

1999-10-16

**EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana**

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

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

Release Date NOV 03 1999

**VERNON R
COON**

CERTIFIED PUBLIC ACCOUNTANT

**EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana**

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

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EAST CARROLL PARISH SHERIFF

Lake Providence, Louisiana

Contents, June 30, 1999

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Independent Auditor's Report

EAST CARROLL PARISH SHERIFF Lake Providence, Louisiana

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

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

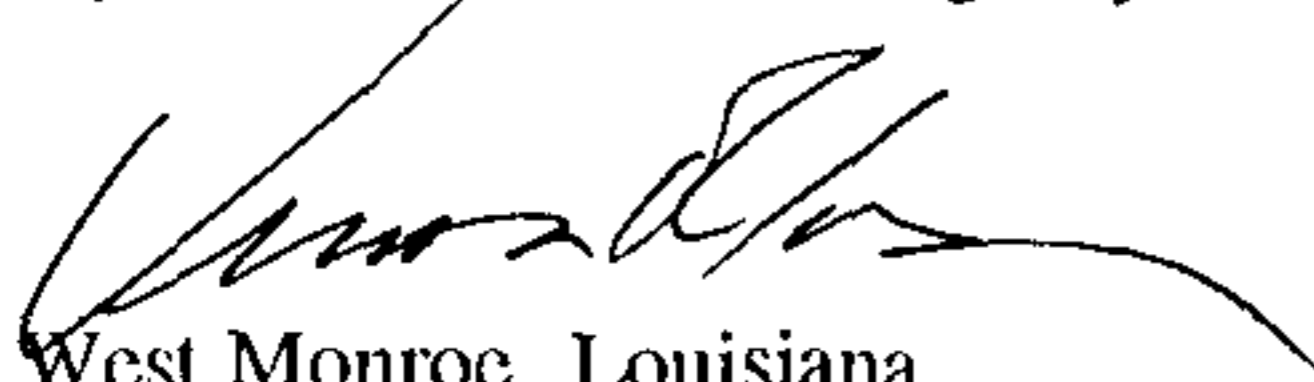
In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the East Carroll Parish Sheriff as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting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

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Independent Auditor's Report,
June 30, 1999

The year 2000 supplementary information on page 31 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 East Carroll Parish Sheriff is or will be year 2000 compliant, that the *East Carroll Parish Sheriff's remediation efforts will be successful in whole or in part*, or that parties with which the East Carroll Parish Sheriff does business are or will become year 2000 compliant.

In accordance with Government Auditing Standards, I have also issued a report dated September 20, 1999, on the East Carroll Parish Sheriff's compliance with laws, regulations, contracts, and grants; and my consideration of the agency's internal control.

A handwritten signature in black ink, appearing to be 'W. Monroe', written over a horizontal line.

West Monroe, Louisiana
September 20, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

EAST CARROLL PARISH SHERIFF
 Lake Providence, 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	LONG-TERM OBLIGATIONS	
ASSETS						
Cash and cash equivalents	\$301,115	\$522,306	\$131,430			\$954,851
Receivables	87,422	422,061				509,483
Due from other funds	80,179	3,153				83,332
Inventory		30,806				30,806
Utility deposit		230				230
Office furnishings and equipment				\$1,676,233		1,676,233
Amount to be provided for retirement of general long-term debt				\$1,449,222		1,449,222
TOTAL ASSETS	<u>\$468,716</u>	<u>\$978,556</u>	<u>\$131,430</u>	<u>\$1,449,222</u>	<u>\$1,449,222</u>	<u>\$4,704,157</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$23,372	\$220,422				\$243,794
Payroll deductions payable	52,785					52,785
Lease payable				\$27,124		27,124
Due to other funds	626	82,135	\$571			83,332
Due to inmates			26,374			26,374
Due to taxing bodies and others			104,485			104,485
Revenue bonds payable				1,337,547		1,337,547
Compensated absences payable				84,551		84,551
Total Liabilities	<u>76,783</u>	<u>302,557</u>	<u>131,430</u>	<u>1,449,222</u>	<u>1,449,222</u>	<u>1,959,992</u>
Fund Equity:						
Investment in general fixed assets						1,676,233
Fund balances:						
Reserved for inventory		\$30,806				\$30,806
Unreserved - undesignated	\$391,933	645,193				1,037,126
Total Fund Equity	<u>391,933</u>	<u>675,999</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>2,744,165</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$468,716</u>	<u>\$978,556</u>	<u>\$131,430</u>	<u>\$1,449,222</u>	<u>\$1,449,222</u>	<u>\$4,704,157</u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE

