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**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

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

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

Release Date JAN 7 2 2000

**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

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

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## INDEPENDENT AUDITOR'S REPORT

Honorable Richard Edwards, Jr.  
Jefferson Davis Parish Sheriff  
Jennings, Louisiana

I have audited the accompanying general purpose financial statements of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of June 30, 1999, and for the year then ended. These general purpose financial statements are the responsibility of the Jefferson Davis 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 the standards applicable to financial audits contained in *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 general purpose 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 in the first paragraph present fairly, in all material respects, the financial position of the Jefferson Davis Parish Sheriff, as of June 30, 1999 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 15, 1999, on my consideration of Jefferson Davis Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Jefferson Davis 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.



Certified Public Accountant

Jennings, Louisiana  
December 15, 1999

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet**  
**As of June 30, 1999**

	Governmental Fund - General Fund	Fiduciary Funds - Agency Funds	Account Groups		Total (Memorandum Only)
			General Fixed Assets	General Long-Term Obligations	
<b>ASSETS AND OTHER DEBITS</b>					
Assets and Other Debits:					
Cash	\$ 809,439	\$ 459,990	\$ 0	\$ 0	\$ 1,269,429
Receivables	49,286	0	0	0	49,286
Due from other funds	31,815	82	0	0	31,897
Due from other governments	6,983	0	0	0	6,983
Fixed assets	0	0	831,291	0	831,291
Amount to be provided for retirement of general long-term debt	0	0	0	145,462	145,462
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 897,523</b>	<b>\$ 460,072</b>	<b>\$ 831,291</b>	<b>\$ 145,462</b>	<b>\$ 2,334,348</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
Liabilities:					
Accounts, salaries, and withholdings payable	33,465	0	0	0	33,465
Compensated absences payable	0	0	0	55,259	55,259
Due to other funds	82	31,815	0	0	31,897
Due to taxing bodies and others	293	428,257	0	0	428,550
Certificates of indebtedness	0	0	0	50,000	50,000
Capital lease obligations	0	0	0	40,203	40,203
<b>Total Liabilities</b>	<b>33,840</b>	<b>460,072</b>	<b>0</b>	<b>145,462</b>	<b>639,374</b>
Equity and Other Credits:					
Investment in general fixed assets	0	0	831,291	0	831,291
Fund balances:					
Reserved for drug enforcement	33,518	0	0	0	33,518
Unreserved - undesignated	830,165	0	0	0	830,165
<b>Total Equity and Other Credits</b>	<b>863,683</b>	<b>0</b>	<b>831,291</b>	<b>0</b>	<b>1,694,974</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$ 897,523</b>	<b>\$ 460,072</b>	<b>\$ 831,291</b>	<b>\$ 145,462</b>	<b>\$ 2,334,348</b>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF**  
Jennings, Louisiana

**GOVERNMENTAL FUND - GENERAL FUND**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Year ended June 30, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes	\$ 1,088,690	\$ 1,082,680	\$ (6,010)
Intrgovernmental revenues:			
State grants	58,490	67,578	9,088
State supplemental pay	66,592	80,687	14,095
District attorney - LACE	16,533	26,465	9,932
Parish - 911 District	113,636	139,881	26,245
Other	6,031	8,276	2,245
Fees, charges, and commissions for services:			
Commissions on licenses, taxes, etc.	60,184	66,350	6,166
Civil and criminal fees	63,432	81,716	18,284
Commissions on state revenues sharing	65,832	65,832	0
Court attendance	4,375	5,225	850
Transporting prisoners	10,762	13,136	2,374
Feeding and keeping prisoners	138,812	165,654	26,842
Commissary sales to inmates	10,214	11,284	1,070
Commissions on fines and other forfeitures	124,352	154,351	29,999
Other	32,522	42,669	10,147
Fines and Forfeitures:			
Drug related fines and forfeitures	0	34,866	34,866
Bond, fines and other forfeitures	5,322	9,902	4,580
Use of money and property:			
Interest	24,495	27,051	2,556
Commissions on phones	11,283	12,525	1,242
Vehicle storage	2,813	2,813	0
Miscellaneous	35,198	18,672	(16,526)
Total Revenues	<u>1,939,568</u>	<u>2,117,613</u>	<u>178,045</u>
<b>EXPENDITURES</b>			
Public safety:			
Personal services and related benefits	1,272,771	1,273,804	(1,033)
Operating services	267,638	275,890	(8,252)
Materials and supplies	245,500	261,550	(16,050)
Other	18,500	28,829	(10,329)
Debt service:			
Principal	120,501	117,819	2,682
Interest	10,897	10,026	871
Capital outlay	110,000	114,701	(4,701)
Intergovernment:			
Retirement deducted from tax collections	14,054	15,907	(1,853)
Total Expenditures	<u>2,059,861</u>	<u>2,098,526</u>	<u>(38,665)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(120,293)</u>	<u>19,087</u>	<u>139,380</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from capital lease obligations	0	35,494	35,494
Sales of general fixed assets	23,166	19,095	(4,071)
Compensation for loss or damage of assets	16,721	13,783	(2,938)
Total Other Financing Sources	<u>39,887</u>	<u>68,372</u>	<u>28,485</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<u>(80,406)</u>	<u>87,459</u>	<u>167,865</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>776,224</u>	<u>776,224</u>	<u>0</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 695,818</u>	<u>\$ 863,683</u>	<u>\$ 167,865</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**INTRODUCTION**

