay. As shown on Statement A the liability for compensatory time at June 30, 1999, was \$76,645.

H. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to law enforcement liability; torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle risk of loss, the sheriff maintains commercial insurance covering; automobile liability; general liability; commercial crime; law enforcement; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

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. LEVIED TAX

As provided by Louisiana Revised Statute 33:9001, a law enforcement district has been created for the purpose of providing financing to the office of the sheriff of Caldwell Parish. Louisiana Revised Statute 33:9003 requires the district to levy a tax on the assessed valuation of all property appearing on the 1977 and subsequent tax rolls in an amount that would produce for the district in the initial year the same revenue as that estimated to be produced by the sheriff's commission on ad valorem taxes for the fiscal year 1976-77. For the 1998 tax roll the district levied 29.32 mills.

3. RECEIVABLES

The receivables of \$453,414 as of June 30, 1999, are as follows:

	General Fund	Special Revenue Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Intergovernmental revenues:			
Federal grants	\$104,374		\$104,374
State grants	24,573	\$313,466	338,039
Fees, charges, and commissions for services	11,001		11,001
Total	<u>\$139,948</u>	<u>\$313,466</u>	<u>\$453,414</u>

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Notes to the Financial Statements (Continued)

4. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at June 30, 1999 are as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$105,451	\$99
Sheriff's fund	22	
Fines fund	77	
Correction Center Operating fund		105,451
Total	<u>\$105,550</u>	<u>\$105,550</u>

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 1999 follows:

	Balance at June 30, 1998	Additions	Deletions	Balance at June 30, 1999
Sheriff's Office:				
Land	\$6,000			\$6,000
Buildings & improvements	3,002,630	\$13,635		3,016,265
Office furniture & equipment	34,401	2,200		36,601
Other equipment & weapons	139,439	14,317		153,756
Vehicles	219,686	10,505		230,191
Increase in capital lease		47,031		47,031
Total	<u>\$3,402,156</u>	<u>87,688</u>	<u>NONE</u>	<u>\$3,489,844</u>

Balances at June 30, 1998, have been restated to reflect changes made after agency performed physical inventory.

6. LEASES

During the year ended June 30, 1994, the sheriff entered into a lease-purchase agreement for the purchase of a computer system. The lease agreement required monthly payments of \$373 through January, 1999. In September, 1996, the sheriff entered into a lease-purchase agreement for the purchase of a printer. The lease agreement required monthly payments of \$291 through November, 1998. In March, 1997, the sheriff entered into a lease-purchase agreement for the purchase of three automobiles. The lease agreement requires annual payments of \$23,479 through December, 1999. In September, 1998,

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Notes to the Financial Statements (Continued)

the sheriff entered into a lease-purchase agreement for the purchase of two vans. The lease agreement requires annual payments of \$12,891 through November, 2001. All debt retirement payments are made from the General Fund. The following schedule summarizes future net minimum lease requirements:

2000	36,369
2001	12,891
2002	12,891
Total payments	<u>62,151</u>
Less interest	<u>(5,597)</u>
Total net minimum lease payments	<u><u>\$56,554</u></u>

7. CHANGES IN GENERAL LONG-TERM DEBT

A summary of changes in general long-term debt follows:

	<u>Capital Leases</u>	<u>Certificates of Indebtedness</u>	<u>1997 Revenue Bonds</u>	<u>Total</u>
Balance, July 1, 1998	\$47,576	\$322,530	\$1,849,304	\$2,219,410
Additions	47,031			47,031
Reductions	<u>(38,053)</u>	<u>(31,155)</u>	<u>(174,521)</u>	<u>(243,729)</u>
Balance, June 30, 1999	<u>\$56,554</u>	<u>\$291,375</u>	<u>\$1,674,783</u>	<u>\$2,022,712</u>

The certificates of indebtedness were issued in February, 1997, to convert short-term bank loans to a long-term basis. The certificates carry an interest rate of 9% and are due in annual installments of \$103,318, due on February 1 through 2001.

The 1997 revenue bonds were issued to fund the cost of constructing a detention center. The bonds carry an annual interest rate of 6.25% and are due in monthly installments of \$23,763 through October 2006. The following provides annual debt service requirements, including interest of \$417,545.