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

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
REVENUES				
Taxes:				
Ad valorem	\$470,709			\$470,709
Intergovernmental revenues:				
Federal funds - federal grants	69,866			69,866
State grants:				
State revenue sharing (net)	42,086			42,086
State supplemental pay	19,728			19,728
Other state grants	11,494			11,494
Local grants	1,900			1,900
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	22,012			22,012
Civil and criminal fees	45,964			45,964
Court attendance	3,175			3,175
Feeding prisoners	130,882	\$4,626,006		4,756,888
Tax notices, etc.	8,875			8,875
Bond fees	8,311			8,311
Fines and forfeitures		668		668
Use of money and property	19,040	90,892	\$1,441	111,373
Other revenue	4,465	384,027		388,492
Total revenues	<u>858,507</u>	<u>5,101,593</u>	<u>1,441</u>	<u>5,961,541</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and related benefits	604,087	2,158,023		2,762,110
Operating services	177,673	1,416,926	34,132	1,628,731
Materials and supplies	91,656	805,184		896,840
Travel and other charges	29,738	17,350		47,088
Debt service	5,369	113,805		119,174
Capital outlay	80,437	121,197	1,227,309	1,428,943
Intergovernmental		19,097		19,097
Total expenditures	<u>988,960</u>	<u>4,651,582</u>	<u>1,261,441</u>	<u>6,901,983</u>

(Continued)

Statement B

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$130,453)	\$450,011	(\$1,260,000)	(\$940,442)
OTHER FINANCING SOURCES (USE)				
Sale of fixed assets	1,832			1,832
Compensation for loss or damage of assets	6,996			6,996
Proceeds from general obligation bonds			1,400,000	1,400,000
Proceeds from capital lease	15,624	22,385		38,009
Operating transfers in	190,000	140,000		330,000
Operating transfers out		(190,000)	(140,000)	(330,000)
Total other financing sources (use)	214,452	(27,615)	1,260,000	1,446,837
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	83,999	422,396	NONE	506,395
FUND BALANCES AT BEGINNING OF YEAR	307,934	253,603	NONE	561,537
FUND BALANCES AT END OF YEAR	\$391,933	\$675,999	NONE	\$1,067,932

(Concluded)

The accompanying notes are an integral part of this statement.

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

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

GENERAL FUND.....		SPECIAL REVENUE FUNDS.....		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes - ad valorem	\$468,000	\$470,709	\$2,709			
Intergovernmental revenues:						
Federal funds - federal grants	47,362	69,866	22,504			
State funds:						
Feeding prisoners				\$4,577,000	\$4,626,006	\$49,006
State revenue sharing (net)	40,000	42,086	2,086			
State supplemental pay	16,000	19,728	3,728			
Other state grants	7,000	11,494	4,494			
Local grants	1,500	1,900	400			
Fees, charges, and commissions for services:						
Commissions on licenses and taxes	18,000	22,012	4,012			
Civil and criminal fees	42,300	45,964	3,664			
Court attendance	2,400	3,175	775			
Feeding prisoners	111,000	130,882	19,882			
Tax notices, etc.	5,500	8,875	3,375			
Bond fees	6,000	8,311	2,311			
Fines and forfeitures					668	668
Use of money and property	16,000	19,040	3,040	74,100	90,892	16,792
Other revenues	3,150	4,465	1,315	383,100	384,027	927
Total revenues	<u>784,212</u>	<u>858,507</u>	<u>74,295</u>	<u>5,034,200</u>	<u>5,101,593</u>	<u>67,393</u>
EXPENDITURES						
Public safety:						
Current:						
Personal services and related benefits	614,000	604,087	9,913	2,157,500	2,158,023	(523)
Operating services	174,000	177,673	(3,673)	1,420,600	1,416,926	3,674
Materials and supplies	91,000	91,656	(656)	827,400	805,184	22,216
Travel and other charges	31,000	29,738	1,262	18,900	17,350	1,550
Debt service		5,369	(5,369)	106,000	113,805	(7,805)
Capital outlay	74,500	80,437	(5,937)	113,900	121,197	(7,297)
Intergovernmental				18,300	19,097	(797)
Total expenditures	<u>984,500</u>	<u>988,960</u>	<u>(4,460)</u>	<u>4,662,600</u>	<u>4,651,582</u>	<u>11,018</u>
EXCESS OF REVENUES OVER EXPENDITURES	(200,288)	(130,453)	69,835	371,600	450,011	78,411

