

CALDWELL PARISH SHERIFF
Columbia, 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 is submitted to the state auditor, the parish entity and the 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 **DEC 04 1996**

**VERNON R
COON**
CERTIFIED PUBLIC ACCOUNTANT

CALDWELL PARISH SHERIFF
Columbia, Louisiana

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

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Independent Auditor's Report

CALDWELL PARISH SHERIFF Columbia, Louisiana

I have audited the general purpose financial statements of the Caldwell Parish Sheriff, as of June 30, 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 Caldwell Parish Sheriff's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Caldwell 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 Caldwell 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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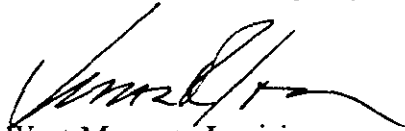
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
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CALDWELL PARISH SHERIFF
Columbia, Louisiana
Independent Auditor's Report,
June 30, 1996

In accordance with *Government Auditing Standards*, I have also issued reports dated October 23, 1996, on the Caldwell 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 'James P. ...', written over a horizontal line.

West Monroe, Louisiana
October 23, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

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

Combined Balance Sheet, June 30, 1996

	GOVERNMENTAL ...FUND TYPE...			...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	DETENTION CENTER CAPITAL PROJECTS FUND	FIDUCIARY FUND TYPE - AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS						
Cash	\$8,424		\$111,377			\$119,801
Receivables	56,302	\$142,383				198,685
Inventory	723					723
Buildings, office furnishings, and equipment				\$1,507,732		1,507,732
Amount to be provided for retirement of general long -term debt					\$1,279,502	1,279,502
TOTAL ASSETS	<u>\$65,449</u>	<u>\$142,383</u>	<u>\$111,377</u>	<u>\$1,507,732</u>	<u>\$1,279,502</u>	<u>\$3,106,443</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Bank overdraft		\$142,383				\$142,383
Payroll deducts payable	\$1,911					1,911
Bank loans payable	407,500					407,500
Capital leases payable					\$11,505	11,505
Bond anticipation notes payable					1,267,997	1,267,997
Due to taxing bodies and others			\$111,377			111,377
Total Liabilities	<u>409,411</u>	<u>142,383</u>	<u>111,377</u>	<u>NONE</u>	<u>1,279,502</u>	<u>1,942,673</u>
Fund Equity:						
Investment in general fixed assets				\$1,507,732		1,507,732
Fund balance (deficit) - unreserved -undesignated	(343,962)	NONE				(343,962)
Total Fund Equity	<u>(343,962)</u>	<u>NONE</u>	<u>NONE</u>	<u>1,507,732</u>	<u>NONE</u>	<u>1,163,770</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$65,449</u>	<u>\$142,383</u>	<u>\$111,377</u>	<u>\$1,507,732</u>	<u>\$1,279,502</u>	<u>\$3,106,443</u>

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
Columbia, Louisiana
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 1996

	GENERAL FUND	DETENTION CENTER CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Ad valorem taxes	\$552,381		\$552,381
Intergovernmental revenue:			
Federal grants	26,598		26,598
State grants:			
State supplemental pay	24,932		24,932
State revenue sharing	44,656		44,656
DARE program	13,273		13,273
Other	35,715		35,715
Local grants	20,807		20,807
Fees, charges, and commissions for services:			
Commissions on fines, bonds, licenses, and taxes	15,007		15,007
Civil and criminal fees	48,357		48,357
Court attendance	1,616		1,616
Transportation of prisoners	717		717
Feeding and keeping of prisoners	223,558		223,558
Tax notices, etc.	96		96
Other	23,965		23,965
Fines and forfeitures	22,804		22,804
Use of money and property	9,966		9,966
Other revenues	2,101		2,101
Total revenues	<u>1,066,549</u>	<u>NONE</u>	<u>1,066,549</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	727,920		727,920
Operating services	161,123		161,123
Materials and supplies	194,034		194,034
Travel and other	32,043		32,043

(Continued)

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 GOVERNMENTAL FUND TYPE
 Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 For the Year Ended June 30, 1996