Year Ended June 30,:	
2000	285,159
2001	285,159
2002	285,159
2003	285,159
2004-2007	951,691
Total	<u><u>\$2,092,327</u></u>

9. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 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 Caldwell 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 Caldwell 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 Caldwell Parish Sheriff's contributions to the System for the years ended June 30, 1999, 1998, and 1997 were \$80,335, \$68,970, and \$28,986, respectively, equal to the required contributions for each year.

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Notes to the Financial Statements (Continued)

10. POST RETIREMENT BENEFITS

The Caldwell Parish Sheriff provides certain health care and life insurance benefits for retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the sheriff. The sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due, which was \$145,770 for the year ended June 30, 1999. Of these amounts, \$11,368 was for retiree benefits.

11. DEPOSITS DUE OTHERS

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

	Balance at July 1, 1998	Additions	Reductions	Balance at June 30, 1999
Sheriff's Fund	\$13,723	\$131,857	(\$130,558)	\$15,022
Tax Collector Fund	63,388	3,388,429	(3,339,647)	112,170
Fines Fund	68,670	116,353	(105,681)	79,342
Correction Center:				
Commissary Fund	4,805	169,275	(185,137)	(11,057)
Inmate Fund	12,524	151,645	(142,952)	21,217
Detention Center:				
Commissary Fund	(1,307)	150,479	(148,174)	998
Inmate Fund	10,506	136,774	(139,314)	7,966
Total	<u>\$172,309</u>	<u>\$4,244,812</u>	<u>(\$4,191,463)</u>	<u>\$225,658</u>

12. LITIGATION AND CLAIMS

At June 30, 1999, the Caldwell Parish Sheriff is involved in several lawsuits which, in the opinion of the sheriff's legal counsel, will not result in any material liability to the sheriff.

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

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

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Notes to the Financial Statements (Continued)

14. FEDERAL FINANCIAL ASSISTANCE

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS THROUGH GRANTORS NUMBER	YEAR ENDED June 30, 1999
UNITED STATES DEPARTMENT OF THE JUSTICE			
Direct program - Community Oriented Policing Services	16.710	95-CF-WX-0299	\$170,467
Direct program - Community Oriented Policing Services MORE '98	16.710	98-CM-WX-1545	29,551
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice - Street Level Apprehension Program	16.579	97-B2-B.07-0111	<u>15,000</u>
Total Federal Financial Assistance			<u><u>\$215,018</u></u>

15. RESTATEMENT OF FUND BALANCE

The June 30, 1998 fund balances of the General Fund has been restated to correct an error in recording prior year receivables. The following reconciles fund balance of the general fund as previously reported to beginning fund balance as presented on Statement B:

Fund balance as previously reported	\$206,924
Adjustment for prior year receivables	<u>48,809</u>
Fund balance at July 1, 1998, restated	<u><u>\$255,733</u></u>

SUPPLEMENTAL INFORMATION SCHEDULES

CALDWELL PARISH SHERIFF
Columbia, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1999

SPECIAL REVENUE FUNDS

DETENTION CENTER OPERATING FUND

The Detention Center Operating Fund accounts for general revenue and operating expenditures of the Detention Center.

CORRECTION CENTER OPERATING FUND

The Correction Center Operating Fund accounts for general revenue and operating expenditures of the Correction Center.

CALDWELL PARISH SHERIFF
Columbia, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet, June 30, 1999

	DETENTION CENTER OPERATING FUND	CORRECTION CENTER OPERATING FUND	TOTAL
ASSETS			
Cash	\$9,397	\$191,863	\$201,260
Cash with fiscal agent		49,396	49,396
Receivables	152,922	160,544	313,466
TOTAL ASSETS	<u>\$162,319</u>	<u>\$401,803</u>	<u>\$564,122</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$131,328	\$86,166	\$217,494
Payroll payable	29,592	33,322	62,914
Due to other funds		105,451	105,451
Total Liabilities	<u>160,920</u>	<u>224,939</u>	<u>385,859</u>
Fund Equity:			
Fund balance - unreserved -undesignated	1,399	176,864	178,263
Total Fund Equity	<u>1,399</u>	<u>176,864</u>	<u>178,263</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$162,319</u>	<u>\$401,803</u>	<u>\$564,122</u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana
SPECIAL REVENUE FUNDS