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 exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the sheriff 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, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Jefferson Davis Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

The sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Jefferson Davis Parish Police Jury. 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. Because the sheriff is fiscally dependent on the police jury, the sheriff was determined to be a component unit of the Jefferson Davis 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.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**C. FUND ACCOUNTING**

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

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

Funds of the sheriff are classified into two categories: governmental (General Fund) and fiduciary (Agency Funds). These funds 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 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.

**Agency Funds**

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these 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. The Tax Collector Agency Fund included in the accompanying financial statements is reported for the year ending June 30, 1999.

**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 relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using a flow of current financial resources measurement focus. The accompanying financial statements have been prepared on the modified accrual basis of accounting (except for the Tax Collector Agency Fund, which is prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting). The General Fund uses the following practices in recording revenues and expenditures:

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**Revenues**

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

State grants are recorded when the sheriff is entitled to the funds.

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

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available to the sheriff.

Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**Other Financing Sources**

Proceeds from the sale of fixed assets are accounted for as other financial sources and are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

**E. BUDGET PRACTICES**

The proposed budget for 1999 was made available for public inspection on June 19, 1998. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Jefferson Davis Parish Sheriff's office on June 25, 1998, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

Encumbrance accounting is not used. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**F. ENCUMBRANCES**

The sheriff does not use encumbrance accounting.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**H. FIXED ASSETS**

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Approximately 15 per cent of fixed assets costs have been estimated.

**I. COMPENSATED ABSENCES**

All employees who have completed 12 months (12) of service receive ten (10) days vacation leave each year. Vacation leave does not accumulate or vest. Employees can accumulate compensatory time in lieu of payment for overtime. The sheriff's standard policy is that sick leave does not accumulate or vest. However, each instance of sick leave is handled on an individual basis at the discretion of the sheriff. No liability is reported for unpaid accumulated sick leave.

Vacation and compensatory time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the general fund. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**J. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

**K. FUND EQUITY**

**Reserves**

*Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.*

**L. TOTAL COLUMN ON BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. 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 TAXES**

A summary of authorized and levied ad valorem taxes follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement:			
Constitutional	6.08	6.08	NONE
Special	5.84	5.84	2000

The following are the principal taxpayers for the parish and related ad valorem tax revenue for the sheriff (assessed valuation expressed in thousands):

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Stewart & Stevenson SVS	Inventory	6500	7.00%
Colonial Pipeline Company	Pipeline	3852	4.15%
Century Telephone of Evangeline	Telephone	3574	3.86%
Entergy Gulf States, Inc.	Utilities	3497	3.98%
Tennessee Gas Pipeline Company	Pipeline	3348	3.62%
Florida Gas Transmission	Pipeline	3180	3.43%
Concha Chemical Pipeline Company	Pipeline	2274	2.46%
Bell South Telecommunications	Communication	1815	1.96%
Texas Gas Transmission	Pipeline	1354	1.46%
Jeff Davis Bank & Trust	Banking	1572	1.70%
Total		<u>\$30,966</u>	<u>33.62%</u>

**3. CASII**

At June 30, 1999, the sheriff has cash (book balances) totaling \$ 1,269,429 as follows:

Cash on hand	\$ 1,100
Demand deposits	76,198
Interest-bearing demand deposits	627,052
Certificates of deposits	565,079
	<u>1,269,429</u>
	<u>\$ 1,269,429</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the sheriff has \$1,345,799 in deposits (collected bank balances). These deposits are secured from risk by \$387,810 of federal deposit insurance and \$957,989 of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**4. RECEIVABLES**

Accounts receivable at June 30, 1999, in the General Fund are as follows:

Intergovernmental:	
State	\$ 2,155
Other	27,449
Fees, charges, and commissions for services:	
Civil & criminal fees	2,709
Feeding & keeping prisoners	13,770
Miscellaneous	3,203
	\$ 49,286

**5. DUE FROM/TO OTHER FUNDS**

Individual balances due from/to other funds at June 30, 1999, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 31,815	\$ 82
Agency Funds:		
Bond & Fine Fund	0	18,471
Tax Collector Fund	3	10,131
Civil Fund	79	0
Sportsman's License Fund	0	167
Occupational License Fund	0	3,046
	\$ 31,897	\$ 31,897

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**6. CHANGES IN GENERAL FIXED ASSETS**

	Balance at Beginning of Year	Additions	Dispositions	Current Year Adjustments	Balance at End of Year
Real Property	\$ 10,357	\$ 45,000	\$ 0	\$ 0	\$ 55,357
Vehicles	424,965	11,810	83,302	(23,826)	329,647
Equipment	401,349	57,891	12,953	0	446,287
<b>Total</b>	<b>\$ 836,671</b>	<b>\$ 114,701</b>	<b>\$ 96,255</b>	<b>\$ (23,826)</b>	<b>\$ 831,291</b>

**7. PENSION PLAN**

*Plan Description.* Substantially all employees of the Jefferson Davis 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% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 per cent 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 the Louisiana Sheriffs Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

*Funding Policy.* Plan members are required by state statute to contribute 8.7 per cent of their annual covered salary and the Jefferson Davis Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0 per cent of annual covered payroll. Contributions to the system also include one-half of one per cent 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 Jefferson Davis 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 actuarially valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Jefferson Davis Parish Sheriff's contributions to the System for the years ending June 30, 1999, 1998, 1997, were \$44,635, \$44,958 and \$46,757, respectively, equal to the required contributions for each year.

**8. OTHER POST EMPLOYMENT BENEFITS**

The sheriff does not provide other post employment benefits for its retired employees.

**9. COMPENSATED ABSENCES**

At June 30, 1999, employees of the sheriff have accumulated and vested \$55,259 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The entire liability has been recorded within the general long-term obligations account group since it is unfunded and not expected to be liquidated with expendable available financial resources.

**10. LEASES**

The sheriff has entered into lease agreements as lessee for financing the acquisition of vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date in the general fixed assets account group.

The sheriff has \$167,630 of equipment recorded in general fixed assets account group that was acquired through capital leases.

Future minimum lease payments under capital leases, together with the present value of net minimum lease payments, as of June 30, 1999, are scheduled as follows:

**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999**

		<u>Equipment</u>
Fiscal year:		
1999-00	\$	19,074
2000-01		8,103
2001-02		8,103
2002-03		8,102
2003-04		675
Thereafter		0
Total minimum lease payments		<u>44,057</u>
Less –amount representing executory costs		0
Net minimum lease payments		<u>44,057</u>
Less –amount representing interest		<u>3,854</u>
Present value of net minimum lease payments	\$	<u><u>40,203</u></u>

The sheriff also has operating leases for copiers. The minimum annual commitments under operating leases are as follows:

		<u>Equipment</u>
Fiscal year:		
1999-00	\$	3,521
2000-01		293
2001-02		0
2002-03		0
2003-04		0
Thereafter		0
Total	\$	<u><u>3,814</u></u>

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**11. CHANGES IN AGENCY FUND BALANCES**

A summary of changes in agency fund unsettled deposits follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Civil	\$ 0	\$ 335,364	\$ 330,216	\$ 5,148
Tax Collector	365,852	10,271,332	10,374,438	262,746
Bonds and Fines	149,201	1,398,241	1,380,685	166,757
Inmate	2,822	33,495	33,424	2,893
Prisoner Work Release	19,644	2,884	0	22,528
<b>Total</b>	<b>\$ 537,519</b>	<b>\$ 12,041,316</b>	<b>\$ 12,118,763</b>	<b>\$ 460,072</b>

