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OUACHITA PARISH SHERIFF
Monroe, Louisiana

Component Unit Financial Statements
With Independent Auditors' Report

As of and for the Year Ended
June 30, 2002
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 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 12/31/02

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30,2002**

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INDEPENDENT AUDITORS' REPORT

Ouachita Parish Sheriff Monroe, Louisiana

We have audited the component unit financial statements of the Ouachita Parish Sheriff (a component unit of the Ouachita Parish Police Jury) as of June 30, 2002 and for the year then ended, as listed in the Table of Contents. These component unit financial statements are the responsibility of the Ouachita Parish Sheriff's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit. We did not audit the financial activities of the Tax Collector Agency Fund, which reflects total assets and liabilities of \$2,192,502 as of June 30, 2002 and increases and decreases in assets and liabilities of \$66,010,330 and \$66,087,025, respectively, for the year then ended. Those activities were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tax Collector Agency Fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit 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. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

In our opinion based on our audit and the report of other auditors, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Ouachita Parish Sheriff as of June, 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Ouachita Parish Sheriff
Independent Auditors' Report**

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The schedules listed in the Table of Contents as Supplemental Information are presented for the purpose of additional analysis and are not a required part of the component unit financial statements of the Ouachita Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2002, on our consideration of the Ouachita Parish Sheriff's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



(A Professional Accounting Corporation)

November 4, 2002

COMPONENT UNIT FINANCIAL STATEMENTS

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002**

	Governmental Fund Type - General Fund	Fiduciary Fund Type - Agency Funds	...Account Groups...			Total (Memorandum Only)
			General Fixed Assets	General Long-Term Obligations		
ASSETS AND OTHER DEBITS						
Cash and cash equivalents	\$ 3,774,753	\$ 2,529,111	\$ -	\$ -	\$ -	6,303,864
Receivables	660,239	-	-	-	-	660,239
Due from other funds	1,882	-	-	-	-	1,882
Office furnishings and equipment	-	-	4,769,552	-	-	4,769,552
Amount to be provided for retirement of long-term obligations	-	-	-	645,965	-	645,965
TOTAL ASSETS AND OTHER DEBITS	\$ 4,436,874	\$ 2,529,111	\$ 4,769,552	\$ 645,965	\$ -	12,381,502
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable	\$ 160,151	\$ -	\$ -	\$ -	\$ -	160,151
Accrued payroll & other	294,177	-	-	-	-	294,177
Due to other funds	-	1,882	-	-	-	1,882
Due to taxing bodies and others	-	2,527,229	-	-	-	2,527,229
Deferred revenue	122,472	-	-	-	-	122,472
Compensated absences payable	-	-	-	645,965	-	645,965
Total Liabilities	576,800	2,529,111	-	645,965	-	3,751,876
Fund Equity						
Investment in general fixed assets	-	-	4,769,552	-	-	4,769,552
Fund balance - unreserved/undesignated	3,860,074	-	-	-	-	3,860,074
Total Fund Equity	3,860,074	-	4,769,552	-	-	8,629,626
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,436,874	\$ 2,529,111	\$ 4,769,552	\$ 645,965	\$ -	12,381,502

The accompanying notes are an integral part of this statement.

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes - ad valorem	\$ 6,500,000	\$ 6,525,619	\$ 25,619
Intergovernmental revenues:			
Federal grants	236,000	418,391	182,391
State grants:			
State revenue sharing (net)	275,000	338,770	63,770
State supplemental pay	900,000	762,897	(137,103)
Fees, charges, and commissions for services:			
Civil and criminal fees	940,000	1,215,993	275,993
Commission on licenses and taxes	200,000	259,704	59,704
Court attendance	30,000	66,867	36,867
Transportation of prisoners	20,000	25,522	5,522
Feeding and keeping of prisoners	3,200,000	3,652,555	452,555
Tax notices, etc	32,000	44,153	12,153
Other	17,000	383,057	366,057
Use of money and property - interest	100,000	87,907	(12,093)
Other	207,500	247,294	39,794
Total Revenues	<u>12,657,500</u>	<u>14,028,729</u>	<u>1,371,229</u>
Expenditures			
Public safety:			
Current:			
Personal services and related benefits	10,183,000	11,215,365	(1,032,365)
Operating services	887,500	1,211,554	(324,054)
Materials and supplies	622,500	666,575	(44,075)
Travel and other charges	22,700	22,499	201
Capital outlay	269,500	492,031	(222,531)
Total Expenditures	<u>11,985,200</u>	<u>13,608,024</u>	<u>(1,622,824)</u>