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

	DETENTION CENTER OPERATING FUND	CORRECTION CENTER OPERATING FUND	TOTAL
REVENUES			
Fees, charges, and commissions for services:			
Feeding and keeping of prisoners	\$1,870,542	\$1,964,308	\$3,834,850
Commission on vending machines		831	831
Other		3,000	3,000
Use of money and property		5,836	5,836
Other revenues	11,746	60,337	72,083
Total revenues	<u>1,882,288</u>	<u>2,034,312</u>	<u>3,916,600</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	821,234	1,000,089	1,821,323
Operating services	549,547	388,101	937,648
Materials and supplies	495,177	427,304	922,481
Travel and other	580	1,469	2,049
Debt service		285,159	285,159
Capital outlay	14	14,136	14,150
Total expenditures	<u>1,866,552</u>	<u>2,116,258</u>	<u>3,982,810</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>15,736</u>	<u>(81,946)</u>	<u>(66,210)</u>
OTHER FINANCING USE			
Transfer out	(72,305)		(72,305)
Total other financing uses	<u>(72,305)</u>	NONE	<u>(72,305)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(56,569)	(81,946)	(138,515)
FUND BALANCES AT BEGINNING OF YEAR	<u>57,968</u>	<u>258,810</u>	<u>316,778</u>
FUND BALANCES AT END OF YEAR	<u>\$1,399</u>	<u>\$176,864</u>	<u>\$178,263</u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1999

FIDUCIARY FUND TYPE - AGENCY FUNDS

SHERIFF'S FUND

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

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies. It also accounts for the collection of bonds, fines and costs, and payment of the collections to recipients in accordance with applicable laws.

FINES FUND

The Fines Fund accounts for partial payments on court fines. Funds are transferred to the Tax Collector Fund for settlement when full payment is received.

INMATE FUNDS

The Inmate funds account for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

COMMISSARY FUNDS

The Commissary funds account for the purchase and resale of personal items to the inmates at the jail and the detention center.

CALDWELL PARISH SHERIFF
Columbia, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1999

	SHERIFF'S FUND	TAX COLLECTOR FUND	FINES FUND	...CORRECTION CENTER...		DETENTION CENTER		TOTAL
				COMMISSARY FUND	INMATE FUND	COMMISSARY FUND	INMATE FUND	
ASSETS								
Cash	\$15,000	\$112,170	\$79,265	\$3,101	\$21,217	\$8,361	\$7,966	\$247,080
Due from other funds	22		77					99
Total Assets	<u>\$15,022</u>	<u>\$112,170</u>	<u>\$79,342</u>	<u>\$3,101</u>	<u>\$21,217</u>	<u>\$8,361</u>	<u>\$7,966</u>	<u>\$247,179</u>
LIABILITIES								
Accounts Payable				\$14,158		\$7,363		21,521
Due to taxing bodies and others	\$15,022	\$112,170	\$79,342	(11,057)	\$21,217	998	\$7,966	225,658
Total Liabilities	<u>\$15,022</u>	<u>\$112,170</u>	<u>\$79,342</u>	<u>\$3,101</u>	<u>\$21,217</u>	<u>\$8,361</u>	<u>\$7,966</u>	<u>\$247,179</u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

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

	SHERIFF'S FUND	TAX COLLECTOR FUND	FINES FUND	CORRECTION CENTER COMMISSARY FUND	INMATE FUND	DETENTION CENTER COMMISSARY FUND	INMATE FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	\$13,723	\$63,388	\$68,670	\$4,805	\$12,524	(\$1,307)	\$10,506	\$172,309
ADDITIONS								
Deposits:								
Bonds	2,000							2,000
Fines			116,353					116,353
Garnishments	29,358							29,358
Sheriff's sales	100,499							100,499
Current year taxes		2,767,219						2,767,219
Prior year taxes		4,451						4,451
Redemptions		3,589						3,589
Sportsman licenses		45,836						45,836
Fines and costs		273,592						273,592
State revenue sharing		223,623						223,623
Protest taxes		46,557						46,557
Interest on:								
Delinquent taxes		5,923						5,923
NOW account		4,814						4,814
Protest taxes		2,945						2,945
Tax notices, etc.		9,552						9,552
Commissary sales				169,275		150,479		319,754
Inmate receipts					151,645		136,774	288,419
Other additions		328						328
Total additions	131,857	3,388,429	116,353	169,275	151,645	150,479	136,774	4,244,812
Total	145,580	3,451,817	185,023	174,080	164,169	149,172	147,280	4,417,121