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

The following is a summary of the long-term obligation transactions during the year ended June 30, 1999:

	Compensated Absences (Note 9)	Certificate of Indebtedness (See Below)	Capital Leases (Note 10)	Total
Balance at July 1, 1998	\$ 50,439	\$ 100,000	\$ 72,528	\$ 222,967
Additions	55,259	0	35,494	90,753
Deductions	(50,439)	(50,000)	(67,819)	(168,258)
<b>Balance at June 30, 1999</b>	<b>\$ 55,259</b>	<b>\$ 50,000</b>	<b>\$ 40,203</b>	<b>\$ 145,462</b>

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

Following is a summary of long-term debt principal maturities and interest requirements:

	Compensated Absences	Certificate of Indebtness	Capital Leases	Total
Fiscal Year:				
1999-00	\$ 55,259	\$ 52,576	\$ 19,074	\$ 126,909
2000-01	0	0	8,103	8,103
2001-02	0	0	8,103	8,103
2002-03	0	0	8,102	8,102
2003-04	0	0	675	675
Thereafter	0	0	0	0
Total	<u>55,259</u>	<u>52,576</u>	<u>44,057</u>	<u>151,892</u>
Less Interest	0	2,576	3,854	6,430
Outstanding Principal	<u>\$ 55,259</u>	<u>\$ 50,000</u>	<u>\$ 40,203</u>	<u>\$ 145,462</u>

The certificate of Indebtedness, Series 1996, was issued on May 1, 1996, in the amount of \$200,000 for the purpose of paying a portion of the cost of acquiring patrol cars, specialty vehicles and equipment, upgrading computer system, telephone, and communications equipment. This debt is secured by a pledge or dedication of the excess annual revenues above statutory, necessary and usual charges of the Law Enforcement District of the Parish of Jefferson Davis, State of Louisiana. The debt was issued in accordance with the requirements and provisions of LA R.S 33:2921-2925 with the approval of the Louisiana State Bond Commission. The certificates bear interest at a rate of 5.15% per annum, with semiannual payment of interest annual serial payments of principal beginning from date of issuance.

**13. RESERVED FUND BALANCE**

A portion of the fund balance of the General Fund, \$ 33,518, has been reserved for drug law enforcement. This balance represents seizures from criminal activities. Louisiana Revised Statute 40:2616.B(3.a) requires such proceeds to be used in drug law enforcement.

**14. LITIGATION AND CLAIMS**

At June 30, 1999, the sheriff is involved in various lawsuits and pending claims. In the opinion of the sheriff's legal counsel, the ultimate resolution of the majority of these suits would not create a liability to the sheriff in excess of existing insurance coverage. For the remaining suits, in the opinion of the sheriff's legal counsel, an unfavorable outcome in some of the suits is remotely possible. The sheriff's

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

legal counsel has estimated a potential loss of a minimal amount to \$ 25,000; however, the ultimate outcome of the litigation cannot presently be determined. Accordingly, no provision for any liability that may result upon adjudication has been made in the accompanying financial statements.

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

Certain operating expenditures of the sheriff's office are paid by the parish police jury, as required under Louisiana law, and are not included in the accompanying financial statements. Specifically the police jury maintains and operates the parish courthouse in which the sheriff's office is located and occasionally provides funds for equipment and furniture of the sheriff's office. The total amount of these expenditures were not available.

**16. TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 1999, as reflected on the combined balance sheet on page 3, includes \$192,206 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$7,741. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**17. YEAR 2000 ISSUE**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Sheriff's operations as early as fiscal year 1999.

The Sheriff has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting operations. The Sheriff has identified the following systems requiring Year 2000 remediation:

- Financial reporting, tax collection, payroll - the Sheriff is currently remediating its financial reporting, tax collection, and payroll system. Validation and testing of these systems have yet to be completed. No contracted amounts are committed to this project as of June 30, 1999, however, the Sheriff estimates that remediation will cost approximately \$1,500.
- 911 police and emergency system - the Sheriff is currently remediating its financial reporting, tax collection, and payroll system. Validation and testing of these systems have yet to be completed. No contracted amounts are committed to this project as of June 30, 1999.
- Traffic ticket, civil cost and fine, and bond system - the Sheriff is currently remediating its financial reporting, tax collection, and payroll system. Validation and testing of these systems have yet to be completed. No contracted amounts are committed to this project as of June 30, 1999.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Sheriff is or will be Year 2000 ready, that the Sheriff's remediation efforts will be successful in whole or in part, or that parties with whom the Sheriff does business will be Year 2000 ready.