Statement C

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

GENERAL FUND.....		SPECIAL REVENUE FUNDS.....		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USE)						
Sale of fixed assets	\$1,800	\$1,832	\$32			
Compensation for loss or damage of assets	7,000	6,996	(4)			
Proceeds from capital lease		15,624	15,624		\$22,385	
Operating transfer in	190,000	190,000		\$140,000	140,000	
Operating transfer out				(190,000)	(190,000)	
Total other financing sources (use)	<u>198,800</u>	<u>214,452</u>	<u>15,652</u>	<u>(50,000)</u>	<u>(27,615)</u>	<u>NONE</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	<u>(1,488)</u>	<u>83,999</u>	<u>85,487</u>	<u>321,600</u>	<u>422,396</u>	<u>100,796</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>307,934</u>	<u>307,934</u>		<u>224,066</u>	<u>253,603</u>	<u>29,537</u>
FUND BALANCES AT END OF YEAR	<u>\$306,446</u>	<u>\$391,933</u>	<u>\$85,487</u>	<u>\$545,666</u>	<u>\$675,999</u>	<u>\$130,333</u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 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 East Carroll Parish Police Jury is the financial reporting entity for East Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

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

- a. The ability of the police jury to impose its will on 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 East Carroll 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 debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

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

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

Governmental Funds:

General Fund

The general fund, as provided by Louisiana Revised Statute 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 is an ad valorem tax. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue Funds

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

Capital Projects Fund

The capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

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.

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

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 14 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items, while the remaining 86 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets. Long-term debt, such as compensated absences and leases 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 recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 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.

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

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

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

Based on the above criteria, ad valorem taxes, state revenue sharing, 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 when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds which are not expected to be repaid, proceeds from insurance, and sales of fixed assets are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGET PRACTICES

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least ten days prior to the public hearing. Public hearings are held at the sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary. Budgets are established and controlled by the sheriff at the object level of expenditure. 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 include the original adopted budget amounts and all subsequent amendments.

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

F. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the sheriff has cash and cash equivalents (book balances) totaling \$954,851 as follows:

Demand deposits	\$772,718
Time deposits	181,908
Petty Cash	<u>225</u>
Total	<u>\$954,851</u>

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

Bank Balances	<u>\$1,210,552</u>
Federal deposit insurance	\$378,347
Pledged securities(uncollateralized)	<u>1,242,486</u>
Total	<u>\$1,620,833</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.

II. VACATION AND SICK LEAVE

Employees of the sheriff's office and the detention centers earn from 1 to 2 weeks of vacation leave each year, depending upon length of service. Unused vacation time

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

cannot be carried forward. However, those employees of the detention center with accrued balances prior to August, 1998, will be allowed to exhaust those balances. Sick leave will be earned at a rate of one-half day per month, up to a total of six days per year, after three consecutive months of employment. Sick time not used in not carried forward.

At June 30, 1999, employees have accumulated and vested \$84,551 of employee leave benefits, computed in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

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

J. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the maintains commercial insurance policies covering his automobiles, general liability, and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 1999.