REDUCTIONS

Deposits settled to:

Sheriff's General Fund	18,738	737,653		756,391
Other sheriff's	235			235
Clerk of Court	10,508	9,260		19,768
Litigants	51,427			51,427
Attorneys, appraisers, etc.	4,570			4,570
Treasurer, State of Louisiana		2,031		2,031
Louisiana Forestry Commission		17,366		17,366
Louisiana Commission on Law Enforcement		5,489		5,489
Louisiana Dept. of Wildlife and Fisheries		38,576		38,576
LA Tax Commission		864		864
Police Jury		933,245		933,245
School Board		1,119,385		1,119,385
Assessor		174,995		174,995
Columbia Heights Sewerage District		26,449		26,449
Kelly Water Works		9,398		9,398
Drainage District		49,539		49,539
37th Judicial District:				
District Attorney		39,215		39,215
District Court		15,681		15,681
Indigent Defender Board		25,766		25,766
Applied Technique		6,666		6,666
Northwest Crime Lab		12,311		12,311
Tensas Basin Levee		30,493		30,493
Pension funds		81,511		81,511
Redemption refunds		2,959		2,959
Commissary supplies			185,137	333,311
Inmate disbursements				269,640
Inmate refunds				12,626
Cash bonds	775			775
Other settlements	44,305	795	105,681	150,781
Total reductions	<u>130,558</u>	<u>3,339,647</u>	<u>105,681</u>	<u>4,191,463</u>

			148,174		
				139,314	
					148,174
					<u>142,952</u>
					<u>139,314</u>
					<u>4,191,463</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>\$15,022</u>	<u>\$112,170</u>	<u>\$79,342</u>	<u>(\$11,057)</u>	<u>\$21,217</u>
				<u>\$7,966</u>	<u>\$225,658</u>

CLADWELL PARISH SHERIFF
Columbia, 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 Caldwell 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 financial reporting system as requiring 2000 remediation. 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 Report Required
by *Government Auditing Standards***

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



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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

I have audited the general purpose financial statements of the Caldwell Parish Sheriff as of and for the year ended June 30, 1999 and have issued my report thereon dated December 17, 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 Caldwell Parish Sheriff's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed several instances of noncompliance that are required to be reported under *Government Auditing Standards*. Those findings are presented in the accompanying schedule of findings and questioned costs as items 99-1 through 99-2

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Caldwell 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.

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
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CALDWELL PARISH SHERIFF
Columbia, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 1999

This report is intended for the information and use of the Caldwell Parish Sheriff, management of the sheriff's office and interested state agencies and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink, appearing to read "C. J. [unclear]", written in a cursive style.

West Monroe, Louisiana
December 17, 1999

CALDWELL PARISH SHERIFF
Columbia, 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 Caldwell Parish Sheriff.
2. Reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. Instances of noncompliance material to the financial statements of the Caldwell Parish Sheriff are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

99-1 Need to Amend Budgets

Finding: Budgets were not amended as required by state law. Louisiana Revised Statute (LRS) 39:1310(A) provides, in part, that "The chief executive or administrative officer shall advise the governing authority or independently elected official in writing when: .. (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more". Further, LRS 39:1309 requires that "when an independently elected parish official has received notification pursuant to > R.S. 39:1310(A), or when there has been a change in operations upon which the original adopted budget was developed, the independently elected official shall adopt a budget amendment and publish such amendment in the official journal as described by > R.S. 39:1306(B)". Because budgets were not properly monitored by the sheriff's finance officer, actual expenditures in the Detention Center and Corrections Center special revenue funds exceeded budgeted amounts by \$514,000 or 15%. The sheriff was not informed of the unfavorable variance and, consequently, budgets were not amended as required.

Recommendation: The sheriff should take whatever action is necessary to ensure that budgets are properly monitored and that amendments are prepared for his review and approval as required by law.

(Continued)

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 1999

99-2 Questionable Contract Activity

Finding: The sheriff's office entered into an agreement for inmate psychological services which was not in the best interest of the office and the psychological services company did not comply with the terms of the agreement.