	GENERAL FUND	DETENTION CENTER CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
EXPENDITURES: (CONTD.)			
Public safety: (Contd.)			
Debt service	\$20,739		\$20,739
Capital outlay	21,855	\$1,267,967	1,289,822
Intergovernmental	2,738		2,738
Total expenditures	<u>1,160,452</u>	<u>1,267,967</u>	<u>2,428,419</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(93,903)</u>	<u>(1,267,967)</u>	<u>(1,361,870)</u>
OTHER FINANCING SOURCES			
Insurance proceeds	438		438
Proceeds from bond anticipation notes		1,267,967	954,815
Sale of assets	2,825		2,825
Total other financing sources	<u>3,263</u>	<u>1,267,967</u>	<u>1,271,230</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(90,640)	NONE	(90,640)
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>(253,322)</u>	NONE	<u>(253,322)</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u><u>(\$343,962)</u></u>	<u>NONE</u>	<u><u>(\$343,962)</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
Columbia, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 1995

REVENUES	
Ad valorem taxes	\$529,630
Intergovernmental revenue:	
Federal grants	15,954
State grants:	
State supplemental pay	21,864
State revenue sharing	44,582
DARE program	10,166
Other	26,022
Local grants	21,899
Fees, charges, and commissions for services:	
Commissions on fines, bonds, licenses, and taxes	17,618
Civil and criminal fees	44,580
Court attendance	1,760
Transportation of prisoners	82
Feeding and keeping of prisoners	233,233
Tax notices, etc.	666
Other	9,907
Fines and forfeitures	3,796
Use of money and property	6,226
Other revenues	370
Total revenues	<u>988,355</u>
EXPENDITURES	
Public safety:	
Current:	
Personal services and related benefits	745,367
Operating services	205,949
Materials and supplies	212,300
Travel and other	37,147

(Continued)

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 GOVERNMENTAL FUND TYPE -
 GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 For the Year Ended June 30, 1995

EXPENDITURES: (CONTD.)

Public safety: (Contd.)

Debt service	\$114,605
Capital outlay	21,918
Intergovernmental	<u>2,665</u>
Total expenditures	<u>1,339,951</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES(351,596)**OTHER FINANCING SOURCES**

Sale of assets

7.906**EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES
OVER EXPENDITURES**

(343,690)

FUND BALANCE AT BEGINNING OF YEAR90,368**FUND BALANCE (Deficit) AT END OF YEAR**(\$253,322)

(Concluded)

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
Columbia, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

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

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$542,000	\$552,381	\$10,381
Intergovernmental revenues:			
Federal grants	5,000	26,598	21,598
State grants:			
State supplemental pay	25,000	24,932	(68)
State revenue sharing	44,000	44,656	656
DARE program	13,000	13,160	160
Other	35,000	35,715	715
Local grants	20,000	20,807	807
Fees, charges, and commissions for services:			
Commissions on fines, bonds, licenses, and taxes	15,000	16,722	1,722
Civil and criminal fees	46,750	46,643	(107)
Court attendance	2,000	1,616	(384)
Transportation of prisoners	1,000	717	(283)
Feeding and keeping of prisoners	236,000	223,558	(12,442)
Tax notices, etc.	1,000	96	(904)
Other	1,500	1,472	(28)
Fines and forfeitures	11,300	22,804	11,504
Use of money and property	9,000	9,966	966
Other	5,000	12,751	7,751
Total revenues	<u>1,012,550</u>	<u>1,054,594</u>	<u>42,044</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	731,200	727,920	3,280
Operating services	155,000	154,612	388
Materials and supplies	173,800	173,536	264
Travel and other charges	33,000	32,043	957

(Continued)

Statement D

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - (Non-GAAP Basis)
 Budget and Actual, etc.
 For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES: (CONTD.)			
Public safety: (Contd.)			
Debt service	\$21,000	\$20,739	\$261
Capital outlay	21,000	20,884	116
Intergovernmental	2,800	2,737	63
Total expenditures	1,137,800	1,132,471	5,329
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(125,250)	(77,877)	47,373
OTHER FINANCING SOURCES			
Insurance proceeds		438	438
Sale of assets	11,500	2,825	(8,675)
Total other financing sources	11,500	3,263	(8,237)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(113,750)	(74,614)	39,136
FUND BALANCE AT BEGINNING OF YEAR	114,959	115,237	278
FUND BALANCE AT END OF YEAR	\$1,209	\$40,623	\$39,414

(Concluded)

