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**ST. MARY PARISH SHERIFF**

Franklin, Louisiana

Financial Report

Year Ended June 30, 1993

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the auditor, or reviewer, entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 16 1993

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**Darnall, Sikes  
& Frederick**

LL Corporation of Public Accountants

1000 Lakeside Drive • St. Mary Parish, Louisiana 70080

Telephone: (504) 833-1111  
 Telex: 511111  
 Cable: 511111  
 Fax: (504) 833-1111

Member: AICPA, CPA, CMA, CFPA

Accounting Services Dept.  
 Tax Services Dept.  
 Internal Auditing Dept.  
 Management Consulting Dept.  
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 ANNE ARBOR, MI 48106

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 DENVER, CO 80202

AMERICAN SOCIETY OF COLLEGE ACCOUNTANTS  
 1000 EAST 17TH AVENUE  
 DENVER, CO 80202

CPA SOCIETY

The Honorable David A. Nagin  
 St. Mary Parish Sheriff  
 Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the St. Mary Parish Sheriff, as of June 30, 1998, and for the year then ended. These general purpose financial statements are the responsibility of the St. Mary Parish Sheriff. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our 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 we 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish Sheriff, as of June 30, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 24, 1998 on our consideration of the St. Mary Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the St. Mary Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the respective general purpose financial statements taken as a whole.

*Darnall, Sikes & Frederick*  
 A Corporation of Certified Public Accountants

Morgan City, Louisiana  
 August 24, 1998

ST. MARY PARISH

DAVID A. NAGIN, Sheriff  
 AUGUST 24, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS – OVERVIEW)**

**ST. MARYS TOWNSHIP**  
**Financial Statements**

**Continental Balance Sheet - All Fund Types and Account Groups**  
**June 30, 2008**

	Governmental	Fiduciary	Account Groups		Total
	Fund Type	Fund Type	General	General	
	General	Agency	Fund	Long-Term	(Interfund)
	Fund	Fund	Assets	Liab.	Only)
<b>ASSETS AND OTHER DEBITS</b>					
Cash	\$ 1,081,108	\$ 1,096,705	\$ --	\$ --	\$ 2,177,813
Receivables:					
Due from other governmental units	847,888	--	--	--	847,888
Due from other funds	3,881	4,768	--	--	8,649
Due from others	25,703	--	--	--	25,703
Prepaid Insurance	38,261	--	--	--	38,261
Office Furniture and Equipment	-	--	1,249,814	--	1,249,814
Amount to be Provided for Retirement of General Long-Term Obligations	-	--	--	154,878	154,878
<b>Total assets and other debits</b>	<b>\$ 2,056,941</b>	<b>\$ 2,097,473</b>	<b>\$ 1,249,814</b>	<b>\$ 154,878</b>	<b>\$ 3,559,070</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts, Invoices and Other Payables	\$ 211,886	\$ --	\$ --	\$ --	\$ 211,886
Due to other funds	3,881	3,881	--	--	7,762
Due to Funding Bodies and Others	-	1,064,800	--	40,438	2,049,238
Capital Leases	-	--	--	11,388	11,388
Compensated Absences	-	--	--	80,425	80,425
Withdrawn Contributions	-	--	--	111,388	111,388
<b>Total liabilities</b>	<b>\$ 215,767</b>	<b>\$ 1,068,681</b>	<b>\$ --</b>	<b>\$ 143,631</b>	<b>\$ 1,428,079</b>
<b>Fund Equity:</b>					
Investment in general fund assets	-	--	1,249,814	--	1,249,814
<b>Fund Reserves:</b>					
Reserve for Debt Retirement					
Debt Maturity (De. 1)	75,400	--	--	--	75,400
Reserve for Depreciation	38,261	--	--	--	38,261
Reserve for Contingencies	1,249,286	--	--	--	1,249,286
<b>Total fund equity</b>	<b>\$ 1,362,947</b>	<b>\$ --</b>	<b>\$ 1,249,814</b>	<b>\$ --</b>	<b>\$ 2,612,761</b>
<b>Total liabilities and fund equity</b>	<b>\$ 2,578,714</b>	<b>\$ 1,071,711</b>	<b>\$ 1,249,814</b>	<b>\$ 154,631</b>	<b>\$ 3,559,070</b>

The accompanying notes are an integral part of this statement.