On January 16, 1997, the sheriff's office entered into a Mental Health Administrator Agreement with "New Sanction" (represented by Marvin G. "Buddy" Carter). The agreement was to expire on January 16, 2003. The agreement provided that an agent of New Sanction would provide a minimum of 10 hours per week of direct inmate services each to the parish jail, Caldwell Corrections Center, and Caldwell Detention Center for a total of 30 hours per week. The agreement also provided that New Sanction would be compensated at the rate of \$30 per hour. Based on 30 hours per week and \$30 per hour, New Sanction would receive a minimum of \$900 per week or \$46,800 per year.

The following concerns were noted:

1. The agreement provided that it could be terminated by either party after giving 30 days written notice. However, if both parties did not agree to the termination, the agreement would remain in effect. Accordingly, the sheriff could not terminate the agreement unless New Sanction agreed.
2. Under compensation, the sheriff's office would reimburse New Sanction for "other expenses" incidental to services performed in connection with the agreement if the expenses were approved in advance by New Sanction or the sheriff's office. Accordingly, New Sanction had the authority to approve its own expenses with no discussion, approval or even awareness by the sheriff's office.
3. A review of transactions for the year ended June 30, 1999, disclosed the following payments to New Sanction for inmate psychological services:

Sheriff's General Fund (parish jail)	\$47,970.00
Caldwell Corrections Center	23,331.71
Caldwell Detention Center	<u>10,400.00</u>
Total	<u>\$81,701.71</u>

Contact was made with several sheriff's offices in northeast Louisiana which operate detention centers. Most use state facilities at no charge. One parish paid \$480 per quarter or \$1,920 per year for psychological services, which was the most of any of office contacted. That parish had approximately 420 inmates as compared to 490 for Caldwell Parish.

(Continued)

CALDWELL PARISH SHERIFF
Columbia, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999

4. As shown by the above schedule, the sheriff's General Fund pays the largest amount, however, the jail has the smallest number of inmates (less than 20) of the three facilities.
5. A review of charges by New Sanction during the year disclosed the following:
 - a. Billings for the sheriff's General Fund and Caldwell Correctional Center were stated in "days" rather than hours, as provided by the contract. Assuming a billed day consisted of 8 hours, had all invoices been billed based on hours, the annual total would have been \$99,600.
 - b. New Sanction charged the sheriff's office for 415 days, which is 50 days in excess of the days in a year.
 - c. New Sanction charged an average of \$196.87 for each day billed. That amount times 50 excess days indicates that New Sanction billed a minimum of \$9,843.50 in excess charges.
 - d. New Sanction submitted individual bills for each facility monthly, however, the sheriff's General Fund and the Caldwell Detention Center were each billed thirteen (13) times during the year (twice in September, 1998).
 - e. On October 26, 1999, I met with the sheriff, chief deputy, accounting consultant and finance officer to discuss my concerns with billings by New Sanction. Subsequent to that meeting the finance officer wrote a memo to Mr Carter informing him of questions that had arisen during the meeting. Under "Unasked Questions" the memo stated "Why are there 13 payments for 1997 and 1998 (I only noticed this after doing this schedule of payments and am sure someone else will see it eventually)". This indicates that not only was the finance officer aware of the excess payments, but evidently had no intention of saying anything. Louisiana Revised Statute 14:134 states that malfeasance in office is committed when any public officer or employee shall "intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employec.."
6. The invoices had no detail on services provided. They should show, at a minimum, dates worked, hours worked (ie., 8:00 am - 5:00 pm) and services provided. Invoices to the sheriff's General Fund under "Description" stated "per diem (milceage & expense)". Also, a review of invoices submitted by New Sanction did not have any indication of approval by responsible individuals in the sheriff's office.
7. During discussions with the sheriff's accounting consultant, I was informed that New Sanction was not issued an IRS Form 1099 for 1998 and previous years because it was their understanding that New Sanction was incorporated (Form 1099 not required). A check with the Clerk of Court's office disclosed that on August 9, 1996, an "Affidavit of Assumed Name" was filed which indicates that New Sanction was not incorporated but only that the owner was operating a business under the trade name of New Sanction. I was later told by Mr. Carter, agent for New Sanction,

(Continued)

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 1999

that the firm is not incorporated. I informed the accounting consultant that the sheriff's office should issue a 1099 to New Sanction and also file a corrected 1096 for 1998. Subsequent to our discussion, the sheriff's office issued New Sanction Forms 1099 for 1996, 1997 and 1998 and also filed corrected forms 1096 for those years.

