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**RICHLAND PARISH SHERIFF
Bossier, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1988
With Supplemental Information Schedules**

Under the provisions of state law, this report is a public document. A copy of this report has been distributed to the audited, or reviewed, and/or used other appropriate public officials. This 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 SEP 14 1988

RICHLAND PARISH SHERIFF
Rayville, Louisiana

General Purpose Financial Statements
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedules

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VERNON R. QUON
INSTITUTE OF ACCOUNTS
PUBLIC ACCOUNTANTS

OFFICE BY LICENSE
GRANTED PUBLIC
ACCOUNTANTS

OFFICE LIMITED TO
INDEPENDENT

ACCOUNTING, AUDITING
AND FINANCIAL MANAGEMENT

100 PROFESSIONAL CENTER

WEST MONROE,

LOUISIANA 70091

PHONE 225-835-1171

TELE FAX 225-835-1171

1-800-841-0000

FAX 225-835-1171

Independent Auditor's Report

HONORABLE LORELL GRAHAM
RICHLAND PARISH SHERIFF
Rayville, Louisiana

I have audited the general purpose financial statements of the Richland Parish Sheriff, as of June 30, 1998, and for of 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. These 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 Richland Parish Sheriff as of June 30, 1998, 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 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.

RICHLAND PARISH SHERIFF
Bossierite, Louisiana
Independent Auditor's Report,
June 30, 1998

In accordance with Government Auditing Standards, I have also issued a report dated August 31, 1998, on the Richland Parish Sheriff's compliance with laws, regulations, contracts, and grants, and my consideration of the agency's internal control.



West Monroe, Louisiana
August 31, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

Fund Equity:				
Investment in general fund assets				347,441
Reserve for inventory		4,912		4,912
Fund balance - unreserved - undesignated	250,836	143,199		1174,953
Total Fund Equity	<u>250,836</u>	<u>148,111</u>	<u>8094</u>	<u>317,430</u>
TOTAL LIABILITIES				
AND FUND EQUITY	<u>873,828</u>	<u>\$11,491</u>	<u>\$478,785</u>	<u>\$742,441</u>
				<u>\$2,045,791</u>

The accompanying notes are an integral part of this statement.

RYE LAKE PARISH Sheriff
 Bayou, 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, 1995

	-- GENERAL FUND --			-- SPECIAL REVENUE FUNDS --		
	BUDGET	ACTUAL	VARIANCE PAYABLE	BUDGET	ACTUAL	VARIANCE FAVORABLE
REVENUES						
Taxes:						
Ad valorem	\$140,000	\$261,288	\$21,208			
Sales and use	900,000	747,268	47,268			
Intergovernmental revenues:						
Federal grants - federal interest		1,189	1,189			
State grants:						
State revenue sharing (net)	62,000	68,224	6,224			
Feeding and keeping prisoners		800	800	\$1,607,288	\$992,648	(\$614,640)
State supplemental pay	75,000	102,282	27,282			
Other state grants	32,000	47,608	17,608			
Local grant	7,200	8,280	2,000	2,288	2,288	
Fees, charges, and						
commissions for services:						
Commissions on licenses and sales	50,000	41,088	(\$9,912)			
Civil and criminal fees	81,000	118,128	37,128			
Court attendance	2,000	1,528	(\$472)			
Transportation of prisoners	1,200	128	(\$1,072)	1,231	2,600	1,369
Feeding and keeping of prisoners	300,000	122,080	(\$77,920)	211,736	203,088	(\$8,648)
Tax sales, etc.	2,000	2,428	428			
Other	5,000	23,288	28,288	1,428		(1,428)
Use of money and property	5,000	8,184	3,184	14,644	10,523	(\$4,121)
Miscellaneous		2,881	2,881	6,431	920	(\$5,511)
Total revenues	<u>1,558,000</u>	<u>1,658,278</u>	<u>82,178</u>	<u>1,250,000</u>	<u>1,298,178</u>	<u>48,178</u>
EXPENDITURES						
Public safety:						
Current:						
Personal services and benefits	1,140,500	1,175,128	(\$4,500)	828,180	826,064	(\$2,116)
Operating services	228,500	230,241	18,500	504,873	504,865	(\$8)
Materials and supplies	231,000	186,784	44,216	272,126	271,795	(\$331)
Travel and other charges	27,000	47,845	(\$20,845)	18,796	12,411	(\$6,385)
Debt service		2,208	2,208	852	29,745	(\$28,533)
Capital outlay	25,000	72,871	(\$47,871)	118,050	112,612	(\$5,438)
Total expenditures	<u>1,652,000</u>	<u>1,715,877</u>	<u>(\$63,877)</u>	<u>1,774,106</u>	<u>1,770,907</u>	<u>(\$3,199)</u>
EXCESS (Deficiency) Of						
REVENUES OVER						
EXPENDITURES	<u>(\$94,000)</u>	<u>(\$57,601)</u>	<u>36,399</u>	<u>(\$24,106)</u>	<u>(\$72,729)</u>	<u>(\$48,623)</u>