**K. TOTAL COLUMN ON
COMBINED STATEMENTS**

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

2. LEVIED TAX

As provided by Louisiana Revised Statute 33:9001, a law enforcement district has been created for the purpose of providing financing to the office of the sheriff of East Carroll Parish. Louisiana Revised Statute 33:9003 requires the district to levy a tax on the assessed valuation of all property

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

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 18.68 mills.

3. RECEIVABLES

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Intergovernmental revenues:			
Federal grants	\$55,563		\$55,563
State grants:			
Video Poker	1,500		1,500
Feeding prisoners	7,964	\$415,646	423,610
Fees, charges, and commissions for services:			
License	5,892		5,892
Court attendance	275		275
Civil fees	2,387		2,387
Criminal fees	3,183		3,183
Feeding and keeping prisoners	8,700		8,700
Phone commission	392	6,415	6,807
Other revenue	<u>1,566</u>		<u>1,566</u>
Total	<u>\$87,422</u>	<u>\$422,061</u>	<u>\$509,483</u>

4. 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	\$80,179	\$626
Agency Funds:		
Criminal Fund		571
Special Revenue Funds:		
East Carroll Detention Center - Operating		22,527
Riverbend Detention Center - Operating	<u>3,153</u>	<u>59,608</u>
Total	<u>\$83,332</u>	<u>\$83,332</u>

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

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment follows:

	<u>Balance at 6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/99</u>
Sheriff	\$206,516	\$87,737	(\$2,000)	\$292,253
East Carroll Detention Center	32,824	1,345,785		1,378,609
Riverbend Detention Center	NONE	1,586		1,586
East Carroll Detention Center - Commissary	1,250	2,275		3,525
Riverbend Detention Center - Commissary	<u>NONE</u>	<u>260</u>		<u>260</u>
Total	<u>\$240,590</u>	<u>\$1,437,643</u>	<u>(\$2,000)</u>	<u>\$1,676,233</u>

Total additions differs from total capital outlay in Statement B by \$8,700, which represents items donated to the sheriff's office. The beginning balance of fixed assets has been restated for a physical inventory taken by the sheriff's office during the year.

6. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 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

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

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 East Carroll Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the East Carroll Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, 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 East Carroll Parish Sheriff's contributions to the System for the years ended June 30, 1999, 1998, and 1997 were \$107,879, \$103,020, and \$98,286, respectively, equal to the required contributions for each year.

7. CAPITAL LEASE

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 two capital leases in effect for radio and computer equipment. The leases have original recorded amounts of \$15,624 and \$22,385, respectively. Lease obligations are retired from the General 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:

<u>Year</u>	
2000	\$22,237
2001	6,443
2002	1,073
Total minimum lease payments	<u>29,753</u>
Less amount representing interest	<u>(2,629)</u>
Present value of net minimum lease payments	<u><u>\$27,124</u></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:

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

	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations at July 1, 1998	NONE	NONE	\$141,683	\$141,683
Additions	\$1,400,000	\$38,009	17,560	1,455,569
Deductions	(62,453)	(10,885)	(80,832)	(154,170)
Adjustment ¹			6,140	6,140
Long-term obligations at June 30, 1999	<u>\$1,337,547</u>	<u>\$27,124</u>	<u>\$84,551</u>	<u>\$1,449,222</u>

¹ As discussed in note 1H, upon separation from employment, employees are paid for accumulated leave at their current rate of pay. The adjustment is for the purpose of adjusting amounts for annual leave resulting from the differences between beginning and ending rates of pay.

Bonded debt at June 30, 1999, is comprised of the following individual issue:

General Obligation Bond - \$1,400,000 issue of November 16, 1998, for the purpose of acquiring a prison facility known as the East Carroll Detention Center, near Lake Providence, Louisiana. The principal is due in monthly installments of \$15,159 through November 15, 2008 with interest at 5.45 per cent. Debt retirement payments are made from the ECDC Operating Fund.