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance (Non-GAAP Basis) -
 Budget and Actual
 For the Year Ended June 30, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$519,000	\$529,630	\$10,630
Intergovernmental revenues:			
Federal grants		11,482	11,482
State grants:			
State supplemental pay	21,000	21,864	864
State revenue sharing	44,000	44,582	582
DARE program		7,035	7,035
Other	26,000	26,022	22
Local grants	22,000	21,337	(663)
Fees, charges, and commissions for services:			
Commissions on fines, bonds, licenses, and taxes	10,500	11,225	725
Civil and criminal fees	49,000	50,972	1,972
Court attendance	2,000	1,760	(240)
Transportation of prisoners	500	82	(418)
Feeding and keeping of prisoners	197,000	233,233	36,233
Tax notices, etc.	750	666	(84)
Other		904	904
Fines and forfeitures	4,000	3,796	(204)
Use of money and property	6,500	6,226	(274)
Other		370	370
Total revenues	<u>902,250</u>	<u>971,186</u>	<u>68,936</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	745,000	745,366	(366)
Operating services	200,000	189,680	10,320
Materials and supplies	200,000	201,805	(1,805)
Travel and other charges	35,000	37,147	(2,147)

(Continued)

Statement E

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - (Non-GAAP Basis)
 Budget and Actual, 1995

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES: (CONTD.)			
Public safety: (Contd.)			
Debt service	\$120,000	\$114,605	\$5,395
Capital outlay	16,000	12,955	3,045
Intergovernmental	2,665	2,665	
Total expenditures	1,318,665	1,304,223	14,442
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (416,415)	 (333,037)	 83,378
 OTHER FINANCING SOURCES			
Sale of assets	7,500	7,906	(406)
Proceeds from bank loan	350,000	350,000	
Total other financing sources	357,500	357,906	(406)
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	 (58,915)	 24,869	 83,784
FUND BALANCE AT BEGINNING OF YEAR	89,479	90,368	889
FUND BALANCE AT END OF YEAR	\$30,564	\$115,237	\$84,673

(Concluded)

The accompanying notes are an integral part of this statement.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Caldwell 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
 - a. The ability of the police jury to impose its will on that organization and/or

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Notes to the Financial Statements (Continued)

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

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

B. FUND ACCOUNTING

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

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

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

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

for others. The sheriff's current operations require the use of only governmental and fiduciary funds as described below:

Governmental Funds

General Fund

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

Detention Center Capital Projects Fund

This fund is used to account for bond anticipation notes to be used for the construction of a new parish detention center.

Fiduciary Funds - Agency Fund Type

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

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded in the general fixed assets account group. Approximately 6 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 94 per cent are based on actual historical costs. Donated fixed assets are valued at their estimated fair market value on the date received. No depreciation has been provided on general fixed assets.

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Notes to the Financial Statements (Continued)

Interest costs incurred during fixed asset construction are capitalized. Capital outlay expenditures of the Detention Center Capital Projects Fund include \$8,571 of interest costs incurred in connection with the sheriff's bond anticipation notes.

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

D. BASIS OF ACCOUNTING

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

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

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

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

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

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

Expenditures

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

Other Financing Sources

Sales of fixed assets, insurance recoveries, bank loans, 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 Caldwell Parish Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary. Budgets are established and controlled by the sheriff at the object level of expenditure. Encumbrance accounting is not recognized within the budgetary accounting system.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

Budget basis statements D and E present bank loans as general long-term debt while GAAP statements B and C present the loans as current liabilities. The following reconciles budget statements D and E to GAAP statements B and C :

	<u>1996</u>	<u>1995</u>
Excess (Deficiency) of revenues and other sources over expenditures (Budgetary basis)	(\$74,614)	\$24,869

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

	<u>1996</u>	<u>1995</u>
Adjustments:		
Receivables	(\$17,044)	(\$17,541)
Bank loans		(350,000)
Other	<u>1,018</u>	<u>(1,018)</u>
Excess (Deficiency) of revenues and other sources over expenditures (GAAP basis)	<u>(\$90,640)</u>	<u>(\$343,690)</u>

F. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1996, the sheriff has cash (book balances) totaling (\$22,582) net of cash overdraft of \$142,383, as follows:

Demand deposits	(\$23,332)
Petty Cash	<u>750</u>
Total	<u>(\$22,582)</u>

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 1996, totaling \$364,141, are fully secured by federal deposit insurance.

G. INVENTORY

The inventory at June 30, 1996, consists of commodities received from the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture, as provided by the Food Distribution Program (CFDA 10.550). The inventory is valued at unit prices established by the USDA and recorded as expenditures under the consumption method, using the first-in, first-out (FIFO) cost flow assumption for valuing inventory.

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

H. 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. Sick leave is granted on a case-by-case basis, at the discretion of the sheriff.