(Continued)

RICHLAND PARISH SHERIFF
 Bayou, 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--		
	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
OTHER FINANCING SOURCES						
Proceeds from sale of fixed assets		15,031	15,031			
Proceeds from lease purchase		10,000	10,000		107,296	107,296
Proceeds from insurance recovery		15,371	15,371			
Total other financing sources	<u>NONE</u>	<u>39,662</u>	<u>39,662</u>	<u>NONE</u>	<u>107,296</u>	<u>107,296</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>2,142,403</u>	<u>(24,511)</u>	<u>1,917,892</u>	<u>(244,296)</u>	<u>(428,517)</u>	<u>1,489,375</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>289,000</u>	<u>315,447</u>	<u>26,447</u>	<u>NONE</u>	<u>NONE</u>	<u>_____</u>
FUND BALANCES (Deficit) AT END OF YEAR	<u>598,808</u>	<u>\$290,936</u>	<u>377,872</u>	<u>(244,296)</u>	<u>(428,517)</u>	<u>\$61,485</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF

Bayville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 1998

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 all ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and local 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
Bossier, 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 governmental 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 "fund" 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
Bossier, 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 in 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 18:1422, 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. These 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 (no net asset liability) and do not involve measurement of results of operations.

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements

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 28 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 72 per cent are based on an actual historical costs. No depreciation has been provided on general fixed assets.

Long-term debt, such as lease purchase payables and compensated absence 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 receivable to accrual.

Expenditures

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

Other Financing Sources

Sales of fixed assets and proceeds from insurance recovery and capital leases are accounted for as other financing sources 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 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

RICHLAND PARISH SHERIFF
Bossier, Louisiana
Notes to the Financial Statements

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, 1998, the sheriff has cash (book balances) totaling \$654,504, as follows:

Demand deposits	\$652,604
Prey Cash	<u>1,900</u>
Total	<u>\$654,504</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, 1998, are under secured at one bank by \$11,125, as follows:

Bank Balances	<u>\$694,651</u>
Federal deposit insurance	\$654,428
Pledged securities (uncollateralized)	<u>581,458</u>
Total	<u>\$1,732,536</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements

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 (.05%) 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.

H. 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, 1990 are allowed to accumulate up to 96 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

2. RECEIVABLES

The receivables of \$387,483 at June 30, 1998, are as follows:

Class of receivable:	General Fund	Debtors' Court	Total
Taxes - sales and use	\$82,694		\$82,694
Intergovernmental revenues:			
State grants	10,940	\$151,452	162,392
Local grants	\$611		\$611
Fees, charges, and commissions for services:			
Contributed on licenses, taxes, etc.	4,208		4,208
Civil and criminal fees	2,481		2,481
Transportation of prisoners		608	608
Feeding and keeping prisoners	6,090	43,399	\$1,489
Use of money and property	118	1,417	1,535
Miscellaneous	1,229	182	1,424
Total	\$108,372	\$199,881	\$307,483

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 1998, follows:

	General Fund	Debtors' Court	Total
Balance, June 30, 1997	\$508,168	NONE	\$508,168
Additions	72,871	112,823	195,694
Deletions	(65,451)	NONE	(65,451)
Balance, June 30, 1998	\$475,588	\$112,823	\$588,411

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.

RICHLAND PARISH SHERIFF
Bossier, Louisiana
Notes to the Financial Statements

All deputies 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, 3.75 per cent for each year if total service is at least 15 but less than 20 years, and 5 per cent for each year if total service is at least 20 years (Act 1117 of 1993 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1988). 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 Sheriff's Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71226, or by calling (504) 363-3191.