	<u>\$1,337,547</u>
Total bonded debt	<u>\$1,337,547</u>

The annual requirements to amortize all bonded debt outstanding at June 30, 1999, including interest of \$375,419 are as follows:

<u>Year</u>	
2000	\$181,908
2001	181,908
2002	181,908
2003	181,908
2004-2009	<u>985,334</u>
Total minimum lease payments	1,712,966
Less amount representing interest	<u>(375,419)</u>
Present value of net minimum lease payments	<u>\$1,337,547</u>

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

9. CHANGES IN AGENCY FUND BALANCES

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

	Tax Collector Fund	Criminal Fund	Civil Fund	Jail Inmate	ECDC Inmate Fund	RBDC Inmate Fund	Total
Balance, July 1, 1998	\$23,023	\$63,027	\$21	\$647	\$31,451	NONE	\$118,169
Additions	2,515,703	291,712	109,895	12,141	\$328,938	93,367	3,351,756
Reductions	(2,510,955)	(278,025)	(109,916)	(12,346)	(338,923)	(88,901)	(3,339,066)
Balance June 30, 1999	<u>\$27,771</u>	<u>\$76,714</u>	<u>NONE</u>	<u>\$442</u>	<u>\$21,466</u>	<u>\$4,466</u>	<u>\$130,859</u>

10. LITIGATION AND CLAIMS

At June 30, 1999, the East Carroll Parish Sheriff is involved in several lawsuits. Resolution of these law suits will not result in any liability in excess of insurance coverage.

11. CHANGE IN REPORTING

The East Carroll Detention Center (ECDC) Commissary Fund was previously reported as an enterprise fund. For the year ended June 30, 1999, it is reported as a special revenue fund. The following reconciles fund balance as previously reported to beginning fund balance as presented on Statement B and C:

Beginning fund balance special revenue funds previously reported	\$200,487
ECDC Commissary	<u>53,116</u>
Fund balance special revenue funds at June 30, 1998, restated	<u>\$253,603</u>

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

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

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

13. FEDERAL FINANCIAL ASSISTANCE

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS THROUGH GRANTORS NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF JUSTICE			
Direct program - Community Oriented Policing Services	16.710	1999UMWX2947	\$11,700
Direct program - Community Oriented Policing Services MORE	16.710	1999CMWX2813	43,863
Direct program - Local Law Enforcement Block Grant	16.592	98-LBVX6285	10,580
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice: Law Enforcement Equipment	16.592	97-Z2-Z.1C-0668	<u>3,723</u>
Total United States Department of Justice			<u>69,866</u>
Total Federal Financial Assistance			<u><u>\$69,866</u></u>

14. LEASE COMMITMENTS

The sheriff leases the Riverbend Detention Center facility from E & T Enterprise, Inc. The lease is for a period of 20 months expiring June, 2000. Lease payments are based on the following:

1. 25% of the gross monthly payments received from the Louisiana Department of Corrections and from any other entities or governmental agencies for the care of prisoners who are incarcerated at the facility.
2. Fifty (.50) cents per prisoner per day for meals prepared at the Riverbend Detention Center for consumption by inmates incarcerated at any other facility operated by the East Carroll Parish Law Enforcement District, but not including those inmates incarcerated at the Riverbend Detention Center.

SUPPLEMENTAL INFORMATION SCHEDULES

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1999

SPECIAL REVENUE FUNDS

NARCOTICS FUND

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

EAST CARROLL DETENTION CENTER (ECDC)

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

RIVERBEND DETENTION CENTER (RBDC)

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

EAST CARROLL DETENTION CENTER COMMISSARY FUND

The Commissary Fund accounts for the purchase and resale of personal items to the inmates at the East Carroll detention center.

RIVERBEND DETENTION CENTER COMMISSARY FUND

The Commissary Fund accounts for the purchase and resale of personal items to the inmates at the Riverbend detention center.