I. TOTAL COLUMN ON THE BALANCE SHEET

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

2. LEVIED TAX

As provided by Louisiana Revised Statute 33:9001, a law enforcement district has been created for the purpose of providing financing to the office of the sheriff of Caldwell Parish. Louisiana Revised Statute 33:9003 requires the district to levy a tax on the assessed valuation of all property appearing on the 1977 and subsequent tax rolls in an amount that would produce for the district in the initial year the same revenue as that estimated to be produced by the sheriff's commission on ad valorem taxes for the fiscal year 1976-77. For the 1995 and 1996 tax rolls, the district levied 28.39 mills and 28.98 mills, respectively.

3. RECEIVABLES

The receivables of \$198,685 as of June 30, 1996, are as follows:

	General Fund	Detention Center Capital Projects Fund	Total
Intergovernmental revenues:			
State grants	\$8,649		\$8,649
Local grants	13,000		13,000
Fees, charges, and commissions for services	34,653		34,653
Other sources		\$142,383	\$142,383
Total	<u>\$56,302</u>	<u>\$142,383</u>	<u>\$198,685</u>

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

4. CHANGES IN GENERAL FIXED ASSETS

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

	Office Furniture And <u>Equipment</u>	Construction In <u>Progress</u>	<u>Total</u>
Balance, June 30, 1994	\$254,762	NONE	\$254,762
Additions:			
1995	21,918		21,918
1996	21,855	\$1,267,997	1,289,852
Deletions - 1996	<u>(58,800)</u>		<u>(58,800)</u>
Balance, June 30, 1996	<u>\$239,735</u>	<u>\$1,267,997</u>	<u>\$1,507,732</u>

5. LEASES

During the year ended June 30, 1994, the sheriff entered into two lease-purchase agreements for the purchase of a computer system and law enforcement equipment. The lease agreements require payments of \$356 and \$233, respectively through January, 1999 and February, 1997, respectively. All debt retirement payments are made from the General Fund. The following schedule summarizes future net minimum lease requirements:

1997	\$6,137
1998	4,274
1999	<u>2,307</u>
Total payments	12,717
Less interest	<u>(1,212)</u>
Total net minimum lease payments	<u>\$11,505</u>

6. LOANS PAYABLE

During the two years ended June 30, 1996, the sheriff entered into several loan agreements with local banks, for \$1,370,050 to be used to fund current operations and \$1,368,404 for the construction of a detention center.

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

The following schedule presents changes in operating loans for the two years ended June 30, 1996:

Balance, June 30, 1994	NONE
Additions:	
1995	\$605,000
1996	765,050
Reductions:	
1995	(255,000)
1996	<u>(707,550)</u>
Balance, June 30, 1996	<u>\$407,500</u>

On December 21, 1995, the sheriff entered into an agreement with Caldwell Bank and Trust Company, Homeland Federal Savings Bank, and Citizens Progressive Bank for interim financing in anticipation of revenue bonds to be issued for acquisition, construction, and equipping of a detention center in Caldwell Parish. Under the agreement, the banks have agreed to provide financing up to \$1,000,000, \$525,000, and \$475,000, respectively. The following schedule presents changes in bond anticipation notes for the two years ended June 30, 1996:

	Caldwell Bank	Homeland Bank	Citizens Progressive Bank	Total
Balance, June 30, 1994	NONE	NONE	NONE	NONE
Additions - 1996	\$633,894	\$332,954	\$301,149	\$1,267,997
Reductions	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Balance, June 30, 1996	<u>\$633,894</u>	<u>\$332,954</u>	<u>\$301,149</u>	<u>\$1,267,997</u>

The bond anticipation notes are secured by a collateral mortgage on the detention center land building, inventory, fixtures, and revenues for \$2,000,000.

7. CHANGES IN GENERAL LONG-TERM DEBT

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

	Capital Leases	Bank Loans	Bond Anticipation Notes	Total
Balance, July 1, 1994	\$22,306	\$95,000	NONE	\$117,306
Additions - 1996			\$1,267,997	1,267,997

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

	<u>Capital Leases</u>	<u>Bank Loans</u>	<u>Bond Anticipation Notes</u>	<u>Total</u>
Deletions:				
1995	(\$5,120)	(\$95,000)		(\$100,120)
1996	<u>(5,681)</u>			<u>(5,681)</u>
Balance, June 30, 1996	<u>\$11,505</u>	<u>NONE</u>	<u>\$1,267,997</u>	<u>\$1,279,502</u>

8. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Caldwell Parish Sheriff is required to contribute at an actuarially determined rate. The current

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Notes to the Financial Statements (Continued)

rate is 6.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Caldwell Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caldwell Parish Sheriff's contributions to the System for the years ended June 30, 1996, 1995, and 1994 were \$20,231, \$20,638, and \$19,431, respectively, equal to the required contributions for each year. (If the required contributions and the actual amount contributed do not equal, disclose the required contribution in dollars and the percentage of that amount contributed for the current year and each of the two preceding years.)

