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**RICHLAND PARISH SHERIFF  
Rayville, Louisiana**

**General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Two Years Ended  
June 30, 1996  
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 20 1996

**VERNON R  
COON**  
CERTIFIED PUBLIC ACCOUNTANT

RICHLAND PARISH SHERIFF  
Rayville, Louisiana

General Purpose Financial Statements  
As of and for the Two Years Ended June 30, 1996  
With Supplemental Information Schedules

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Rayville, Louisiana  
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## 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, 1996, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Richland Parish Sheriff's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Richland Parish Sheriff as of June 30, 1996, and the results of its operations for each of the years in the two year period 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.

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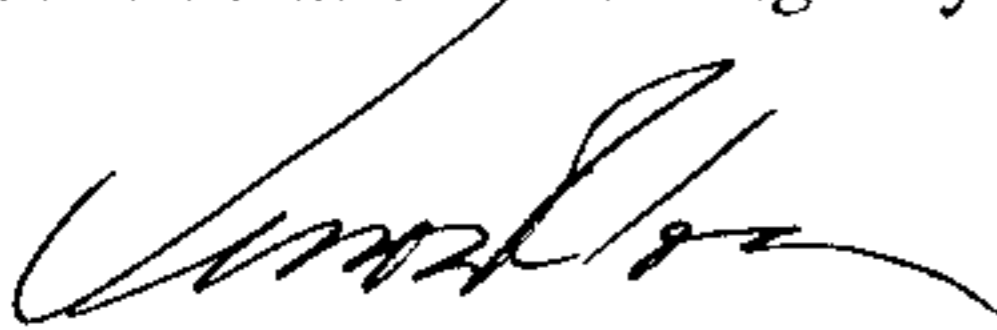
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RICHLAND PARISH SHERIFF  
Rayville, Louisiana  
Independent Auditor's Report,  
June 30, 1996

In accordance with *Government Auditing Standards*, I have also issued reports dated November 1, 1996, on the Richland Parish Sheriff's compliance with laws, regulations, contracts, and grants, and my consideration of the agency's internal control structure.

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

West Monroe, Louisiana  
November 1, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

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

Combined Balance Sheet, June 30, 1996

	GOVERNMENTAL FUND TYPE - GENERAL FUND	FIDUCIARY FUND-TYPE - AGENCY FUNDS	...ACCOUNT GROUPS... GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>					
Cash and cash equivalents	\$278,420	\$290,862			\$569,282
Receivables	126,454				126,454
Due from other funds	98				
Prepaid assets	625				625
Office furnishings and equipment			\$549,329		549,329
Amount to be provided for retirement of general long-term debt				\$89,737	89,737
<b>TOTAL ASSETS</b>	<u>\$405,597</u>	<u>\$290,862</u>	<u>\$549,329</u>	<u>\$89,737</u>	<u>\$1,335,427</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	\$16,947				\$16,947
Due to other funds		\$98			
Payroll deductions payable	2,386				2,386
Due to taxing bodies and others		290,764			290,764
Compensated absences payable				\$89,737	89,737
<b>Total Liabilities</b>	<u>19,333</u>	<u>290,862</u>	<u>NONE</u>	<u>89,737</u>	<u>399,932</u>
<b>Fund Equity:</b>					
Investment in general fixed assets			\$549,329		549,329
Fund balance - unreserved - undesignated	386,264				386,264
<b>Total Fund Equity</b>	<u>386,264</u>	<u>NONE</u>	<u>549,329</u>	<u>NONE</u>	<u>935,593</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$405,597</u>	<u>\$290,862</u>	<u>\$549,329</u>	<u>\$89,737</u>	<u>\$1,335,525</u>

The accompanying notes are an integral part of this statement.

**RICHLAND PARISH SHERIFF**  
 Rayville, Louisiana  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget**  
**(GAAP Basis) and Actual**  
**For the Year Ended June 30, 1996**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$298,000	\$306,716	\$8,716
Sales	700,000	737,787	37,787
Intergovernmental revenues:			
State grants:			
State revenue sharing (net)	60,000	61,832	1,832
State supplemental pay	64,000	73,348	9,348
Video poker	6,000	12,286	6,286
Other state grants		30,667	30,667
Local grant - other	32,000	28,518	(3,482)
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	48,000	47,109	(891)
Civil and criminal fees	78,000	87,774	9,774
Court attendance	2,000	2,160	160
Transportation of prisoners	1,000	1,131	131
Feeding and keeping of prisoners	192,000	194,283	2,283
Bonding and keeping of prisoners	13,300	3,046	(10,254)
Forfeiture of seized contraband		4,327	4,327
Tax notices, etc.	2,000	3,406	1,406
Use of money and property:			
Interest earnings	8,000	10,481	2,481
Commission on vending machines, phones, etc.		950	950
Miscellaneous		7,526	7,526
Total revenues	1,504,300	1,613,347	109,047
<b>EXPENDITURES</b>			
Public safety:			
Current:			
Personal services and related benefits	1,075,500	1,086,088	(10,588)
Operating services	231,000	229,588	1,412