**ST. MARY PARISH DISTRICT**  
Franklin, Louisiana

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Fund Type - General Fund  
Year Ended June 30, 1998**

<b>Revenues:</b>	
Ad valorem taxes	9,264,894
Sales Tax	939,632
Intergovernmental revenues -	
Federal grants	89,838
State grants	73,618
State supplemental pay	358,758
Salary supplemental pay	388,276
Video poker	118,460
Indian gaming	31,544
Fees, charges and commissions for services -	
Commissions on state revenue sharing	174,237
Civil and criminal fees	342,899
Court attachments	11,576
Transporting of prisoners	11,991
Feeding and keeping of prisoners	582,526
Commissions on licenses	81,284
Interest	49,189
Miscellaneous	303,718
	<u>5,649,828</u>
<b>Expenditures</b>	
Current -	
Public safety:	
Personal services and related benefits	3,186,712
Operating services	415,807
Materials and supplies	561,474
State Service	31,541
Capital outlay	282,982
	<u>4,547,286</u>
Excess of revenues over expenditures	1,102,542
Fund balances, beginning of year	<u>1,151,285</u>
Fund balances, end of year	<u>\$ 2,253,827</u>

The accompanying notes are an integral part of this statement.

**ST. MICHAEL PARISH HERBERT**  
Franklin, Louisiana

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Environmental Fund Type - District Fund - Budget (ENAF Budget and Actual)**  
**Year Ended June 30, 1998**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u>
			<u>(Unfavorable)</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 2,273,134	\$ 2,264,894	\$ (8,239)
Water fee	500,344	595,671	95,327
Intergovernmental revenues -			
Federal grants	119,562	98,830	(20,732)
State grants	10,482	71,594	61,112
State supplemental pay	233,880	298,790	64,910
Utility supplemental pay	175,620	268,276	92,656
Water meter	186,460	11,846	-
Indian gaming	81,740	81,881	-
Fees, charges and assessments for service -			
Contributions on other services sharing	174,337	174,257	-
Card and account fees	256,323	262,998	6,675
Copy assistance	11,094	11,578	484
Transporting of prisoners	11,584	11,701	117
Feeding and keeping of prisoners	171,344	166,138	(5,206)
Contributions on services	81,220	81,264	44
Interest	68,264	69,233	969
Miscellaneous	236,626	222,730	(13,896)
	<u>4,673,938</u>	<u>5,047,428</u>	<u>3,734</u>
<b>Expenditures:</b>			
Current -			
Public safety:			
Personal services including benefits	1,215,498	1,386,100	170,602
Operating materials	458,138	473,987	15,849
Materials and supplies	666,326	761,874	95,548
Water services	6,883	11,614	(4,731)
Capital outlay	610,693	556,291	(54,402)
	<u>3,217,538</u>	<u>4,693,862</u>	<u>1,475,976</u>
Increase of revenues over expenditures	1,456,400	1,053,566	(402,834)
Fund balance, beginning of year	<u>1,121,311</u>	<u>1,121,311</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,577,711</u>	<u>\$ 2,174,877</u>	<u>\$ (402,834)</u>

The accompanying notes are an integral part of this statement.

**ST. MARY PARISH SHERIFF**  
Franklin, Louisiana

**Notes to Financial Statements**

**NOTE 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 administers the parish jail system and executes duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, or orders, 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. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sponsor's licenses, and fines, costs, and formal forfeitures imposed by the district court.

The accounting and reporting policies of the St. Mary Parish Sheriff (Sheriff) conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audit of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

**A.      Financial Reporting Entity**

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the Parish Council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local governments, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish sheriff.

ST. MARY PARISH SHERIFF  
Franklin, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

The accounts of the Sheriff are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary sources of revenues are an ad valorem tax levied by the law enforcement district and fees for feeding and keeping prisoners. Other sources of revenue include state revenue sharing, state supplemental pay for detention, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

Pecuniary Funds

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, inmate meals, et cetera. Disbursements from these funds are made to various parish agencies, inmates in suits, inmates, 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. General Fixed Assets and Long-Term Obligations

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 parish government are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets.

All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the General Fund.

ST. MARY PARISH SHERIFF  
Franklin, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

D. **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements have been prepared on the modified accrual basis of accounting, except for the Agency Funds which are prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable in accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction that 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 General Fund uses the following practices in recording revenues and expenditures:

**Revenues**

All valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable.