(Continued)

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over Expenditures	<u>672,300</u>	<u>420,705</u>	<u>(251,595)</u>
Other Financing Sources			
Sale of assets	-	20,773	20,773
Compensation for damage to assets	<u>10,000</u>	<u>20,885</u>	<u>10,885</u>
Total other financing sources	<u>10,000</u>	<u>41,658</u>	<u>10,885</u>
Excess of Revenues and Other Sources Over Expenditures	682,300	462,363	(219,937)
Fund Balance at Beginning of Year	<u>3,397,711</u>	<u>3,397,711</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,080,011</u>	<u>\$ 3,860,074</u>	<u>\$ (219,937)</u>

The accompanying notes are an integral part of this statement.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

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 also 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 ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

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 programs such as neighborhood watch and anti-drug abuse. 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 Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish 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. These criteria include:

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
 - 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.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

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 and courthouse annex in which the sheriff's offices are located, the sheriff was determined to be a component unit of the Ouachita Parish Police Jury financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

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

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

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

Governmental Fund – General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, maintenance of prisoners, and revenues from various grantor agencies. General operating expenditures are paid from this fund.

Fiduciary Funds – Agency Fund Type

The agency funds are used as depositories for civil suits, fines, cash bonds, taxes, fees, inmate funds and other items. Disbursements from the funds are made to various parties 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 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 police jury are not recorded in the general fixed assets account group. General Fixed Assets purchased are recorded at cost. Donated fixed assets are valued at their market value on the date of donation. No depreciation has been provided on general fixed assets.

Long-term obligations, such as compensated absences payable, expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for compensated absences are recognized in the General Fund when the leave is actually taken or when payment is made to the employee at termination or retirement.

D. BASIS OF ACCOUNTING

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

The modified accrual basis of accounting is used for reporting the governmental 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. Based on

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

the forgoing criteria, ad valorem taxes, intergovernmental revenues and fees, charges, and commissions for services have been treated as susceptible to accrual. 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, 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.

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

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

Expenditures

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

Other Financing Sources

Proceeds from the sale of fixed assets and insurance recoveries are accounted for as other financing sources and are recognized when the underlying events occur.

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 sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year as necessary. Budgets are established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. At June 30, 2002, the sheriff has cash totaling \$6,303,864, as follows:

Cash in banks	\$ 6,301,401
Petty cash	<u>2,463</u>
Total	<u>\$ 6,303,864</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balance, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 2002, is secured as follows:

Bank balance	\$ <u>6,666,720</u>
Federal deposit insurance	\$ 2,335,983
Pledged securities (uncollateralized)	<u>17,086,844</u>
Total	<u>\$ 19,422,827</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

G. COMPENSATED ABSENCES

After one year of service, employees of the sheriff's office earn 8 days of vacation leave per year plus one day for each year of service, up to a maximum of 20 days. After three full months of service, employees earn sick leave at the rate of one day per month of service. There is no maximum number of hours that an employee may accumulate. Employees are not paid for accumulated sick leave upon separation from service. Comp-time is accrued at 1.5 hours for each hour worked and holiday time is accrued at 1.0 hours for each holiday hour worked. If an employee leaves the employment of the sheriff's office, all accrued vacation, comp-time and holiday pay are paid to the employee.