(Continued)



**Statement B**

**RICHLAND PARISH SHERIFF**  
 Rayville, Louisiana  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget**  
**(GAAP Basis) and Actual, 1996**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (CONTD.)</b>			
Public safety: (Contd.)			
Materials and supplies	\$294,000	\$301,927	(\$7,927)
Travel and other charges	20,000	31,211	(11,211)
Debt service	600	938	(338)
Capital outlay	82,000	81,797	203
Total expenditures	<u>1,703,100</u>	<u>1,731,549</u>	<u>(28,449)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>			
	<u>(198,800)</u>	<u>(118,202)</u>	<u>80,598</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of fixed assets		317	317
Compensation for damages to fixed assets		6,500	6,500
Total other financing sources	<u>NONE</u>	<u>6,817</u>	<u>6,817</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>			
	<u>(198,800)</u>	<u>(111,385)</u>	<u>87,415</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			
	<u>497,649</u>	<u>497,649</u>	
<b>FUND BALANCE AT END OF YEAR</b>			
	<u>\$298,849</u>	<u>\$386,264</u>	<u>\$87,415</u>

(Concluded)

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF  
Rayville, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget  
(GAAP Basis) and Actual  
For the Year Ended June 30, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$298,500	\$298,921	\$421
Sales	610,000	671,087	61,087
Intergovernmental revenues:			
Federal grants - federal revenue		5,716	5,716
State grants:			
State revenue sharing (net)	60,000	61,737	1,737
State supplemental pay	72,000	73,926	1,926
Video poker	18,000	18,706	706
Other state grants	4,000	21,434	17,434
Local grants	39,150	27,803	(11,347)
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	58,000	62,919	4,919
Civil and criminal fees	104,000	112,668	8,668
Court attendance	2,000	2,160	160
Transportation of prisoners	500	968	468
Feeding and keeping of prisoners	157,000	164,242	7,242
Bonding and keeping of prisoners	3,750	3,861	111
Tax notices, etc.	5,050	3,615	(1,435)
Use of money and property:			
Interest earnings	10,600	11,660	1,060
Commission on vending machines, phones, etc.	1,300	1,440	140
Miscellaneous	3,000	8,724	5,724
Total revenues	<u>1,446,850</u>	<u>1,551,587</u>	<u>104,737</u>
<b>EXPENDITURES</b>			
Public safety:			
Current:			
Personal services and related benefits	1,053,500	995,941	57,559
Operating services	260,000	224,843	35,157

(Continued)

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MANAGEMENT LETTER

RICHLAND PARISH SHERIFF  
Rayville, Louisiana

In planning and performing my audit of the Richland Parish Sheriff's general purpose financial statements as of and for the two years ended June 30, 1996, a certain matter came to my attention which I feel should be conveyed to management of the sheriff's office. This matter, while not appropriate for inclusion in the various auditor's reports accompanying the general purpose financial statements, is an item which I feel should be brought to your attention.

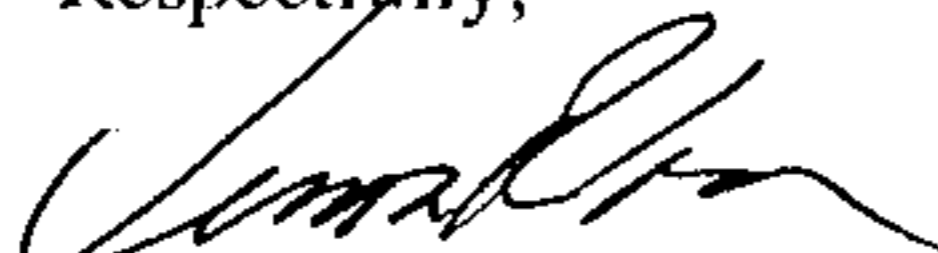
**Failure to Comply With Public Bid Law**

It was noted that jail improvements totaling \$85,134 were made during the year without advertising for bids or declaring an emergency. The improvements were made in response to a notice by the Department of Public Safety which gave the sheriff twenty-eight days to make the improvements to the parish jail or face closure. Louisiana Revised Statute 38:2212(D) addresses emergencies and requires that the sheriff certify that an emergency exist and publish notice of such declaration within ten days of the declaration. In the future, the sheriff should comply with the provisions of LRS 38:2212 (D) as it relates to the declaration of emergencies and maintain adequate documentation to demonstrate compliance with the statute.

