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**RICHLAND PARISH SHERIFF**  
Rayville, 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 is furnished to the parish council, the entity and its officers and officials. The report is also 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 1-19-00

**VERNON R  
COON**

CERTIFIED PUBLIC ACCOUNTANT

RICHLAND PARISH SHERIFF  
Rayville, 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**

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana

I have audited the general purpose financial statements of the Richland Parish Sheriff, a component unit of the Richland Parish Police Jury, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Richland 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 Richland 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 Richland 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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**RICHLAND PARISH SHERIFF**  
Bastrop, Louisiana  
Independent Auditor's Report,  
June 30, 1999

The year 2000 supplementary information on page 26 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 Richland Parish Sheriff is or will be year 2000 compliant, that the Richland Parish Sheriff's remediation efforts will be successful in whole or in part, or that parties with which the Richland Parish Sheriff does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 21, 1999, on my consideration of the Richland Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

  
West Monroe, Louisiana  
October 21, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL FUND TYPE - GENERAL FUND		DETENTION CENTER SPECIAL REVENUE FUND		FIDUCIARY FUND-TYPE - AGENCY FUNDS		...ACCOUNT GROUPS... GENERAL FIXED ASSETS		GENERAL LONG-TERM DEBT		TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>											
Cash	\$216,971	\$83,334		\$596,508							\$896,813
Receivables	115,519	472,779									588,298
Deferred charges	629										629
Due from other funds	58,951										58,951
Due from employees	500	700									1,200
Inventory		20,319									20,319
Office furnishings and equipment							\$886,009				886,009
Amount to be provided for retirement of general long-term debt									\$798,547		798,547
<b>TOTAL ASSETS</b>	<u>\$392,570</u>	<u>\$577,132</u>		<u>\$596,508</u>			<u>\$886,009</u>		<u>\$798,547</u>		<u>\$3,250,766</u>
<b>LIABILITIES AND FUND EQUITY</b>											
Liabilities:											
Accounts payable	\$47,330	\$329,204									\$376,534
Salaries payable	38,243	79,008									117,251
Due to other funds		58,787		\$164							58,951
Payroll deductions payable	7,592										7,592
Bank loan payable									\$458,554		458,554
Due to taxing bodies and others				596,344							596,344
Leases payable									74,000		74,000
Compensated absences payable									265,993		265,993
Total Liabilities	<u>93,165</u>	<u>466,999</u>		<u>596,508</u>			<u>NONE</u>		<u>798,547</u>		<u>1,955,219</u>

Fund Equity:				
Investment in general fixed assets		\$886,009		\$886,009
Reserve for inventory	\$20,319			20,319
Fund balance - unreserved - undesignated	\$299,405			389,219
Total Fund Equity	<u>299,405</u>	<u>886,009</u>	<u>NONE</u>	<u>1,295,547</u>
TOTAL LIABILITIES				
AND FUND EQUITY	<u>\$392,570</u>	<u>\$886,009</u>	<u>\$798,547</u>	<u>\$3,250,766</u>

The accompanying notes are an integral part of this statement.



RICHLAND PARISH SHERIFF  
Rayville, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
AND DETENTION CENTER SPECIAL REVENUE FUND

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

	.....GENERAL FUND.....			DETENTION CENTER ....SPECIAL REVENUE FUND....		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Taxes:						
Ad valorem	\$360,000	\$367,175	\$7,175			
Sales and use	710,000	735,695	25,695			
Intergovernmental revenues:						
Federal grants - federal revenue	13,000	29,747	16,747			
State grants:						
State revenue sharing (net)	62,000	62,222	222			
Feeding and keeping prisoners				\$4,634,700	\$4,647,917	\$13,217
State supplemental pay	88,000	96,618	8,618			
Other state grants	48,000	48,823	823			
Local grant	14,300	14,483	183			
Fees, charges, and commissions for services:						
Commissions on licenses and taxes	63,000	69,596	6,596			
Bond forfeitures	9,000	9,369	369			
Civil and criminal fees	74,000	95,800	21,800			
Court attendance	2,000	2,700	700			
Feeding and keeping of prisoners	17,500	17,527	27	540,375	595,739	55,364
Tax notices, etc.		2,939	2,939			
Other	2,700	4,691	1,991			
Use of money and property	4,500	5,665	1,165	60,000	62,902	2,902
Miscellaneous	11,500	16,362	4,862	14,400	14,837	437
Total revenues	<u>1,479,500</u>	<u>1,579,412</u>	<u>99,912</u>	<u>5,249,475</u>	<u>5,321,395</u>	<u>71,920</u>
<b>EXPENDITURES</b>						
Public safety:						
Current:						
Personal services and benefits	1,260,000	1,258,128	1,872	1,930,000	1,930,691	(691)
Operating services	350,250	324,715	25,535	1,701,000	1,746,312	(45,312)
Materials and supplies	167,000	168,861	(1,861)	1,035,000	1,039,036	(4,036)
Travel and other charges	40,000	58,516	(18,516)	36,000	35,485	515
Debt service		8,793	(8,793)	54,000	91,447	(37,447)
Capital outlay	111,000	127,915	(16,915)	90,000	100,472	(10,472)
Total expenditures	<u>1,928,250</u>	<u>1,946,928</u>	<u>(18,678)</u>	<u>4,846,000</u>	<u>4,943,443</u>	<u>(97,443)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(448,750)</u>	<u>(367,516)</u>	<u>81,234</u>	<u>403,475</u>	<u>377,952</u>	<u>(25,523)</u>