**JEFFERSON DAVIS PARISH SHERIFF  
Jennings, Louisiana**

**COMBINING FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 1999**

**FIDUCIARY FUNDS-AGENCY FUNDS**

**CIVIL FUND**

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

**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.

**BONDS AND FINES FUND**

The Bonds and Fines Fund accounts for the collection of bonds, fines, and costs and payments of these collections to the sheriff's General Fund and other recipients in accordance with applicable law.

**INMATE FUND**

The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

**PRISONER WORK RELEASE FUND**

The Prisoner Work Release Fund accounts for the collection of inmate wages and the disbursement of those collections in accordance with R.S. 15:711 to 15:711.1.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**FIDUCIARY FUNDS - AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**As of June 30, 1999**

	Civil	Tax Collector	Bonds and Fines	Inmate	Prisoner Work Release	Total
<b>ASSETS</b>						
Cash	\$ 5,069	\$ 262,743	\$ 166,757	\$ 2,893	\$ 22,528	\$ 459,990
Due from other funds	79	3	0	0	0	82
Due from taxing bodies and others	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ <u>5,148</u></b>	<b>\$ <u>262,746</u></b>	<b>\$ <u>166,757</u></b>	<b>\$ <u>2,893</u></b>	<b>\$ <u>22,528</u></b>	<b>\$ <u>460,072</u></b>
<b>LIABILITIES</b>						
Due to other funds	\$ 0	\$ 13,344	\$ 18,471	\$ 0	\$ 0	\$ 31,815
Due to taxing bodies and other	5,148	249,402	148,286	2,893	22,528	428,257
<b>TOTAL LIABILITIES</b>	<b>\$ <u>5,148</u></b>	<b>\$ <u>262,746</u></b>	<b>\$ <u>166,757</u></b>	<b>\$ <u>2,893</u></b>	<b>\$ <u>22,528</u></b>	<b>\$ <u>460,072</u></b>

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**

**FIDUCIARY FUNDS - AGENCY FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN UNSETTLED BALANCES**  
**For the Year Ended June 30, 1999**

	<u>Civil</u>	<u>Tax Collector</u>	<u>Bonds and Fines</u>	<u>Inmate</u>	<u>Prisoner Work Release</u>	<u>Total</u>
<b>BALANCES AT BEGINNING OF YEAR</b>	\$ 0	\$ 365,852	\$ 149,201	\$ 2,822	\$ 19,644	\$ 537,519
<b>INCREASES</b>						
Deposits:						
Sheriff's sales, suits, and seizures	298,051	0	0	0	0	298,051
Bonds, fines, and costs	0	0	1,398,241	0	0	1,398,241
Garnishments	37,313	0	0	0	0	37,313
Other deposits	0	0	0	33,495	2,884	36,379
Taxes, fees, etc., paid to tax collector	0	10,271,332	0	0	0	10,271,332
Total additions	<u>335,364</u>	<u>10,271,332</u>	<u>1,398,241</u>	<u>33,495</u>	<u>2,884</u>	<u>12,041,316</u>
<b>DECREASES</b>						
Deposits settled to:						
Sheriff's general fund	38,828	0	161,280	10,986	0	211,094
Police jury	0	0	549,479	0	0	549,479
District attorney	0	0	247,528	0	0	247,528
Clerk of court	14,861	0	79,850	0	0	94,711
Indigent defender board	0	0	207,126	0	0	207,126
Attorneys, appraisers, litigants, etc.	276,527	0	0	0	0	276,527
Other settlements	0	0	135,265	0	0	135,265
Taxes, fees, etc., distributed to taxing bodies and others	0	10,374,438	0	0	0	10,374,438
Other decreases	0	0	157	22,438	0	22,595
Total decreases	<u>330,216</u>	<u>10,374,438</u>	<u>1,380,685</u>	<u>33,424</u>	<u>0</u>	<u>12,118,763</u>
<b>BALANCES AT END OF YEAR</b>	\$ <u>5,148</u>	\$ <u>262,746</u>	\$ <u>166,757</u>	\$ <u>2,893</u>	\$ <u>22,528</u>	\$ <u>460,072</u>