**GENERAL**

I am available to assist you with any problems or questions you may have concerning the above or any other matters.

Respectfully,



Vernon R. Coon  
November 1, 1996

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**RICHLAND PARISH SHERIFF**  
Rayville, Louisiana

Notes to the Financial Statements  
As of and For the Two Years Ended June 30, 1996

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

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

**A. REPORTING ENTITY**

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

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

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



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

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

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

**B. FUND ACCOUNTING**

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

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

Funds are classified into three categories; governmental, proprietary, and fiduciary.

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

**Governmental Fund - General Fund**

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

**Fiduciary Funds - Agency Fund Type**

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

**C. FIXED ASSETS AND LONG-TERM DEBT**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the police jury are not recorded in the general fixed assets account group. Approximately 38 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 62 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets.

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

Long-term debt, such as lease purchase payables and compensated absences payable, are recognized as a liability of a governmental fund only when due. The remaining portion of such debt is reported in the general long-term debt account group.

**D. BASIS OF ACCOUNTING**

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

The modified accrual basis of accounting is used for reporting the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The sheriff uses the following practices in recognizing and reporting revenues and expenditures:

**Revenues**

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



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

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

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

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

**Expenditures**

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

**Other Financing Sources**

Sales of fixed assets, compensation for damages to fixed assets, and *proceeds from capital lease-purchases 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 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.

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

**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, 1996, the sheriff has cash (book balances) totaling \$568,282, as follows:*

Demand deposits	\$568,382
Petty Cash	<u>900</u>
Total	<u>\$569,282</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, 1996, are secured as follows:

Bank Balances	<u>\$619,693</u>
Federal deposit insurance	\$391,941
Pledged securities (uncollateralized)	<u>624,185</u>
Total	<u>\$1,016,126</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 bank has failed to pay deposited funds upon demand.

**G. SALES TAX**

On October 7, 1989, voters of the parish approved a one-half of one per cent (1/2%) sales tax dedicated for the purpose of providing additional funding for the law

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

enforcement district. The tax became effective on January 1, 1990, and remains in effect for ten years. The sheriff's office has entered into an agreement with the Richland Parish Sales Tax Commission for collection of the tax. For this service, the sheriff's office pays the cost of establishing, operating, maintaining and administering the commission on a pro-rata basis.

**II. VACATION AND SICK LEAVE**

After one year of service, all employees are granted two 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. Sick leave, up to a maximum of 480 days, can be accumulated and carried forward to succeeding years.

**I. TOTAL COLUMN ON THE  
BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. RECEIVABLES**

The General Fund receivables of \$126,454 at June 30, 1996, are as follows:

Class of Receivables:

Taxes:	
Ad valorem	\$281
Sales	73,955
Intergovernmental revenues:	
State grants:	
Supplemental pay	5,999
Video poker	2,105
Local grants	18,017
Fees, charges, and commissions for services:	

**RICHLAND PARISH SHERIFF**  
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Notes to the Financial Statements

Class of Receivables:

Commissions on licenses and taxes	\$2,382
Civil and criminal fees	1,920
Court attendance	200
Transporting prisoners	63
Feeding and keeping prisoners	16,190
Tax notices, etc.	600
Use of money and property:	
Interest earnings	80
Vending machine commissions	118
Compensation for damage to or loss of assets	1,297
Miscellaneous	578
Other	<u>2,669</u>
Total	<u>\$126,454</u>

**3. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in office furnishings and equipment for the two years ended June 30, 1996, follows:

Balance, June 30, 1994	\$499,275
For the Year Ended June 30, 1995	
Additions	39,251
Deletions	(8,617)
For the Year Ended June 30, 1996	
Additions	101,647
Deletions	<u>(82,227)</u>
Balance, June 30, 1996	<u>\$549,329</u>

Included in additions for each of the years ended June 30, 1995, and June 30, 1996, are \$2,000 and \$19,850, respectively, in fixed assets which were either donated or awarded to the Richland Parish Sheriff's office.