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 5.8 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes allowed 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 Richland Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:125, the employer contributions are determined by actuarial valuations 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, 1998, 1997, and 1996 were \$71,844, \$25,878, and \$24,346, 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

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements

paid jointly by the employee and the sheriff. 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 \$146,543 for the year ended June 30, 1998. Of these amounts, \$1,601 were for retiree benefits.

6. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 1998, are as follows:

	<u>Due From</u>	<u>Due to</u>
General Fund	\$95,894	
Detention Center special revenue fund		\$95,781
Agency Funds:		
Criminal Fund		84
Civil Fund		32
Total	<u>\$95,894</u>	<u>\$95,894</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, 1998, the sheriff has seven capital leases in effect for office equipment. The leases had an original recorded amount of \$77,396. 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, 1998:

<u>Total</u>	
1999	23,329
2000	23,329
2001	15,613
2002	10,781
2003	<u>7,688</u>
Total minimum lease payments	75,740
Less amount representing interest	<u>(6,524)</u>
Present value of net minimum lease payments	<u>\$69,216</u>

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 1998:

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations at July 1, 1997	NONE	\$98,384	\$98,384
Additions	\$77,296	(30,288)	\$47,008
Deductions	(11,880)	(72,146)	(84,026)
Adjustment		7,004	7,004
Long-term obligations at June 30, 1998	<u>\$65,216</u>	<u>\$163,530</u>	<u>\$228,746</u>

The adjustment for compensated absences is to adjust the beginning balance for additions and deductions not recorded in the prior year.

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>Insur. Fund</u>	<u>Total</u>
Balance, July 1, 1997	\$317,324	\$24,328	\$11,825	NONE	\$353,477
Additions	4,825,252	378,595	460,225	215,388	5,889,858
Reductions	<u>(4,736,325)</u>	<u>(360,367)</u>	<u>(466,017)</u>	<u>(183,768)</u>	<u>(5,746,677)</u>
Balance June 30, 1998	<u>\$386,251</u>	<u>\$42,556</u>	<u>\$6,033</u>	<u>\$31,620</u>	<u>\$466,460</u>

10. LEASE COMMITMENTS

At June 30, 1998, 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 30 years expiring July, 2028. 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.

RICHLAND PARISH SHERIFF
Bossier, Louisiana
Notes to the Financial Statements

11. BANK LOAN PAYABLE

At June 30, 1998, the sheriff has an outstanding bank loan from Richland State Bank for \$450,000. The loan was obtained on October 8, 1997 and was to be repaid on or before June 30, 1998. Payments are to be made from the Detention Center Special Revenue Fund.

12. LITIGATION AND CLAIMS

At June 30, 1998, 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.

**13. 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 33:4713, is paid by the Richland Parish Police Jury.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1998

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.

INNATE FUND

The Innate 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, 1988

	<u>TAX COLLECTOR FUND</u>	<u>CRIMINAL FUND</u>	<u>SHERIFF'S CIVIL FUND</u>	<u>IMMATEL FUND</u>	<u>TOTAL</u>
ASSETS					
Cash	<u>\$396,755</u>	<u>\$43,841</u>	<u>\$5,083</u>	<u>\$31,620</u>	<u>\$476,799</u>
LIABILITIES					
Due to General fund		\$84	\$53		\$137
Due to taxing body and others	<u>\$396,751</u>	<u>\$43,756</u>	<u>\$4,031</u>	<u>\$31,620</u>	<u>\$476,638</u>
TOTAL LIABILITIES	<u>\$396,751</u>	<u>\$43,840</u>	<u>\$4,084</u>	<u>\$31,620</u>	<u>\$476,795</u>