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

Combining Balance Sheet, June 30, 1999

	<u>NARCOTICS</u>	<u>ECDC</u>	<u>RBDC</u>	<u>ECDC COMMISSARY</u>	<u>RBDC COMMISSAR</u>	<u>TOTAL</u>
ASSETS						
Cash	\$2,619	\$277,212	\$173,535	\$65,119	\$3,821	\$522,306
Receivables		289,093	132,968			422,061
Inventory				21,165	9,641	30,806
Due from other funds			3,153			3,153
Utility deposit			230			230
TOTAL ASSETS	<u>\$2,619</u>	<u>\$566,305</u>	<u>\$309,886</u>	<u>\$86,284</u>	<u>\$13,462</u>	<u>\$978,556</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable		\$115,517	\$90,470	\$11,049	\$3,386	\$220,422
Payroll deductions payable						NONE
Lease payable						NONE
Due to other funds		22,527	59,608			82,135
Total liabilities	<u>NONE</u>	<u>138,044</u>	<u>150,078</u>	<u>11,049</u>	<u>3,386</u>	<u>302,557</u>
Fund Balance - unreserved - undesignated	<u>\$2,619</u>	<u>428,261</u>	<u>159,808</u>	<u>75,235</u>	<u>10,076</u>	<u>675,999</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,619</u>	<u>\$566,305</u>	<u>\$309,886</u>	<u>\$86,284</u>	<u>\$13,462</u>	<u>\$978,556</u>

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

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

	<u>NARCOTICS</u>	<u>ECDC</u>	<u>RBDC</u>	<u>ECDC COMMISSARY</u>	<u>RBDC COMMISSARY</u>	<u>TOTAL</u>
REVENUES						
Intergovernmental revenues - state grants - Feeding and maintaining prisoners		\$3,427,226	\$1,198,780			\$4,626,006
Fines and forfeitures	\$668					668
Use of money and property	119	90,768	5			90,892
Other revenues		1,505	745	\$298,693	\$83,084	384,027
Total revenues	<u>787</u>	<u>3,519,499</u>	<u>1,199,530</u>	<u>298,693</u>	<u>83,084</u>	<u>5,101,593</u>
EXPENDITURES						
Public safety:						
Current:						
Personal services and related benefits		1,700,702	457,321			2,158,023
Operating services	1,600	688,196	413,325	249,003	64,802	1,416,926
Materials and supplies		611,595	179,444	9,938	4,207	805,184
Travel and other charges		16,962	388			17,350
Debt service		113,805				113,805
Capital outlay		117,076	1,586	2,275	260	121,197
Intergovernmental				15,358	3,739	19,097
Total expenditures	<u>1,600</u>	<u>3,248,336</u>	<u>1,052,064</u>	<u>276,574</u>	<u>73,008</u>	<u>4,651,582</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(813)	271,163	147,466	22,119	10,076	450,011
OTHER FINANCING SOURCE (USE)						
Increase in capital lease		22,385				22,385
Operating transfers in		140,000				140,000
Operating transfers out		(150,000)	(40,000)			(190,000)
Total other financing source (use)	<u>NONE</u>	<u>12,385</u>	<u>(40,000)</u>	<u>NONE</u>	<u>NONE</u>	<u>(27,615)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	(813)	283,548	107,466	22,119	10,076	422,396
FUND BALANCES AT BEGINNING OF YEAR	<u>3,432</u>	<u>144,713</u>	<u>52,342</u>	<u>53,116</u>	<u>NONE</u>	<u>253,603</u>
FUND BALANCES AT END OF YEAR	<u>\$2,619</u>	<u>\$428,261</u>	<u>\$159,808</u>	<u>\$75,235</u>	<u>\$10,076</u>	<u>\$675,999</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, 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 and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

CRIMINAL FUND

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

CIVIL FUND

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

JAIL INMATE FUND

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

EAST CARROLL DETENTION CENTER INMATE FUND (ECDC)

The East Carroll Detention Center 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.

RIVERBEND DETENTION CENTER INMATE FUND (RBDC)

The Riverbend Detention Center 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.