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Richard Edwards, Jr.  
Jefferson Davis Parish Sheriff  
Jennings, Louisiana

I have audited the general purpose financial statements of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 1999, and have issued my report thereon dated December 15, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

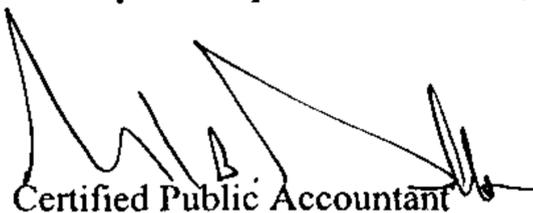
As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Sheriff's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have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

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Jefferson Davis Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Jefferson Davis Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-1.

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

This report is intended for the information of the sheriff, his management, the Legislative Auditor, and any grant awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

  
Certified Public Accountant

Jennings, Louisiana  
December 15, 1999

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 1999**

We have audited the financial statements of Jefferson Davis Parish Sheriff as of and for the year ended June 30, 1999, and have issued our report thereon dated December 15, 1999. We 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. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes  No      Reportable Conditions     Yes  No

Compliance Material to Financial Statements     Yes  No

**b. Federal Awards**

Internal Control

Material Weaknesses  Yes  No      Reportable Conditions     Yes  No

Type of Opinion On Compliance    Unqualified       Qualified

For Major Programs                      Disclaimer       Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?  
 Yes  No

**c. Identification of Major Programs:**

CFDA Number (s)

Name of Federal Program (or Cluster)

Not applicable

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ \_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?     Yes  No

**Section II Financial Statement Findings**

**Finding 99-1 : LACK OF SEGREGATION OF DUTIES – FOOD PURCHASES**

Condition:    Review of internal controls over purchasing of food for prisoners indicates a lack of segregation of duties and lack of proper physical safeguards of food inventories.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 1999**

**Cause of Condition:** The same individual that authorizes purchases of food for the jail is also in charge of the receiving and distribution of goods. Also, numerous jail officers have physical access to the food inventories.

**Effect of Condition:** Left unchanged this condition could result in the possibility of intentional or unintentional misappropriation of funds or food inventories.

**Recommendation:** I recommend that all purchase orders of food for the jail be approved by someone in management not involved in the actual receiving or custody of the food inventories. This individual should also ensure that all food is purchased at the best price using competitive buying practices. Also, physical safeguard controls should be implemented to ensure that the opportunity of misappropriation of food inventories is minimized. It is also recommended that a daily usage report or menu be developed and implemented which identifies the quantity of food used to prepare meals and the number of meals served. Also, it may be helpful if the volume of actual usage could be compiled daily and totaled monthly and compared to monthly purchase volumes.

**Auditee Response:** Effective December 15, 1999, all purchases of food will be approved by someone in management not involved in the receiving and distribution functions. We have also implemented a daily menu with the assistance of a dietician. In addition, we have implemented additional monitoring procedures to ensure that inventories on hand are adequately safeguarded. We feel that the implementation of these procedures will adequately address the aforementioned issues.

***Section III Federal Award Findings and Questioned Costs***

No findings to report.

**JEFFERSON DAVIS PARISH SHERIFF**  
**Jennings, Louisiana**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 1999**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/ Partial Corrective Action Taken</u>
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**SECTION I - Internal Control and Compliance Material to the Financial Statements:**

98-1	6/30/98	Failure to obtain competitive price on software	Yes	Proper procedures were followed during FYE 6/30/99.
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**SECTION II - Internal Control and Compliance Material to Federal Awards:**

No findings reported.

**SECTION III - Management Letter:**

No findings reported.

**JEFFERSON DAVIS PARISH SHERIFF**

**Jennings, Louisiana**

**Management's Corrective Action Plan for Current Year Audit Findings  
For the Year Ended June 30, 1999**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
<b>SECTION I - Internal Control and Compliance Material to the Financial Statements:</b>				
99-1	Lack of segregation of duties - food purchases	See auditee response in Schedule of Findings and Questioned Costs	Sheriff Richard "Ricky" Edwards, Jr.	12/31/99

**SECTION II - Internal Control and Compliance Material to Federal Awards:**

No findings reported.

**SECTION III - Management Letter:**

No findings reported.