(Continued)

RICHLAND PARISH SHERIFF  
Rayville, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
AND DETENTION CENTER SPECIAL REVENUE FUND  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget  
(GAAP Basis) and Actual

	....GENERAL FUND....			DETENTION CENTER ...SPECIAL REVENUE FUND....		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>OTHER FINANCING SOURCES</b>						
Proceeds from sale of fixed assets	\$11,500	\$11,758	\$258			
Compensation from loss/damage	1,800	1,583	(217)			
Proceeds from bank loan				\$450,000	\$500,000	\$50,000
Increase in capital lease		22,206	22,206		13,227	13,227
Transfer in	370,000	380,538	10,538			
Transfer out				(385,000)	(380,538)	4,462
Total other financing sources	<u>383,300</u>	<u>416,085</u>	<u>32,785</u>	<u>65,000</u>	<u>132,689</u>	<u>67,689</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE</b>	<u>(\$65,450)</u>	<u>48,569</u>	<u>114,019</u>	<u>\$468,475</u>	<u>510,641</u>	<u>42,166</u>
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	<u>250,836</u>	<u>250,836</u>		<u>(425,769)</u>	<u>(420,827)</u>	<u>4,942</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$185,386</u>	<u>\$299,405</u>	<u>\$114,019</u>	<u>\$42,706</u>	<u>\$89,814</u>	<u>\$52,050</u>

The accompanying notes are an integral part of this statement.

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

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

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

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

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

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

**B. FUND ACCOUNTING**

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (*general fixed assets and general long-term obligations*) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.



**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

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

**Governmental Fund - 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 sources of revenue are an ad valorem tax and a sales tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

**Special Revenue Funds**

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

**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**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the police jury are not recorded in the general fixed assets account group. Approximately 24 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 76 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets.

Long-term debt, such as bank loans payable, lease purchase payables, and compensated absences payable, are recognized as a liability 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 the governmental fund type. 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 recognizing and reporting 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

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

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.

Sales taxes are recognized in the month received by the sheriff's collection agent, the Richland Parish Sales Tax Commission.

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

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

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, sales taxes, intergovernmental revenues, and fees, charges, and commissions for services have been 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 expected to be repaid, sales of fixed assets, compensation from loss/damage, increases in capital leases, and proceeds from long-term debt are accounted for as other financing sources (uses) and are recognized when the underlying events have occurred.

**E. BUDGET PRACTICES**

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least ten days prior to the public hearing. Public

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

hearings are held at the Richland 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. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

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

**F. CASH**

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 banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the sheriff has cash (book balances) totaling \$896,813, as follows:

Demand deposits	\$894,213
Petty Cash	<u>2,600</u>
Total	<u>\$896,813</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 1999, are secured as follows:

Bank Balances	<u>\$996,329</u>
Federal deposit insurance	\$804,597
Pledged securities (uncollateralized)	<u>1,691,159</u>
Total	<u>\$2,495,756</u>



**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

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 bank 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. SALES TAX**

On October 7, 1989, voters of the parish approved a one-half of one per cent ( $\frac{1}{2}\%$ ) sales tax dedicated for the purpose of providing additional funding for the law enforcement district. The tax became effective on January 1, 1990, and remains in effect for ten years. The sheriff's office has entered into an agreement with the Richland Parish Sales Tax Commission for collection of the tax. For this service, the sheriff's office pays the cost of establishing, operating, maintaining and administering the commission on a pro-rata basis.

**II. VACATION AND SICK LEAVE**

After one year of service all employees, except road deputies, are granted two weeks of vacation leave each year. Road deputies are granted three weeks 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. Employees earn one day of sick leave for each month of service. Employees of the sheriff's office hired after January 1, 1997 are allowed to accumulate up to 240 hours of sick leave to be carried forward to succeeding years. Employees of the sheriff's office hired prior to this date are allowed to accumulate up to a maximum of 480 hours. Employees of the detention center are allowed to accumulate up to a maximum of 240 hours of sick leave.