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

Combining Balance Sheet, June 30, 1999

	<u>TAX COLLECTOR FUND</u>	<u>CRIMINAL FUND</u>	<u>JAIL INMATE</u>	<u>ECDC INMATE</u>	<u>RBDC INMATE</u>	<u>TOTAL</u>
ASSETS						
Cash and cash equivalents	<u>\$27,771</u>	<u>\$77,285</u>	<u>\$442</u>	<u>\$21,466</u>	<u>\$4,466</u>	<u>\$131,430</u>
LIABILITIES						
Due to other funds		\$571				\$571
Due to Inmates			\$442	\$21,466	\$4,466	26,374
Due to taxing bodies and others	<u>\$27,771</u>	<u>76,714</u>				<u>104,485</u>
TOTAL LIABILITIES	<u>\$27,771</u>	<u>\$77,285</u>	<u>\$442</u>	<u>\$21,466</u>	<u>\$4,466</u>	<u>\$131,430</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, 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

	<u>TAX COLLECTOR FUND</u>	<u>CRIMINAL FUND</u>	<u>CIVIL FUND</u>	<u>JAIL. INMATE</u>	<u>ECDC INMATE</u>	<u>RBDC INMATE</u>	<u>TOTAL</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$23,023</u>	<u>\$63,027</u>	<u>\$21</u>	<u>\$647</u>	<u>\$31,451</u>	<u>NONE</u>	<u>\$118,169</u>
ADDITIONS							
Deposits:							
Ad valorem taxes	2,274,490						2,274,490
State Revenue Sharing	185,045						185,045
Sportsman licenses	36,986						36,986
Beer and Liquor licenses	3,390						3,390
Interest on:							
NOW accounts	3,653						3,653
Delinquent taxes	3,018						3,018
Protested taxes held in escrow	201						201
Tax notices, etc.	8,920						8,920
Appearance bonds, fines, etc.		291,712					291,712
Inmate deposits				12,141	328,938	93,367	434,446
Sales			109,895				109,895
Total additions	<u>2,515,703</u>	<u>291,712</u>	<u>109,895</u>	<u>12,141</u>	<u>328,938</u>	<u>93,367</u>	<u>3,351,756</u>
Total	<u>2,538,726</u>	<u>354,739</u>	<u>109,916</u>	<u>12,788</u>	<u>360,389</u>	<u>93,367</u>	<u>3,469,925</u>
REDUCTIONS							
Deposits settled to:							
Clerk of Court	152,325	12,294	8,363				172,982
Louisiana Department of Forestry	2,304						2,304
Louisiana Dept. of Wildlife & Fisheries	21,719	15					21,734
Louisiana Tax Commission	963						963
Fifth District Levee Board	103,623						103,623
East Carroll Parish:							
Criminal Court Fund		75,719					75,719
District Attorney		34,254					34,254
Police Jury	1,062,980						1,062,980
School Board	290,439						290,439
Sheriff	526,837	33,146	8,951				568,934
Hospital	193,061						193,061
Indigent Defender Board		30,143					30,143
Litigants			88,904				88,904
Lake Providence Port Commission	88,149						88,149
Pension Funds	67,118						67,118
Inmate disbursements				12,346	338,923	88,901	440,170
Refunds	1,420	46,476					47,896
Other settlements	17	45,978	3,698				49,693
Total reductions	<u>2,510,955</u>	<u>278,025</u>	<u>109,916</u>	<u>12,346</u>	<u>338,923</u>	<u>88,901</u>	<u>3,339,066</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>\$27,771</u>	<u>\$76,714</u>	<u>NONE</u>	<u>\$442</u>	<u>\$21,466</u>	<u>\$4,466</u>	<u>\$130,859</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, 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 East Carroll 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 reports on compliance with laws, regulations and contracts, and internal control over financial reporting are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

I have audited the general purpose financial statements of the East Carroll Parish Sheriff as of and for the year ended June 30, 1999 and have issued my report thereon dated September 20, 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 East Carroll Parish Sheriff's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed 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 East Carroll Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I considered to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect East Carroll Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 1999

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, I do not believe the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of the audit committee, management of the sheriff's office, others within the sheriff's office, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


West Monroe, Louisiana
September 20, 1999

EAST CARROLL PARISH SHERIFF
Lake Providence, 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 East Carroll Parish Sheriff.
2. No instances of noncompliance material to the financial statements of East Carroll Parish Sheriff were disclosed during the audit.
3. One reportable condition relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