**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**  
Rayville, Louisiana  
Notes to the Financial Statements

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 least than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Richland Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and 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 Statue 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Richland Parish Sheriff's contributions to the System for the years ended June 30, 1996, 1995, and 1994 were \$34,146, \$46,816, and \$31,723, 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 \$113,015 and \$109,625 for the year ended June 30, 1996, and 1995, respectively. Of these amounts, \$8,897 and \$9,095, respectively, were for retiree benefits.

**6. CAPITAL LEASE**

The Richland Parish Sheriff records items under capital lease as an asset and a general long-term debt in the accompanying financial statements. On June 9, 1994, the sheriff entered into an agreement with Pitney Bowes Credit Corporation for the lease-purchase of a mailing machine for \$1,995. Terms of the agreement required five quarterly payments of \$399 each, beginning on June 9, 1994. Final payment was made in June, 1995.

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

The following is a summary of long-term obligation transactions for the two years ended June 30, 1996:

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations at July 1, 1994	\$1,596	\$60,430	\$62,026
Additions:			
For the year ending June 30, 1996		27,649	27,649
For the year ending June 30, 1995		26,121	26,121
Deductions:			
For the year ending June 30, 1996		(7,438)	(7,438)
For the year ending June 30, 1995	(1,596)	(29,063)	(30,659)
Adjustment		<u>12,038</u>	<u>12,038</u>
Long-term obligations at June 30, 1996	<u>NONE</u>	<u>\$89,737</u>	<u>\$89,737</u>

The adjustment for compensated absences is to adjust the ending balance to the limits set forth in the annual and sick leave policies as stated in note 1G.

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

**8. 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	Sheriff's Civil Fund	Total
Balance, July 1, 1994	\$54,485	\$32,404	\$4,825	\$91,714
Year ended June 30, 1995:				
Additions	4,542,380	439,594	578,856	5,560,830
Reductions	(4,456,323)	(435,346)	(571,506)	(5,463,175)
Year ended June 30, 1996:				
Additions	4,613,903	429,756	231,462	5,275,121
Reductions	(4,499,636)	(439,544)	(234,546)	(5,173,726)
Balance June 30, 1996	<u>\$254,809</u>	<u>\$26,864</u>	<u>\$9,091</u>	<u>\$290,764</u>

**9. FEDERAL FINANCIAL ASSISTANCE**

During the two years ended June 30, 1996, the Richland Parish Sheriff participated in the following federal financial assistance program:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Receipts</u>	<u>Revenue</u>	<u>Expenditures</u>
<b>1995:</b>					
<b>United States Department of Justice</b>					
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:					
DARE Program	16.579	B92-2-010	<u>\$5,716</u>	<u>\$5,716</u>	<u>\$5,716</u>

**10. LITIGATION AND CLAIMS**

At June 30, 1996, the Richland Parish Sheriff is involved in six lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

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

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

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



**SUPPLEMENTAL INFORMATION SCHEDULES**

**RICHLAND PARISH SHERIFF**  
**Rayville, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and For the Two Years Ended June 30, 1996**

**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.

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

Combining Balance Sheet, June 30, 1996

	<u>TAX COLLECTOR FUND</u>	<u>CRIMINAL FUND</u>	<u>SHERIFF'S CIVIL FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash	<u>\$254,809</u>	<u>\$26,924</u>	<u>\$9,129</u>	<u>\$290,862</u>
<b>LIABILITIES</b>				
Due to General fund		\$60	\$38	\$98
Due to taxing bodies and others	<u>\$254,809</u>	<u>26,864</u>	<u>9,091</u>	<u>290,764</u>
TOTAL LIABILITIES	<u>\$254,809</u>	<u>\$26,924</u>	<u>\$9,129</u>	<u>\$290,862</u>

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

Combining Schedule of Changes in Balances  
Due to Taxing Bodies and Others  
For the Year Ended June 30, 1996