**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.

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

**J. RISK MANAGEMENT**

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

**2. RECEIVABLES**

The receivables of \$589,498 at June 30, 1999, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Total</u>
<b>Taxes:</b>			
Ad valorem	\$673		\$673
Sales and use	74,574		74,574
<b>Intergovernmental revenues:</b>			
Federal grant	16,704		16,704
Local grants	610		610
<b>Fees, charges, and commissions for services:</b>			
Commissions on licenses, taxes, etc.	5,340		5,340
Civil and criminal fees	11,755		11,755
Court attendance	2,240		2,240
Feeding and keeping prisoners		\$472,149	472,149
Other	1,733		1,733
Miscellaneous	<u>1,890</u>	<u>630</u>	<u>2,520</u>
<b>Total</b>	<b><u>\$115,519</u></b>	<b><u>\$472,779</u></b>	<b><u>\$588,298</u></b>

**3. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in office furnishings and equipment for the year ended June 30, 1999, follows:

**RICHLAND PARISH SHERIFF**  
**Rayville, Louisiana**  
**Notes to the Financial Statements**

	<u>General Fund</u>	<u>Detention Center</u>	<u>Total</u>
Balance, June 30, 1998	\$624,618	\$122,823	\$747,441
Additions	127,915	100,472	228,387
Deletions	<u>(89,819)</u>	<u>                    </u>	<u>(89,819)</u>
Balance, June 30, 1999	<u>\$662,714</u>	<u>\$223,295</u>	<u>\$886,009</u>

**4. PENSION PLAN**

Substantially all employees of the Richland 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 Richland 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



**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

available from insurance premium taxes. The contribution requirements of plan members and the Richland 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 Richland Parish Sheriff's contributions to the System for the years ended June 30, 1999, 1998, and 1997 were \$116,476, \$72,844, and \$53,878, respectively, equal to the required contributions for each year.

**5. POST RETIREMENT BENEFITS**

The Richland 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's office. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the sheriff. Three retirees are eligible for the post-retirement benefits and all participate. The sheriff recognizes the cost of providing these benefits (the sheriff's cost of premiums) as an expenditure when the monthly premiums are due, which were \$171,469 for the year ended June 30, 1999. Of these amounts, \$5,332 were for retiree benefits.

**6. DUE FROM/TO OTHER FUNDS**

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

	<u>Due From</u>	<u>Due to</u>
General Fund	\$58,951	
Detention Center special revenue fund		\$58,787
Agency Funds:		
Criminal Fund		126
Civil Fund		29
License Fund		9
Total	<u>\$58,951</u>	<u>\$58,951</u>

**7. CAPITAL LEASES**

The sheriff records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 1999, the sheriff has eight capital leases in effect for office equipment. The leases had an original recorded amount of \$112,729. Lease obligations are retired from the General Fund and Detention Center Special Revenue Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of June 30, 1999:

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

<u>Year</u>	
2000	\$35,288
2001	23,381
2002	16,455
2003	<u>8,361</u>
Total minimum lease payments	83,485
Less amount representing interest	<u>(9,485)</u>
Present value of net minimum lease payments	<u>\$74,000</u>

**8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the year ended June 30, 1999:

	<u>Capital Leases</u>	<u>Bank Loan</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations at July 1, 1998	\$66,216	NONE	\$163,530	\$229,746
Additions	\$35,433	500,000	242,013	777,446
Deductions	(27,649)	(41,446)	(157,299)	(226,394)
Adjustment			17,749	17,749
Long-term obligations at June 30, 1999	<u>\$74,000</u>	<u>\$458,554</u>	<u>\$265,993</u>	<u>\$798,547</u>

Adjustment to compensated absences balance at June 30, 1999, was made to reflect differences due to changes in beginning and ending pay rates.

**9. CHANGES IN AGENCY FUND BALANCES**

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

	<u>Tax Collector Fund</u>	<u>Criminal Fund</u>	<u>Sheriff's Civil Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
Balance, July 1, 1998	\$396,251	\$42,756	\$6,031	\$31,620	\$476,658
Additions	4,308,546	493,871	392,342	767,369	5,962,128
Reductions	<u>(4,206,374)</u>	<u>(494,531)</u>	<u>(393,132)</u>	<u>(748,405)</u>	<u>(5,842,442)</u>
Balance June 30, 1999	<u>\$498,423</u>	<u>\$42,096</u>	<u>\$5,241</u>	<u>\$50,584</u>	<u>\$596,344</u>

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
Notes to the Financial Statements

**10. LEASE COMMITMENTS**

At June 30, 1999, the entity was obligated under two operating leases, as follows:

A. The entity leases the Richland Parish Detention Center women's facility from Bayou Correctional Corporation, Inc. The lease is for a period of 20 years expiring July, 2018. Lease payments are 25 % of the gross monthly payments received by the Sheriff for the care of prisoners who are incarcerated in the detention center.