8. Although Mr. Carter was not the individual who filed the "Affidavit of Assumed Name" discussed above, it is my understanding from conversations with agency personnel and Mr. Carter that he (Mr. Carter) performed all psychological services for the sheriff's office.
9. On October 27, 1999, I discussed my preliminary findings with Marvin Carter. He stated that he personally evaluated each prisoner at all three facilities during the year. He said that it required approximately 1½ hours to screen an inmate and approximately 2 hours to complete the paper work or approximately 3½ hours total per inmate. I had sheriff's office personnel provide me with a count of new inmates received for the period June 1, 1998 through May 31, 1999, which is the same period of time covered by the invoices. The following presents their count.

Facility:	New Inmates
Parish jail at the courthouse	26
Caldwell Corrections Center	340
Caldwell Detention Center	<u>245</u>
Total	<u><u>611</u></u>

Using the 3½ hours required for each inmate's evaluation as provided by Mr. Carter, the \$30 per hour rate established in the service agreement and the total number of new inmates for the year, service charges for the year would have been \$64,155. The actual payments of \$81,701.71 to New Sanction during the year exceeded the calculated amount by \$17,546.71.

Subsequent to my meeting with sheriff's office personnel, discussed in Number 5(e) above and a meeting with Mr. Carter the following day, New Sanction submitted an "Agreement Cancellation Notice" to the sheriff's office which was signed by Mr. Carter and, upon delivery, signed by the sheriff.

Recommendation: The sheriff should provide the finding to the district attorney for his review and determination of the appropriate action to be taken.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

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

98-1 Finding: The sheriff did not comply with certain requirements of Louisiana Revised Statutes (LRS) 39:1301-1310 (the Local Government Budget Act). Budgets were not properly amended and there were material unfavorable budget variances.

Recommendation: The auditor recommended that the accountant ensure that all calculations in the proposed budget are correct, that all necessary advertisements in the official journal are completed and monitor the budget and prepare proposed amendments for the sheriff's review soon enough before year end to control operations.

Current Status: The finding was not resolved and is repeated in the current year as Finding 99-1.

98-2 Finding: The sheriff did not maintain fixed asset records as required by LRS 24:515(B).

Recommendation: The auditor recommended that the sheriff require that responsible persons at the Corrections Center conduct a physical inventory, prepare a listing with all necessary information and, update it each year for additions and deletions. The responsible person at the Detention Center should add cost amounts for those items on the listing where such is not present. Both the main office and Detention Center should also conduct a physical inventory during the current year and correct their listings as appropriate. Also, the accountant at the main office should maintain that listing on a current basis, making all adjustments for additions and deletions in a timely manner.

Current Status: The finding has been corrected.

98-3 Finding: Adequate securities were not pledged by banks for the sheriff's accounts.

Recommendation: The auditor recommended that the accountant review deposit balances each month and determine whether adequate securities have been pledged. When deficiencies are noted, the banks should be notified and required to pledge such additional securities as is necessary.

Current Status: The finding has been corrected.

(Continued)

CALDWELL PARISH SHERIFF
Columbia, Louisiana

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

98-4 Finding: Payroll taxes were not paid within three days as required. As a result, the sheriff's office was in violation of IRS regulations and paid \$9,614 in penalties and interest.

Recommendation: The auditor recommended that the sheriff demand that the bookkeeper pay all payroll liabilities within the prescribed time period and take appropriate corrective action if such is not done.

Current Status: The finding has been corrected.

98-5 Finding: Some employees at the Corrections Center were paid in excess of their approved salaries.

Recommendation: The auditor recommended that the sheriff take immediate action to correct the payroll calculation problem and prohibit any bookkeeper from taking any such action in the future. The sheriff should also consider having payroll at all three locations calculated and paid in the same manner.

Current Status: The finding has been resolved.

98-6 Finding: The bookkeeper at the Corrections Center made improper loans from the Inmate Fund to the Operating and Payroll Funds.

Recommendation: The auditor recommended that the sheriff take immediate steps to repay the outstanding loans and ensure that such action does not occur in the future.

Current Status: All loan amounts were repaid. No further improper loans were made. The finding has been resolved.