Sales and use taxes are recorded in the year the taxes are due and payable.

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

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

**Other Financing Sources**

General fixed assets acquired through capital lease agreements are recognized as other financing sources and capital leasing expenditures at the time of acquisition. Also, proceeds from long-term loans are recognized as other financing sources when received.

ST. MARY PARISH SHERIFF  
Franklin, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

F. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

G. Vacation and Sick Leave

Employees of the Sheriff's office earn ten days of vacation leave per year. Vacation leave is cumulative. One-half day of sick leave is earned each month. Upon direction of the Sheriff, sick leave may be utilized from unearned prior year's portions. Sick leave is not compensable if an employee leaves the service of the St. Mary Parish Sheriff.

H. Total Columns on Combined Statements - Disclosure

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in 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.

ST. MARY PARISH SHERIFF  
Franklin, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Use of Estimates

The Sheriff uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenditures.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

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 certificate and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the Sheriff has cash and interest-bearing deposits (bank balances) totaling \$3,511,843 as follows:

Demand deposits	\$ 966,200
Interest-bearing deposits	<u>2,545,743</u>
Total	<u>\$ 3,511,943</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, for 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 trust in bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1998, are secured as follows:

Bank balances	<u>\$ 3,732,048</u>
Federal deposit insurance	\$ 698,283
Pledged securities (category 3)	<u>2,812,485</u>
Total federal insurance and pledged securities	<u>\$ 3,732,048</u>

Pledged securities in Category 3 includes unsecured or unguaranteed investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 18:1229 imposes a statutory requirement on the custodial bank to advertise and call the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

**ST. MARY PARISH SHERIFF**  
Franklin, Louisiana

Notes to Financial Statements

**NOTE 3 AD VALOREM TAXES**

The Sheriff is the ad valorem tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are annually billed to the taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of St. Mary Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 1998, law enforcement district taxes applicable to the Sheriff's General Fund, were levied at the rate of 18.55 mills on property.

On May 3, 1997, the voters of Law Enforcement Sub-District No. 1 of St. Mary Parish approved a proposition to reinstate the 8.80 mill tax on all property subject to taxation in said district, beginning with the year 1998 and ending with the year 2002.

**NOTE 4 CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets (vehicles, office furnishings, and equipment) follows:

Balance, July 1, 1997	\$ 1,457,785
Additions	958,182
Reductions	<u>(178,165)</u>
Balance, June 30, 1998	<u>\$ 1,388,814</u>

**NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at June 30, 1998, consist of the following:

Federal grants	\$ 78,143
Parish governments	402,627
State grants	7,072
State of Louisiana	<u>111,646</u>
Total	<u>\$ 597,488</u>

**NOTE 6 PENSION PLANS**

Substantially all employees of the Sheriff's office are members of the Louisiana's Sheriff's Pension and Relief Fund ("System"), a multiple-employer (cost-sharing) public employee retirement system (PERS), controlled and administered by a separate board of trustees.

**ST. MARY PARISH SHERIFF**  
Franklin, Louisiana

Notes to Financial Statements

**NOTE 6 PENSION PLANS (CONTINUED)**

Plan members are required to contribute 3.7% of their annual covered salary to the system while the Sheriff is required to contribute at the statutory rate of 3% of the total annual covered salary. The Sheriff's contributions to the system for the years ended June 30, 1998, 1997 and 1996 were \$158,836, \$133,041 and \$121,221, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Sheriff's Pension and Relief Fund, P. O. Box 3168, Monroe, Louisiana 71218.

**NOTE 7 CHANGES IN GENERAL LONG-TERM DEBT**

The following is a summary of the long-term debt transactions during the year:

	Balance at July 1, 1997	Additions	Reductions	Balance at June 30, 1998
Capital Leases	\$ 22,119	\$ -	\$ 10,839	\$ 11,280
Compensated Absence	76,042	4,789	-	80,831
Workman's Compensation	132,828	-	3,232	129,596
Due to Louisiana Wildlife and Fisheries	-	63,571	16,141	47,430
<b>Total</b>	<b>\$ 231,689</b>	<b>\$ 68,360</b>	<b>\$ 30,212</b>	<b>\$ 269,837</b>