B. The entity leases the Richland Parish Detention Center men's facility from R.D.C., Inc. The lease is for a period of twenty years expiring on October, 2017. Lease payments are 25 % of the gross monthly payments received by the Sheriff for the care of prisoners who are incarcerated in the detention center.

**11. LITIGATION AND CLAIMS**

At June 30, 1999, the Richland Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

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

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

**SUPPLEMENTAL INFORMATION SCHEDULES**

**RICHLAND PARISH SHERIFF**  
**Rayville, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and For the Year Ended June 30, 1999**

**FIDUCIARY FUND TYPE - AGENCY FUNDS**

**TAX COLLECTOR FUND**

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

**CRIMINAL FUND**

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

**SHERIFF'S CIVIL FUND**

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

**INMATE FUND**

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



RICHLAND PARISH SHERIFF  
Rayville, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 1999

	TAX COLLECTOR FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	INMATE FUND	TOTAL
<b>ASSETS</b>					
Cash	<u>\$498,432</u>	<u>\$42,222</u>	<u>\$5,270</u>	<u>\$50,584</u>	<u>\$596,508</u>
<b>LIABILITIES</b>					
Due to General fund	\$9	\$126	\$29		\$164
Due to taxing bodies and others	<u>\$498,423</u>	<u>42,096</u>	<u>5,241</u>	<u>\$50,584</u>	<u>596,344</u>
<b>TOTAL LIABILITIES</b>	<u>\$498,432</u>	<u>\$42,222</u>	<u>\$5,270</u>	<u>\$50,584</u>	<u>\$596,508</u>

RICHLAND PARISH SHERIFF  
Rayville, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

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

	TAX COLLECTOR FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	INMATE FUND	TOTAL
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR</b>	<u>\$396,251</u>	<u>\$42,756</u>	<u>\$6,031</u>	<u>\$31,620</u>	<u>\$445,038</u>
<b>ADDITIONS</b>					
Deposits - sheriff's sales, etc.			392,342		392,342
Fines, forfeitures, bonds, etc.		493,871			493,871
Ad valorem taxes:					
Current year	3,577,595				3,577,595
Prior year	439				439
State Revenue Sharing	450,439				450,439
Sportsmen licenses	60,397				60,397
Parish licenses	71,180				71,180
Protested taxes held in escrow	87,862				87,862
Interest on:					
NOW accounts	4,494				4,494
Delinquent taxes	9,728				9,728
Prior year taxes	35				35
Protested taxes held in escrow	9,246				9,246
Redemptions	15,649				15,649
Tax notices, etc.	13,271				13,271
Inmate deposits				767,369	767,369
In lieu of taxes	8,211				8,211
Total additions	<u>4,308,546</u>	<u>493,871</u>	<u>392,342</u>	<u>767,369</u>	<u>5,962,128</u>
Total	<u>4,704,797</u>	<u>536,627</u>	<u>398,373</u>	<u>798,989</u>	<u>6,438,786</u>
<b>REDUCTIONS</b>					
Deposits settled to:					
Richland Parish:					
Sheriff's General Fund	463,868	64,130	72,799		581,781
Assessor	325,234				325,234
Clerk of Court	3,805	18,313	128,282		150,400
Police jury	758,867	160,233			919,100
School board	1,680,326				1,680,326
Hospital	266,245				266,245
District attorney		71,521			71,521
Fire Districts	102,091				96,542

(Continued)

RICHLAND PARISH SHERIFF  
 Rayville, Louisiana  
 FIDUCIARY FUND TYPE - AGENCY FUNDS  
 Combining Schedule of Changes in Balances  
 Due to Taxing Bodies and Others, 1999