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

Continuing Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 1998

	TAX COLLECTOR FUNDS	CRIMINAL FUNDS	SHERIFF'S OFF. FUNDS	PARISH FUNDS	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>337,324</u>	<u>324,718</u>	<u>371,279</u>	<u>602,681</u>	<u>1,635,992</u>
ADDITIONS					
Deposits - sheriff's sales, etc.			460,223		460,223
Fines, forfeitures, bonds, etc.		378,993			378,993
All various taxes:					
Current year	4,136,472				4,136,472
Prior year	4,052				4,052
State Revenue Sharing	483,830				483,830
Sparsity Income	60,761				60,761
Parish Income	38,476				38,476
Prorated taxes held in trustee accounts:					
NOW accounts	8,101				8,101
Delinquent taxes	4,680				4,680
Prior year taxes	1,490				1,490
Fish and game accounts	442				442
Auto-defers accounts	172				172
Prorated taxes held in trustee accounts:					
Redemption	7,000				7,000
Tax notices, etc. liasses deposits	36,236			5215,388	16,236
In lieu of taxes	1,854				1,854
Total additions	<u>4,815,232</u>	<u>378,993</u>	<u>460,223</u>	<u>215,188</u>	<u>5,869,626</u>
Total	<u>3,152,556</u>	<u>703,711</u>	<u>472,049</u>	<u>215,388</u>	<u>4,543,704</u>
DEDUCTIONS					
Deposits sent to:					
Richland Parish:					
Sheriff's General Fund	446,133	48,391	89,650		584,174
Assessor	315,478				315,478
Clerk of Court	4,337	14,297	13,013		31,647
Police Jury	714,836	181,282			896,118
School Board	1,282,398				1,282,398
Hospital	264,923				264,923
District attorney		47,989			47,989
Fire Districts	96,542				96,542

(Continued)

RICHLAND PARISH SHERIFF
 Bayville, Louisiana
RECURRY FUND TYPE - AGENCY FUNDS
 Containing Schedule of Changes in Balances
 Due to Taxing Bodies and Others, 1998

	TAX COLLECTOR FUNDS	CRIMINAL FUNDS	SHERIFF'S CYCLE FUNDS	INMATE FUNDS	TOTAL
Richardson Medical Center	2281,338				2281,338
Municipalities		504,260			504,260
Indigent Defender Board		80,313			80,313
District judge - Division II		80,000			80,000
North Louisiana Crime Lab		38,358			38,358
Louisiana Commission on Law Enforcement		10,624			10,624
Judicial Expense Fund		11,780			11,780
La Dept. of Wildlife & Fisheries	45,819				45,819
Louisiana Forestry Commission	3,202				3,202
Texas Bank Levee Board	176,573				176,573
Louisiana Tax Commission	1,682				1,682
Police funds	128,906				128,906
Litigants			346,794		346,794
Attorneys, appraisers, etc.			2,295		2,295
Detention Center special revenue fund				13,494	13,494
Contingency				82,417	82,417
Refunds to inmates				73,888	73,888
Other settlements	17,615	28,587	15,828		61,030
Total reductions	4,256,325	858,587	485,622	182,358	5,782,892
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	528,211	362,755	36,834	521,628	1,449,428

**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 prepared 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 as of and for the year ended June 30, 1998 and have issued my report thereon dated August 24, 1998. 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 general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance 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 three instances of non-compliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 98-1 and 98-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered 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. However, I noted certain matters involving the internal control over financial reporting and its operation that I considered to be reportable conditions. 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 judgment, could adversely affect the Richland Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and question costs as item 98-3.

VERNON R. COON
CHARTERED ACCOUNTANT
PUBLIC ACCOUNTANTS

**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS**

**OFFICE LOCATED IN
GOVERNMENTAL
AGENCY/LOCAL, NATIONAL
AND FINANCIAL REPORTING**

**118 PROFESSIONAL DRIVE,
NEW ORLEANS,
LOUISIANA 70112**

**PHONE 504-835-1111
TELE FAX 504-835-1111
FAX 504-835-1111**

RICHLAND PARISH SHERIFF

Bayou de, Louisiana

**Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.**

June 30, 1998

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



West Monroe, Louisiana

August 24, 1998

RICHLAND PARISH SHERIFF
 Bayville, Louisiana

Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 1998

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. Two instances of noncompliance material to the financial statements of Richland 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 Compliance and Internal Control Over Financial Reporting.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

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

Finding: The sheriff's office purchased items from an employee of the office. Louisiana Revised Statute (LSR) 42:1113 provides, in part, that no public servant or member of such a public servant's immediate family shall bid on or enter into any contract or other transaction that is under the supervision or jurisdiction of the agency of such public servant. During the year ended June 30, 1998, the sheriff's office purchased \$30,307 of electronics equipment and supplies from a business owned by an employee of the sheriff's office.