**99-1 NEED TO VERIFY AND CORRECT
VACATION BALANCES**

Finding: I noted in the audit for the year ended June 30, 1998 that the beginning balances shown on the schedule of changes in vacation time provided by the bookkeeper at the detention center could not be reconciled to the audit report for the year ended June 30, 1997. I recommended that these balances be reconciled to reflect accurate balances. During the current audit an examination of the ledger cards kept on each employee disclosed that the balances had not been corrected as of June 30, 1999. In addition, I attempted to schedule changes for the year (additions and reductions) but was unable to since the records I received were not accurate or complete. For instance, I noted that many employees were paid for vacation time but the payment was not reflected on the employee's leave record. Because of the lack of adequate documentation of vacation time taken and the failure of the bookkeeper to properly reconcile activity for the last two years, the sheriff has no assurance that the stated balances at June 30, 1999 are correct or that all transactions for the year have been recognized.

Recommendation: I recommend that the sheriff determine what its actual liability for vacation time is as soon as possible. Further, for the year ended June 30, 2000 the sheriff's office should be able to provide an accurate list showing beginning balances, additions, reductions, and ending balances by employee.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

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

98-1 Need to Reconcile Inmate Balances

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

Status: This finding has been cleared. The inmate balance report is reconciled to cash each month for each of the three inmate accounts.

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

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

Status: This finding has been partially cleared. The actual liability for compensatory time was determined. Deputies were paid for all of their compensatory time and we no longer accrue compensatory time. See finding 99-1.

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

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

Status: This finding has been cleared. We implemented all of the auditor's recommendations noted above.

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

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

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Summary Schedule of Prior Audit Findings (Contd.)
For the Year Ended June 30, 1999

Status: This finding has been cleared. We have performed a physical inventory and compiled a complete listing of assets that includes the above listed information.

**98-5 Need to Comply with Louisiana
Local Government Budget Act**

Recommendation: The auditor recommended that the sheriff familiarize himself with and comply with all the requirements of the Louisiana Local Government Budget Act.

Status: This finding has been cleared. The sheriff and members of his staff are now familiar with the budget act. For the year ended June 30, 1999, the budget for the sheriff's office was adopted and amended as required by the statute.

98-6 Need to Disburse Protested Taxes

Recommendation: The auditor recommended that the money be immediately disbursed to the local taxing bodies entitled to the funds and to Pro Boll Chemical.

Status: This finding has been cleared. The protested taxes were disbursed in August of 1998.

Mark W. Shivers
Sheriff and Tax Collector



Telephone 318-559-2800
Fax 318-559-9116

September 20, 1999

East Carroll Parish
P.O. Box 246
Lake Providence, Louisiana 71254

CORRECTIVE ACTION PLAN

Legislative Audit Advisory Council
Daniel G. Kyle, Secretary
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Audit Finding

Dear Mr. Kyle:

East Carroll Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 1999.

99-1 NEED TO VERIFY AND CORRECT VACATION BALANCES

Recommendation: I recommend that the Sheriff determine what its actual liability for vacation time is as soon as possible. Further, for the year ended June 30, 2000 the Sheriff's Office should be able to provide an accurate list showing beginning balances, additions, reductions, and ending balances by employee.

Action to be Taken: The Sheriff's Office is now in the process of going back to June 30, 1997, using the auditors figures for accumulated vacation time, and researching all employees' vacation time and balancing those figures to June 30, 1998. We will then balance them to June 30, 1999.

This administration has only been in office since May 11, 1998. During this time we have spent much of our time correcting problems in the Sheriff's Office and the detention centers. We have in place an entire new and updated financial system. We have had some policy changes during these fifteen months that will alleviate the problems for which our auditors have in this finding. The old administration kept a lot of manual records for payroll and allowed vacation, etc. to accumulate but not be used until the anniversary dates. This policy is still a left over problem for us but we feel we are headed in the right direction now and will very soon have all of this corrected.

Mr. Daniel G. Kyle
September 20, 1999
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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark W. Shumate', with a long horizontal flourish extending to the right.

Mark W. Shumate
Sheriff