St. Mary Parish Sheriff records items under capital leases as an asset and a related obligation in the accompanying financial statements. The following is an analysis of equipment under capital lease agreements at June 30, 1998:

Telephone Equipment	\$ 3,533
Office Equipment	5,845
<b>Total</b>	<b>\$ 9,378</b>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1998:

Year ending June 30, 1998	\$ 12,534
Less: Amount representing interest	1,154
<b>Present value of net minimum lease payments</b>	<b>\$ 11,380</b>

ST. MARY PARISH SHERIFF  
Franklin, Louisiana

Notes to Financial Statements

NOTE 7 CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

Compensated absences consist of the portion of accumulated vacation and compensatory time of governmental funds that is not expected to require current financial resources.

On May 31, 1984, the Supreme Court of the State of Louisiana ruled that the St. Mary Parish Sheriff and the State of Louisiana were liable for the payment of death benefits under the Workmen's Compensation Act. Effective July 1, 1984, the widow and children of a deputy sheriff killed in the line of duty were entitled to \$348 per week until such time as one or more of the minor children reach the age of eighteen (twenty-one if enrolled as a full-time student) and/or such time as the widow dies or remarries. The Sheriff's liability (80 percent) is \$538.72 per month.

On January 1, 1995, both children were 18 or older and did not enroll in college; therefore, the monthly payments of \$538.72 were cut in half per R.S. 23:1212. The new monthly payments of \$269.36 began January, 1995. The Sheriff's liability at June 30, 1998 is \$179,596. This amount was computed using a "Period Life Table" issued by the Social Security Administration.

Due to Louisiana Wildlife and Fisheries agreement settlement, which provides that the Sheriff pay \$16,140 this year and then \$9,486 for the next five years. This settlement is the result of debt of funds in prior years by an employee of the St. Mary Parish Sheriff. The stolen funds were spenting license monies due to the Louisiana Wildlife and Fisheries Department.

NOTE 8 DEDICATION OF PROCEEDS AND FLOW OF FUND - SALES AND USE TAXES

The Sheriff collects sales taxes as follows:

On October 18, 1997, the citizens of St. Mary Parish passed a 5% sales and use tax. Proceeds of the tax levied by the Sheriff are accounted for in the General Fund and are dedicated to the following purposes:

Law enforcement purposes in St. Mary Parish; 30% for employment of deputies, training, salaries, benefits, equipment and automobiles; 30% to be used by the parish and the municipalities of the parish on a per capita basis for any lawful law-enforcement purpose described in the proposal.

NOTE 9 RESERVATION OF FUND BALANCE

Property in Law Enforcement Sub-District No. 1 is subject to a tax millage through the year 2002. This tax is in addition to the tax levied by the Law Enforcement District and collections are dedicated to providing increased patrols within Sub-District No. 1. Unexpended amounts at June 30, 1998 have been reserved in the general fund for that purpose.

**ST. MARY PARISH SHERIFF**  
Franklin, Louisiana

Notes to Financial Statements

**NOTE 10 CHANGES IN AGENCY FUND BALANCES**

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

	Balance at July 1, 1997	Additions	Reductions	Balance at June 30, 1998
Sheriff Fund	\$ 31,828	\$ 863,899	\$ 938,177	\$ 35,880
Deed Fund	616,268	1,296,836	1,775,574	612,921
Insurance Deposit Fund	-	26,576	26,616	6,580
Tax Collector Fund	1,024,816	25,113,519	22,882,178	1,251,614
Total	<u>\$ 1,662,808</u>	<u>\$ 28,003,211</u>	<u>\$ 24,622,865</u>	<u>\$ 1,875,211</u>

**NOTE 11 TAXES PAID UNDER PROTEST**

The uncollected balances due to taxing bodies and others in the agency funds at June 30, 1998, include \$1,092,281 of taxes paid under protest plus interest earned on debt on the investment of these funds totaling \$64,475. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**NOTE 12 LITIGATION AND CLAIMS**

At June 30, 1998, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, the only exposure to the Sheriff would be any costs in defense of the lawsuits with no liability to the Sheriff in excess of insurance coverage.

**NOTE 13 EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL**

The Sheriff's office is located in a building owned by the parish council. Expenditures for operation and maintenance of the parish jail and building, as required by state statute, are paid by the St. Mary Parish Council and are not included in the accompanying general purpose financial statements.