9. POST RETIREMENT BENEFITS

The Caldwell parish Sheriff provides certain health care and life insurance benefits for retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the sheriff. The sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due, which were \$128,237 and \$134,505 for the years ended June 30, 1996, and 1995, respectively. Of these amounts, \$20,165 and \$16,891, respectively, were for retiree benefits.

10. DEPOSITS DUE OTHERS

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

	<u>Sheriff's Fund</u>	<u>Tax Collector</u>	<u>Fines Fund</u>	<u>Total</u>
Balance, June 30, 1994	\$29,335	\$14,241	NONE	\$43,576
For year ended June 30, 1995:				
Additions	78,793	2,890,939		2,969,732
Reductions	(90,169)	(2,886,059)		(2,976,228)
For year ended June 30, 1996:				
Additions	193,029	2,856,755	\$46,875	3,096,659
Reductions	(192,082)	(2,826,412)	(3,868)	(3,022,362)
Balance, June 30, 1996	<u>\$18,906</u>	<u>\$49,464</u>	<u>\$43,007</u>	<u>\$111,377</u>

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

11. COMMITMENTS UNDER CONTRACTS

During 1995, the sheriff entered into several contracts in connection with the construction of a detention center in Caldwell Parish. Current year expenditures are included in capital outlay expenditures of the Detention Center Capital Projects Fund. The sheriff originally entered into a contract with only the design/builder for design and construction of the detention center. Subsequent to this, contracts were entered into with the architect and contractor for design and construction, nullifying the original contract. The remaining commitments are not recorded in the financial statements. The following schedule presents the total commitments and expenditures incurred to date:

	<u>Contract</u>	<u>Expenditures</u>	<u>Balance</u>
Design/builder	\$3,000,000	\$449,639	NONE
Architect	262,500	55,791	206,709
Contractor	2,180,200	746,903	1,433,297
Total	<u>\$5,442,700</u>	<u>\$1,252,333</u>	<u>\$1,640,006</u>

12. COOPERATIVE ENDEAVOR AGREEMENT

On December 27, 1995, pursuant to Act Number 1096 of 1995, the sheriff entered into an agreement with the State of Louisiana whereby a line of credit of \$1,000,000 was granted for the construction of a detention center in Caldwell Parish. Payment to the sheriff will be made based on expenditures incurred in connection with the acquisition, construction, and equipping of the center. The sheriff was required to obtain funds for the local match of \$2,000,000 which is discussed in note 6.

13. LITIGATION AND CLAIMS

At June 30, 1996, the Caldwell Parish Sheriff is involved in several lawsuits which, in the opinion of the sheriff's legal counsel, will not result in any material liability to the sheriff.

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

The Caldwell 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 Caldwell Parish Police Jury.

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

15. FEDERAL FINANCIAL ASSISTANCE

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Receipts</u>	<u>Revenue</u>	<u>Issues/ Expenditures</u>
1995:					
United States Department of Agriculture					
Passed through Louisiana Department of Agriculture and Forestry -					
Food Distribution	10.550		\$1,874	\$1,874	\$2,485
United States Department of Justice					
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:					
Louisiana Incident Based Reporting	16.579	93B080B150008	7,350	7,350	7,350
Public Safety and Community Policing Grant	16.710	95CFWX0299	<u>6,730</u>	<u>6,730</u>	<u>6,730</u>
Total Federal Financial Assistance			<u>\$15,954</u>	<u>\$15,954</u>	<u>\$16,565</u>
1996:					
United States Department of Agriculture					
Passed through Louisiana Department of Agriculture and Forestry -					
Food Distribution	10.550		\$2,017	\$2,017	\$1,572
United States Department of Justice					
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:					
Street Sales Disruption	16.579	94B2B070072	11,120	11,120	11,120
Public Safety and Community Policing Grant	16.710	95CFWX0299	<u>13,461</u>	<u>13,461</u>	<u>13,461</u>
Total Federal Financial Assistance			<u>\$26,598</u>	<u>\$26,598</u>	<u>\$26,153</u>

15. CHANGE IN ELECTED OFFICIAL

Effective June 30, 1996, the term of office of Sheriff Steve May expired. As a result of elections held in 1995, Sheriff Charles Thompson assumed office effective July 1, 1996.