98-7 Finding: Cash accounts were not being reconciled to the accounting records.

Recommendation: The auditor recommended that the sheriff require that reconciliations are performed on all bank accounts each month. Any differences between adjusted bank balances and general ledger balances should be identified and corrective action taken.

Current Status: The finding has been resolved.

(Continued)

CALDWELL PARISH SHERIFF
Columbia, Louisiana

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

98-8 Finding: The sheriff's office could not properly identified balances in all of its' agency funds.

Recommendation: The auditor recommended that the sheriff ensure that all bookkeepers handling agency funds keep accurate and complete records of all transactions and that monthly cash balances are reconciled to subsidiary records which identify ownership of those balances.

Current Status: The finding has been resolved.

98-9 Finding: Payroll liability accounts of the Corrections Center had not been reconciled.

Recommendation: The auditor recommended that the bookkeeper for the Corrections Center ensure that general ledger liability accounts are correctly posted. Further, those accounts should be reconciled to actual liabilities each month.

Current Status: The finding has been resolved.

98-10 Finding: Internal control procedures over payroll operations were not adequate.

Recommendation: The auditor recommended that the sheriff require and ensure that:

1. Time and attendance reports be maintained for all employees
2. Time and attendance reports are signed by the employee and his or supervisor
3. Time and attendance reports be correctly footed
4. Employees are paid for all hours reported and approved on their time and attendance reports and only for those hours.
5. Employees are paid at their approved rate of pay
6. Employees are not allowed to accrue overtime without prior approval of their supervisor
7. Leave records are maintained for all employees and are updated each pay period for changes
8. Payroll checks are not issued prior to the check date

Current Status: The finding has been resolved by management.

98-11 Finding: Procedures for disbursements did not provide adequate controls. The audit noted deficiencies in original invoice support, indication that goods and services had been received and lack of an adequate purchase order system.

(Continued)

CALDWELL PARISH SHERIFF
Columbia, Louisiana

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

Recommendation: The auditor recommended that the sheriff implement a purchase order system at all locations and ensure that the purchase order systems operate as intended. Further, responsible bookkeepers should ensure that all expenditures are supported by an original invoice or other supporting documentation and that documentation is present to show that all goods and services have been received before payment is made.

Current Status: The finding has been resolved by management.

98-12 Finding: Accounting records at the Corrections Center were severely inadequate and did not provide sufficient detail to allow the preparation of financial statements or demonstrate compliance with applicable laws and regulations.

Recommendation: The auditor recommended that the sheriff immediately take whatever action is necessary to correct the bookkeeping problems.

Current Status: The finding has been corrected by management.

98-13 Finding: Accounting and bookkeeping functions of the sheriff's office were splintered. All such functions should be under the direct control of one individual.

Recommendation: The Auditor recommended that all accounting and bookkeeping operations of the sheriff's office be placed under the control and responsibility of the accountant at the main office. Bookkeepers at all three locations should be answerable to only the accountant and the accountant should be answerable only to the sheriff.

Current Status: The finding has been corrected by management.

(Concluded)



Charles B. Thompson, Sheriff

**Caldwell Parish Sheriff's Department
P.O. Box 60 - Main Street
Columbia, Louisiana 71418
Phone (318) 649-2345 - Fax (318) 649-5226**

**CORRECTIVE ACTION PLAN
Audit for the Year Ended June 30, 1999**

December 16, 1999

Dr. Daniel Kyle, Secretary
Legislative Audit Advisory Council
P.O. Box 9397
Baton Rouge, LA 70804

The following is corrective action planned by the Caldwell Parish Sheriff with regard to findings contained in the auditor's report on compliance and internal control which was issued in connection with his audit of our general purpose financial statements for the year ended June 30, 1999.

99-1 Finding: Need to amend budgets.

Corrective Action: The sheriff has assigned budget responsibility to a different individual. The individual is required to review budget comparison statements on a monthly basis. The individual must then report her review to the sheriff along with any recommendations and/or concerns regarding financial operations. A determination will be made, in light of her report, regarding the need for budget amendments or modification of operations.

99-2 Finding: Questionable contract activity.

Corrective Action: A copy of the auditor's finding will be provided to the district attorney for his review and evaluation.


Charles B. Thompson, Sheriff

12-16-1999
Date