**NOTE 14 SELF-INSURANCE FUND**

The Sheriff has established a limited risk management program for group health insurance. The Sheriff hired Insurance Management Administrators, Inc. as administrator for this program. During the fiscal year 1998, a total of \$375,182 was incurred in claims and administrative costs. The Sheriff purchases commercial insurance for individual claims in excess of \$20,000. Incurred but not paid claims have been accrued as a liability of \$44,478 in the General Fund.

## **SUPPLEMENTAL INFORMATION**

**SCHEDULES OF INDIVIDUAL FUNDS**

## FINUCIARY FUND TYPE - AGENCY FUNDS

- Sheriff's Fund -** To account for funds held in connection with civil suits, sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.
- Deed Fund -** The Deed Fund accounts for collections of bonds, fines and costs and payment of these collections to the 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.
- Inmate Deposit Fund -** To account for the receipts and disbursements made to the individual prison inmate accounts.

**ST. MARY PARISH ENERGY**  
 Franklin, Louisiana  
 Subsidiary Fund Type - Agency Funds

Combining Balance Sheet  
 June 30, 1994

	Specialty Fund	Fund	Interest Deposit Fund	Tax Collector Fund	Total
<b>ASSETS</b>					
Cash	\$ 35,881	\$ 679,711	\$ -	\$ 1,278,148	\$ 1,993,740
Due from General Fund	-	-	6,568	-	6,568
<b>Total assets</b>	<b>\$ 35,881</b>	<b>\$ 679,711</b>	<b>\$ 6,568</b>	<b>\$ 1,278,148</b>	<b>\$ 1,993,307</b>
<b>LIABILITIES</b>					
Due to taxing bodies, pensioners and others due to General Fund	\$ 35,881	\$ 644,148	\$ 6,568	\$ 1,278,148	\$ 1,964,745
	-	4,881	-	-	4,881
<b>Total liabilities</b>	<b>\$ 35,881</b>	<b>\$ 649,029</b>	<b>\$ 6,568</b>	<b>\$ 1,278,148</b>	<b>\$ 1,974,626</b>

**ST. LOUISY FUNDING BUREAU**  
**Fundable, Leasable**  
**Voluntary Fund Type - Agency Funds**

**Comparing Statement of Changes in Assets and Liabilities**  
**Year Ended June 30, 1998**

	Rec'd/F's Fund	Rec'd Fund	Income Expense Fund	Tax Collector Fund	Total
Balance, beginning of year	\$ 14,250	\$ 140,200	\$ --	\$ 1,074,818	\$ 1,229,268
<b>Additions:</b>					
Expenses -					
Rec'd/F's Fund	178,214	-	-	-	178,214
Fund	-	1,213,740	-	-	1,213,740
Overhead/cont.	184,841	-	-	-	184,841
Income Expense	-	-	26,578	-	26,578
Trans. Rec., int., profits	-	-	-	11,030,980	11,030,980
Tax Collector	-	-	-	84,000	84,000
Interest	-	26,277	-	-	26,277
Total additions	363,055	1,240,017	26,578	11,115,010	12,744,660
Total	377,305	1,480,217	26,578	11,199,828	12,704,928
<b>Reductions:</b>					
Trans. Int., etc., distributed	-	-	-	20,481,114	20,481,114
Repairs billed to -	50,347	-	-	-	50,347
Rec'd/F's General Fund	50,347	71,676	-	-	122,023
St. Mary Parish-Council	-	85,665	-	-	85,665
St. Louis Attorney	-	104,433	-	-	104,433
St. Mary Parish-Clerk of Court	28,055	54,138	-	-	82,193
St. Mary Parish-Council	-	29,446	-	-	29,446
Indigene Defender Board	-	101,133	-	-	101,133
Academy Crime Lab	-	40,883	-	-	40,883
St. Mary Parish-Council	-	21,826	-	-	21,826
Municipal Police Department	-	31,569	-	-	31,569
Liggett	283,964	604,079	-	-	888,043
Other Entities	1,488	123,507	-	-	125,000
Interest	-	-	26,578	-	26,578
Total reductions	534,364	1,177,029	26,578	21,892,177	22,630,048
Balance, end of year	\$ 31,941	\$ 493,188	\$ 0.00	\$ 1,079,148	\$ 1,604,277