SUPPLEMENTAL INFORMATION SCHEDULES

CALDWELL PARISH SHERIFF
Columbia, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Two Years Ended June 30, 1996

FIDUCIARY FUND TYPE - AGENCY FUNDS

SHERIFF'S FUND

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

TAX COLLECTOR FUND

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

FINES FUND

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

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

Combining Balance Sheet, June 30, 1996

	<u>SHERIFF'S FUND</u>	<u>TAX COLLECTOR FUND</u>	<u>FINES FUND</u>	<u>TOTAL</u>
ASSETS				
Cash	<u>\$18,906</u>	<u>\$49,464</u>	<u>\$43,007</u>	<u>\$111,377</u>
LIABILITIES				
Due to taxing bodies and others	<u>\$18,906</u>	<u>\$49,464</u>	<u>\$43,007</u>	<u>\$111,377</u>

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

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

	SHERIFF'S FUND	TAX COLLECTOR FUND	FINES FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$17,959</u>	<u>\$19,121</u>	NONE	<u>\$37,080</u>
ADDITIONS				
Deposits:				
Bonds	6,000			6,000
Fines			\$46,875	46,875
Garnishments	37,088			37,088
Sheriff's sales	149,941			149,941
Taxes, fees, etc., paid to tax collector		2,856,755		2,856,755
Total additions	<u>193,029</u>	<u>2,856,755</u>	<u>46,875</u>	<u>3,096,659</u>
Total	<u>210,988</u>	<u>2,875,876</u>	<u>46,875</u>	<u>3,133,739</u>
REDUCTIONS				
Taxes, fees, etc., distributed to taxing bodies and others		2,826,412		2,826,412
Deposits settled to:				
Sheriff's General Fund	16,794			16,794
Clerk of Court	8,940			8,940
Litigants	152,793			152,793
Attorneys, appraisers, etc.	9,213			9,213
Other settlements	4,342		3,868	8,210
Total reductions	<u>192,082</u>	<u>2,826,412</u>	<u>3,868</u>	<u>3,018,494</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>\$18,906</u>	<u>\$49,464</u>	<u>\$43,007</u>	<u>\$111,377</u>

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

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

	<u>SHERIFF FUND</u>	<u>TAX COLLECTOR FUND</u>	<u>TOTAL</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$29,335</u>	<u>\$14,241</u>	<u>\$43,576</u>
ADDITIONS			
Deposits:			
Bonds	9,000		9,000
Garnishments	26,186		26,186
Sheriff's sales	43,251		43,251
Other	356		356
Taxes, fees, etc., paid to tax collector		2,890,939	2,890,939
Total additions	<u>78,793</u>	<u>2,890,939</u>	<u>2,969,732</u>
Total	<u>108,128</u>	<u>2,905,180</u>	<u>3,013,308</u>
REDUCTIONS			
Taxes, fees, etc., distributed to taxing bodies and others		2,886,059	2,886,059
Deposits settled to:			
Sheriff's General Fund	6,748		6,748
Clerk of Court	5,633		5,633
Litigants	50,984		50,984
Attorneys, appraisers, etc.	3,418		3,418
Other settlements	23,386		23,386
Total reductions	<u>90,169</u>	<u>2,886,059</u>	<u>2,976,228</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR	<u>\$17,959</u>	<u>\$19,121</u>	<u>\$37,080</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.



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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

I have audited the general purpose financial statements of the Caldwell 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 October 23, 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 Caldwell Parish Sheriff, is the responsibility of the Caldwell 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 Caldwell 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.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, or contracts that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following instances of noncompliance.

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

116 PROFESSIONAL DRIVE,
WEST MONROE,
LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Report on Compliance, etc.,

June 30, 1996

Failure to Comply With Public Bid Law

Finding: The former sheriff did not comply with the requirements of the public bid law. Louisiana Revised Statutes (LRS) 38:2212 provides that all contracts for public works exceeding \$50,000 shall be advertised and let, by contract, to the lowest responsible bidder. The statute further requires that the advertisement for bids shall be published once a week, for three different weeks in a local newspaper; the first notice to appear at least 30 days prior to the opening of bids.

During the year under audit the former sheriff entered into a contract for the construction of a parish detention center at a cost of \$3,000,000. Based on documentation made available to me, it appears that only one notice was published. The notice was published on September 6, 1995, with a bid opening date of October 4, 1995. Additionally, the sheriff's office could not provide me with any documentation to show who the bidders were or that the lowest responsible bid was accepted.