	<u>TAX COLLECTOR FUND</u>	<u>CRIMINAL FUND</u>	<u>SHERIFF'S CIVIL FUND</u>	<u>TOTAL</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR</b>	<u>\$140,542</u>	<u>\$36,652</u>	<u>\$12,175</u>	<u>\$189,369</u>
<b>ADDITIONS</b>				
Deposits - sheriff's sales, etc.			231,462	231,462
Fines, forfeitures, bonds, etc.		429,756		429,756
Taxes, fees, etc., paid to tax collector	<u>4,613,903</u>			<u>4,613,903</u>
Total additions	<u>4,613,903</u>	<u>429,756</u>	<u>231,462</u>	<u>5,275,121</u>
Total	<u>4,754,445</u>	<u>466,408</u>	<u>243,637</u>	<u>5,464,490</u>
<b>REDUCTIONS</b>				
Taxes, fees, etc., distributed to taxing bodies and others	4,499,134			4,499,134
Deposits settled to:				
Sheriff's General Fund		61,716	55,494	117,210
Clerk of Court		19,837	9,774	29,611
Police jury		129,453		129,453
District attorney		49,322		49,322
Indigent Defender Board		54,050		54,050
District judge - Division B		20,900		20,900
North Louisiana Crime Lab		26,733		26,733
Judicial Expense Fund		16,187		16,187
Litigants			140,246	140,246
Attorneys, appraisers, etc.			2,140	2,140
Other settlements		61,346		61,346
Other reductions	<u>502</u>		<u>26,892</u>	<u>27,394</u>
Total reductions	<u>4,499,636</u>	<u>439,544</u>	<u>234,546</u>	<u>5,173,726</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR</b>	<u>\$254,809</u>	<u>\$26,864</u>	<u>\$9,091</u>	<u>\$290,764</u>

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

Combining Schedule of Changes in Balances  
Due to Taxing Bodies and Others  
For the Year Ended June 30, 1995

	<u>TAX COLLECTOR FUND</u>	<u>CRIMINAL FUND</u>	<u>SHERIFF'S CIVIL FUND</u>	<u>TOTAL</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR</b>	<u>\$54,485</u>	<u>\$32,404</u>	<u>\$4,825</u>	<u>\$91,714</u>
<b>ADDITIONS</b>				
Deposits - sheriff's sales, etc.			578,856	578,856
Fines, forfeitures, bonds, etc.		439,594		439,594
Taxes, fees, etc., paid to tax collector	<u>4,542,380</u>			<u>4,542,380</u>
Total additions	<u>4,542,380</u>	<u>439,594</u>	<u>578,856</u>	<u>5,560,830</u>
Total	<u>4,596,865</u>	<u>471,998</u>	<u>583,681</u>	<u>5,652,544</u>
<b>REDUCTIONS</b>				
Taxes, fees, etc., distributed to taxing bodies and others	4,456,323			4,456,323
Deposits settled to:				
Sheriff's General Fund		60,744	80,809	141,553
Clerk of Court		19,505	12,688	32,193
Police jury		124,092		124,092
District attorney		49,233		49,233
Indigent Defender Board		52,949		52,949
District judge - Division B		22,800		22,800
North Louisiana Crime Lab		26,445		26,445
Judicial Expense Fund		15,878		15,878
Litigants			452,555	452,555
Attorneys, appraisers, etc.			3,015	3,015
Other settlements		63,700	2,715	66,415
Other reductions			<u>19,724</u>	<u>19,724</u>
Total reductions	<u>4,456,323</u>	<u>435,346</u>	<u>571,506</u>	<u>5,463,175</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR</b>	<u>\$140,542</u>	<u>\$36,652</u>	<u>\$12,175</u>	<u>\$189,369</u>

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

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



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INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC  
ACCOUNTANTS

PRACTICE LIMITED TO  
GOVERNMENTAL  
ACCOUNTING, AUDITING  
AND FINANCIAL REPORTING

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**Independent Auditor's Report on Compliance  
With Laws, Regulations, Contracts, and Grants**

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, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated November 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *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. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Richland Parish Sheriff, is the responsibility of the Richland Parish Sheriff's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Richland Parish Sheriff's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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*.

**RICHLAND PARISH SHERIFF**

Rayville, Louisiana  
Report on Compliance, etc.,  
June 30, 1996

I noted a certain immaterial instance of noncompliance that I have reported to management of the Richland Parish Sheriff in a separate letter dated November 1, 1996.

This report is intended for the information of the Richland Parish Sheriff. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be "W. Monroe", written in a cursive style.

West Monroe, Louisiana  
November 1, 1996





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## Independent Auditor's Report on the Internal Control Structure

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, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated November 1, 1996.

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.

The management of the Richland Parish Sheriff is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

**RICHLAND PARISH SHERIFF**

Rayville, Louisiana  
Independent Auditor's Report  
on Internal Control Structure,  
June 30, 1996

In planning and performing my audit of the general purpose financial statements of the Richland Parish Sheriff for the two years ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of the Richland Parish Sheriff. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroc, Louisiana  
November 1, 1996