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER INFORMATION**



1. FORT WORTH, TEXAS 76102  
2. DALLAS, TEXAS 75201  
3. HOUSTON, TEXAS 77002  
4. SAN ANTONIO, TEXAS 78202  
5. AUSTIN, TEXAS 78701  
6. EL PASO, TEXAS 79901

MEMBER OF THE BIG FIVE

**Darnall, Sikes  
& Frederick**

A U.S. Government Certified Public Accounting Firm

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

1998-08-10

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of the Big Five

1111 F. STREET, SUITE 1000  
FORT WORTH, TEXAS 76102  
TEL: 817.339.3100

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1998-08-10

The Honorable David A. Nequin  
St. Mary Parish Sheriff  
Franklin, Louisiana

We have audited the general purpose financial statements of the St. Mary Parish Sheriff, as of and for the year ended June 30, 1998, and have issued our report thereon dated August 10, 1998. We have conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the St. Mary Parish Sheriff's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the St. Mary Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. Mary Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as Items 58-1 and 58-2.

1998-08-10

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FORT WORTH, TEXAS 76102

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. Our consideration of the internal control structure over financial reporting 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 to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Dunnell, Sikes & Friedrich*  
A Corporation of Certified Public Accountants

Morgan City, Louisiana  
August 24, 1998

**ST. MARY PARISH SCHOOL**  
Franklin, Louisiana

**Summary Schedule of Prior Year Findings**  
Year Ended June 30, 1998

- 97-1 Finding: Inadequate Segregation of Accounting Functions  
Status: This finding is unresolved. See current year finding 98-1.
- 97-2 Finding: Inadequate Fidelity Bond Coverage Circumstance  
Status: This finding has been resolved.
- 97-3 Finding: Other P's Fund, Due to Others Subsidiary should be Reversited in the Cash Balance  
Status: This finding is unresolved. See current year finding 98-2.
- 97-4 Finding: Board Fund, Due to Others Subsidiary should be Reversited in the Cash Balance  
Status: This finding has been resolved.
- 97-5 Finding: D.A.S.E. account, Inadequate Segregation of Accounting Functions  
Status: This finding has been resolved.

**ST. MARY PARISH SHERIFF**  
Franklin, Louisiana

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

**Part 1: Summary of Auditor's Results**

**FINANCIAL STATEMENTS**

*Auditor's Report*

An unqualified opinion has been issued on the St. Mary Parish Sheriff's financial statements as of and for the year ended June 30, 1998.

*Reportable Conditions -- Financial Reporting*

Two reportable conditions in internal control over financial reporting, was disclosed during the audit of the financial statements and is shown as items 98-1 and 98-2 in Part 2 and are considered material weaknesses.

*Material Noncompliance -- Financial Reporting*

There were no material instances of noncompliance material to the financial statements disclosed during the audit of the financial statements.

**FEDERAL AWARDS**

This section is not applicable for the year ended June 30, 1998.

**Part 2: Findings Relating to an Audit in Accordance with Government Auditing Standards**

**98-1 Inadequate Segregation of Accounting Functions**

*Finding:*

Due to the small number of accounting personnel, the Sheriff did not have adequate segregation of functions within the accounting system.

*Recommendation:*

Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

**98-2 Sheriff's Fund, Due to Others Subsidiary should be Reconciled to the Cash Balance**

*Finding:*

The Due to Others Subsidiary in the Sheriff's Fund does not reconcile with the ending cash balance.

*Recommendation:*

Reconcile Due to Others Subsidiary in the Sheriff's Fund to the cash balance on a monthly basis.

**ST. MARY PARISH SHERIFF**  
Franklin, Louisiana

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 1998**

**Part 3: Findings and Questioned Costs Relating to Federal Programs**

*At June 30, 1998, the St. Mary Parish Sheriff did not meet the requirements to have a single audit in accordance with OMB Circular #113, therefore this section is not applicable.*

**ST. MARY PARISH SHERIFF**  
Franklin, Louisiana

**Management's Corrective Action Plan For Current Year Findings**  
Year Ended June 30, 1998

**Response to Finding 98-1:**

No response is considered necessary.

**Response to Finding 98-2:**

For Susan Cochran, Chief Civil Deputy: The Sheriff's Fund Due to Officers Subsidiary is now being reconciled to the cash balance on a monthly basis.