Recommendation: 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.

98-2 Need To Obtain Bond Commission Approval

Finding: The sheriff's office did not obtain bond commission approval for execution of a bank loan or the incurrence of debt under capital lease agreements. Louisiana Revised Statute (LSA-R.S.) 38:1410.60 provides that political subdivisions of the state must apply to the State Bond Commission for approval to incur debt. The sheriff received approval from the state bond commission on September 18, 1997 to obtain a \$500,000 bank loan to be repaid on or before June 30, 1998. However, the loan was not liquidated by June 30, 1998, and management of the sheriff's office did not obtain additional bond commission approval to extend the loan.

RICHLAND PARISH SHERIFF
Bryville, Louisiana

Schedule of Findings and Questioned Costs (Cont'd.)
For the Year Ended June 30, 1998

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONT'D.)

88-2 Need To Obtain Bond Commission Approval (Cont'd.)

Debt, as defined in the statute, also includes leases unless the lease has a non-appropriation clause and does not have an anti-substitution clause. During the year ended June 30, 1998 the sheriff's office entered into six lease agreements for the acquisition of office equipment. A review of the lease agreements disclosed that all of the agreements included an anti-substitution clause. Therefore, the leases meet the definition of debt and require approval of the bond commission. Management of the sheriff's office was aware of the requirement that the leases must include an non appropriation clause therefore, they insured that this clause was included in each lease. However, management of the sheriff's office was not aware that bond commission approval was required when a lease contained an anti-substitution clause. Therefore, bond commission approval was not obtained for the capital leases.

Recommendation: I recommend 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.

**88-3 Need Better Controls over
Payroll Expenditures**

Finding: The following deficiencies were noted during my test of payroll overtime sheets could not be located for six employees. (a) forty-two of the ninety-two, or 46%, of time sheets examined did not have a supervisor's signature, and (b) six of the ninety-two, or 7%, of the time sheets examined did not have the employee's signature. Proper internal control dictates that evidence be present to support management's assertion that payroll expenditures are for work performed or for authorized leave. Lack of signed time sheets, by the supervisor and the employee, precludes the sheriff from providing this evidence.

Recommendation: I recommend that time sheets be maintained for all employees and that the time sheets be signed by the employee and his or her supervisor.

RICHLAND PARISH SHERIFF
Bryville, Louisiana

Summary Schedule of Price Audit Findings
For the Year Ended June 30, 1998

There were no audit findings reported in the audit for the year ended June 30, 1997.



LORELL GRAHAM

SHERIFF AND TAX COLLECTOR
RICHLAND PARISH
RICHLAND PARISH COURT HOUSE - RM. 110
708 BIA. HIGH
BAYLUM, LOUISIANA 71299

August 26, 1998



Tel: (504) 386-2001
Fax: (504) 386-6666

CORRECTIVE ACTION PLAN

The following is corrective action to be taken with regard to findings contained in the Richland Parish Sheriff's 1998 audit report.

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 94-1: Need to comply with Louisiana Revised Statute 42:1113

Corrective Action - The Sheriff's office was unaware of the conflict of interest that arose from purchasing goods from a business owned by a part-time employee of the Sheriff's office. This employee-owned business is the only supplier of this type in Richland Parish, and results in less time being used by various employees for office errands.

We will request a ruling from the Ethics Board concerning this matter. As of this date, we will stop purchasing supplies from this employee's business until a ruling is received from the Board.

Finding 94-2: Need to obtain Bond Commission approval

Corrective Action - We were going through a transition in key officer personnel at the time our loan was to be renewed, and were unaware that renewal of the loan was to be approved annually. We are currently negotiating refinancing with Richland State Bank to change the term of the loan from one year to three years, and are asking the Bond Commission for approval of the renegotiated loan.

We reviewed each lease contract to insure that each contract included a non-appropriation clause, but were unaware that a lease is considered debt when it includes an anti-substitution clause. In the future, we will review the contracts for the anti-substitution clause and submit any contracts to the Bond Commission for approval if they contain this type of clause.

Finding 94-3: Need better controls over payroll expenditures

Corrective Action - Time sheets will be maintained for all employees and signatures of employees and supervisors will be required for payment of any wages.

Respectfully submitted,


Lorell Graham, Sheriff