	TAX COLLECTOR FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	INMATE FUND	TOTAL
Richardson Medical Center	\$259,809				\$259,809
Municipalities		\$12,041			12,041
Indigent Defender Board		51,981			51,981
District judge - Division B		30,000			30,000
North Louisiana Crime Lab		23,794			23,794
Louisiana Commission on Law Enforcement		8,936			8,936
Judicial Expense Fund		15,069			15,069
La Dept. of Wildlife & Fisheries	50,008				50,008
Louisiana Forestry Commission	3,226				3,226
Tensas Basin Levee Board	175,686				175,686
Louisiana Tax Commission	1,621				1,621
Pension funds	110,457				110,457
Litigants			\$59,439		59,439
Attorneys, appraisers, etc.			79,544		79,544
Detention Center special revenue fund				\$139,717	139,717
Commissary				327,773	327,773
Refunds to inmates				280,915	280,915
Other settlements	5,131	38,513	53,068		96,712
Total reductions	<u>4,206,374</u>	<u>494,531</u>	<u>393,132</u>	<u>748,405</u>	<u>5,842,442</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR</b>	<u>\$498,423</u>	<u>\$42,096</u>	<u>\$5,241</u>	<u>\$50,584</u>	<u>\$596,344</u>

**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana  
**SUPPLEMENTAL INFORMATION SCHEDULE**  
As of and For the Year Ended June 30, 1999

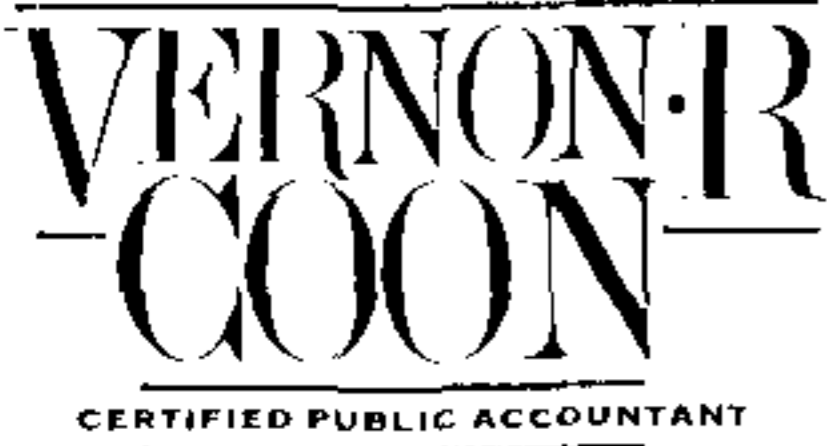
**YEAR 2000 ISSUE (Unaudited)**

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 Richland Parish Sheriff has completed an inventory of computer systems that may be affected by the year 2000 issue and that are critical to conducting operations of the sheriff's office. The sheriff has identified the following system requiring 2000 remediation; a financial reporting system. All testing and validation of this system has been performed.

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

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

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



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

RICHLAND PARISH SHERIFF  
Rayville, Louisiana

I have audited the general purpose financial statements of the Richland Parish Sheriff, a component unit of the Richland Parish Police Jury, as of and for the year ended June 30, 1999 and have issued my report thereon dated October 21, 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 Richland Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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**RICHLAND PARISH SHERIFF**

Rayville, Louisiana

**Independent Auditor's Report on Compliance**

**And Internal Control Over Financial Reporting, etc.**

June 30, 1999

This report is intended solely for the information and use of the Richland 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 these specified parties.

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

West Monroe, Louisiana

October 21, 1999



**RICHLAND PARISH SHERIFF**  
Rayville, 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 Richland Parish Sheriff.
2. No instances of noncompliance material to the financial statements of Richland Parish Sheriff were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None



RICHLAND PARISH SHERIFF  
Rayville, Louisiana

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

The following audit findings were reported in the audit for the year ended June 30, 1998.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**98-1 Need to comply with Louisiana  
Revised Statute 42:1113**

**Recommendation:** The auditor recommended that, in the future, employees should refrain from entering into transactions with the sheriff's office which would cause the employee to be in violation of state law.

**Status:** A ruling was obtained from the ethics board that stated these transactions were prohibited. No transactions were made with this employee after the date of this letter.

**98-2 Need To Obtain Bond Commission Approval**

**Recommendation:** The auditor recommended that the sheriff obtain approval from the State Bond Commission for all debt in excess of ninety days and for any necessary extensions of such debt. In addition, the sheriff should obtain bond commission approval for all capital leases which result in debt as defined by the statute.

**Status:** Retroactive bond commission approval was obtained on the items needing approval in the audit for the year ended June 30, 1998. The sheriff's office received bond commission approval on all debt in excess of ninety days for the audit for the year ended June 30, 1999.

**98-3 Need Better Controls over  
Payroll Expenditures**

**Recommendation:** The auditor recommended that time sheets be maintained for all employees and that the time sheets be signed by the employee and his or her supervisor.

**Status:** Time sheets were maintained and signed by the employee and his or her supervisor for the year ended June 30, 1999.