The contract entered into by the sheriff and the design/builder was for the design and construction of the facility described above. The design/builder entered into separate contracts with an architect for the development of plans for the facility and with a construction company for actual construction of the facility. From a review of available documentation, it appears that the design/builder and the architect were related parties. While such an arrangement may not be a violation of law, it is, in my opinion, a poor business practice for the sheriff's office. Under such an arrangement, it is difficult to determine who is looking out for the best interest of the sheriff's office during construction.

The State of Louisiana, Division of Administration, had entered into a cooperative endeavor agreement with the sheriff whereby the state would provide funding for \$1,000,000 of the cost of construction. The Division of Administration's Facility Planning and Control did not agree with the contractual arrangement discussed above and would not provide funding under that arrangement. The sheriff subsequently readvertised for bids in March, 1996, and entered into separate contracts with the architect and construction firm discussed in the previous paragraph. It appears that no new contract was entered into with the design/builder. It was noted that the second advertisement for bids was published only one time (March 13, 1996) rather than three times as required by law.

The following provides detail on the two contractual arrangements:

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Report on Compliance, etc.,

June 30, 1996

	<u>Total</u>	<u>Design/ Builder</u>	<u>Contractor</u>	<u>Architect</u>
Original contracts	\$3,000,000	\$1,051,730	\$1,814,274	\$133,996
New contracts	<u>2,442,700</u>	<u> </u>	<u>2,180,200</u>	<u>262,500</u>
Difference	557,300	1,051,730	(365,926)	(128,504)
Original contract				
Payments	<u>(557,139)</u>	<u>(557,139)</u>	<u>NONE</u>	<u>NONE</u>
Difference	161	494,591	(365,926)	(128,504)
Refund of payments	<u>107,500</u>	<u>107,500</u>	<u>NONE</u>	<u>NONE</u>
Difference	<u><u>107,661</u></u>	<u><u>602,091</u></u>	<u><u>(365,926)</u></u>	<u><u>(128,504)</u></u>

As noted above, the design/builder was paid \$557,139 under the original contract. After the original contract with the design/builder was rejected by Facility Planning and Control the design/builder refunded \$107,500, giving them a net payment of \$449,639, all of which had to be paid with local borrowed funds. Further, as noted above, the second set of contracts, which were between the Law Enforcement District and the architect and contractor, had an increased cost of \$494,430 over the original contracts between the design/builder and the architect and contractor. A review of the original and subsequent contracts disclosed no substantive differences between the two. It is difficult to understand why there would be a 25% increase in costs when there were no substantial changes in the contracts. I note that there is only \$161 difference between the increase costs for the new contracts (\$449,430) and the reduction in the design/builder contract (\$494,591).

In my opinion, it does not appear that the best interest of the law enforcement district or tax payers of the parish received adequate consideration in the construction of the detention center facilities.

Recommendation: The current sheriff should ensure that the requirements of the public bid law are complied with for any future construction or purchases of materials and supplies. I also recommend that complete documentation be retained in the sheriff's office sufficient to demonstrate compliance with the Public Bid Law.

With regard to the contractual activity, I recommend that the current sheriff request a review of the transactions by the Office of Legislative Auditor.

Management's Response: "The current administration of the Caldwell Parish Sheriff's Office wishes to assure that they will comply with the requirements of the public bid law for any future construction or purchases of materials and supplies, including documentation of such compliance."

CALDWELL PARISH SHERIFF

Columbia, Louisiana

Report on Compliance, etc.,

June 30, 1996

"In addition, we have made arrangements through our financial institution for the oversight of the questioned construction project by an architect who is independent of the design or building of the project."

Need To Obtain Bond Commission Approval

Finding: Funds were borrowed without obtaining the proper approval from the Louisiana State Bond Commission. Louisiana Revised Statutes 39:1410.60 prohibits the sheriff from incurring debt in excess of ninety days without approval from the commission. Approval was obtained on September 21, 1994 for \$350,000 at six percent interest to be repaid by June 30, 1995 and on December 7, 1995 for \$650,000 at six percent interest to be repaid by June 30, 1996. Loans and extensions during the period beginning October, 1994 and ending November, 1995, exceeded the September, 1994 approval by \$737,500. For the period beginning December, 1995 and ending June, 1996, loans and extensions exceeded the December, 1995 approval by \$354,000. Additionally, interest rates on the extensions (eight percent) exceeded the original approved rate of six percent. The amount of outstanding bank loans increased from \$95,000 at June 30, 1994 to \$407,500 at June 30, 1996, or an increase of 329%. The outstanding loan balance at June 30, 1996 represents 36% of the annual operations of the sheriff's office.

Recommendation: I recommend that the current sheriff obtain approval from the State Bond Commission for all debt in excess of ninety days. I further recommend that the current sheriff develop a plan for liquidating the current indebtedness of the office

Management's Response: "The current administration of the Caldwell Parish Sheriff's Office wishes to assure that they will seek approval of debt as required by State Statute and Regulation. We have already received approval of the State Bond Commission for the borrowing of funds on a long-term basis including a plan to provide for the repayment within four years which will effectively eliminate the outstanding debt left by the previous administration."

**Compliance With Official Misconduct
and Corrupt Practices Law**

Finding: LSA-RS 14.139.1 prohibits the sheriff, during the six months preceding a gubernatorial election and during the time interval between the gubernatorial election and the first day of July following the election, from transferring title and ownership of the

CALDWELL PARISH SHERIFF

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

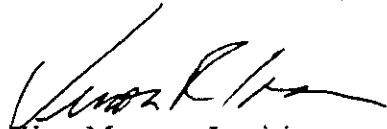
assets of his office in excess of ten percent of the total value of fixed assets as of the date of the first primary election. During the six months preceding the gubernatorial election and during the time interval between the gubernatorial election and July 1, 1996, the former sheriff sold or traded \$49,050 or 17 % of general fixed assets as of the first primary election.

Recommendation: I recommend that the current sheriff consult with the district attorney to determine what action, if any, should be taken regarding the above finding.

Management's Response: "We are currently discussing this with the district attorney to determine any further action as appropriate."

I considered these instances of noncompliance in forming my opinion on whether the sheriff's 1995-96 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated October 23, 1996, on those general purpose financial statements.

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



West Monroe, Louisiana
October 23, 1996



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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

I have audited the general purpose financial statements of the Caldwell 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 October 23, 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 Caldwell 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.

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CALDWELL PARISH SHERIFF
Columbia, 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 Caldwell 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.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the sheriff's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Need to Improve Time Records

Finding: My test of payroll expenditures disclosed that (a) time sheets are only maintained by part-time employees, (b) signatures of the employees and supervisors are not required on time sheets, (c) time sheets for July, 1994 through August, 1995 could not be located, and (d) authorization of raises is not adequately documented. Proper internal control dictates that evidence be present to support management's assertion that payroll expenditures are for work authorized and performed and that salaries or wages are computed using authorized rates. Lack of signed time sheets and documentation of authorization of raises precludes the sheriff from providing this evidence.

Recommendation: I recommend the current sheriff adopt formal policies with regard to time and attendance records. The formal policy should require signed time sheets for all employees and written salary or wage authorization by the sheriff to be filed in the employees' personnel files.

Management's Response: "The current administration of the Caldwell Parish Sheriff's Office concurs with the finding and is presently reviewing policies of the office for revision including time sheet maintenance. We will adopt a policy of documentation of time worked for all applicable employees and authorization of salaries or wages in personnel/payroll folders for all employees."

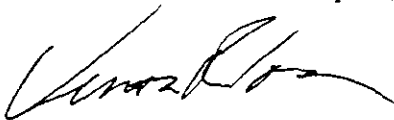
CALDWELL PARISH SHERIFF
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on Internal Control Structure,
June 30, 1996

A material weakness is a reportable condition in which the design or operation of one or more of the 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

I also noted another matter involving the internal control structure and its operation that I have reported to management of the Caldwell Parish Sheriff in a separate letter dated October 23, 1996.

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



West Monroe, Louisiana
October 23, 1996



MANAGEMENT LETTER

CALDWELL PARISH SHERIFF
Columbia, Louisiana

In planning and performing my audit of the Caldwell Parish Sheriff's 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. This matter, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, is an item which I feel should be brought to your attention.

Clarification of Contract for Services

The sheriff's contract for Administrator of Mental Health Services, signed only by the administrator, does not stipulate the compensation of the administrator's assistant. Proper internal control dictates that the signatures of both parties be present and that compensation be specified in the contract. The signature and compensation amount are necessary to provide evidence of management's approval of the contract and its approval of compensation for the assistant. I recommend that a new contract be signed and kept in the permanent records of the sheriff.

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
October 23, 1996

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