At June 30, 2002, employees of the sheriff's office have accumulated and vested \$645,965 of employee leave benefits, which was computed in accordance with GASB Codification C60. This amount is recorded as compensated absences payable in the general long-term obligations account group

H. RISK MANAGEMENT

The sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the sheriff maintains commercial insurance policies covering its property, automobiles, law enforcement professional liability, and surety bond coverage. The police jury maintains insurance coverage on the building and its contents. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2002.

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. 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.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

K. NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* which will dramatically affect the Ouachita Parish Sheriff's financial accounting and reporting procedures and the appearance of Ouachita Parish Sheriff's financial statements. Ouachita Parish Sheriff is required to implement Statement No. 34 for the year ended June 30, 2004.

Note 2 - LEVIED TAXES

For the year ended June 30, 2002, the ad valorem tax millage levied for the Ouachita Parish Sheriff was 11.52 mills on property, with a taxable value of \$60,710,574.

Note 3 - RECEIVABLES

The General Fund receivables of \$660,239 at June 30, 2002 are as follows:

<u>Class of receivables</u>	
Ad valorem taxes	\$ 28,461
Intergovernmental revenues:	
Federal Funds	181,149
State Funds	69,257
Fees, charges, and commissions for services:	
Court attendance	4,740
Tax Notices	11,721
Feeding Prisoners	213,536
Civil Fees	81,035
Other	41,143
Use of money and property	6,869
Others	<u>22,328</u>
Total	<u>\$ 660,239</u>

Note 4 - DUE FROM OTHER FUNDS

Individual balance due from/to other funds at June 30, 2002, are as follows:

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

	Due From	Due To
General Fund	\$ 1,882	\$ -
Agency funds:		
Bond Fund	-	1,882
Total	<u>\$ 1,882</u>	<u>\$ 1,882</u>

Note 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2002, follows:

Balance at July 1, 2001	\$ 4,679,328
Additions	335,470
Deletions	<u>(245,246)</u>
Balance at June 30, 2002	<u>\$ 4,769,552</u>

The beginning balances in General Fixed Assets have been restated to properly reflect the amounts determined as the result of the Sheriff's Office's review of its fixed asset listing. The net effect of the restatement is to decrease Investment in General Fixed Assets by \$59,262. The majority of the overstatement was a result of equipment additions which were duplicated in a prior period.

Note 6 - PENSION PLAN

Substantially all employees of the Ouachita Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (the 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 percent 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 per cent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

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 and amended by state statute.

Plan members are required by state statute to contribute 9.8 percent of their annual covered salary and the Ouachita Parish Sheriff is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2002 was 7.5 percent of annual covered payroll and increased to 7.75 percent effective July 1, 2002. 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 are required and available from insurance premium taxes. The contribution requirements of plan members and the Ouachita 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. In December 2000, the Sheriff began paying the employees' contribution amounts. The Ouachita Parish Sheriff's contributions to the system (including the employees' contributions) for the years ended June 30, 2002, 2001, and 2000 were \$1,333,958, \$818,800, and \$403,815, respectively.

The System issues an annual 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.

Note 7 - POST RETIREMENT BENEFITS

The Ouachita Parish Sheriff provides certain health care benefits for retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff's office. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the sheriff. The sheriff recognizes the cost of providing these benefits (the sheriff's cost of premiums) as an expenditure when the monthly premiums are due, which are \$1,215,866, for the year ended June 30, 2002. Of this amount, \$150,360 was for retiree benefits.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

Note 8 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balance due to taxing bodies and other follows:

	Balance at July 1, 2001	Additions	Reductions	Balance at June 30, 2002
Agency fund:				
Tax Collector	\$ 2,269,197	\$ 66,010,330	\$ (66,087,025)	\$ 2,192,502
Civil	96,906	2,934,242	(2,928,527)	102,621
Bond	135,800	159,938	(137,848)	157,890
Criminal	3	4,303	(4,306)	-
Clearing	5	3,782,705	(3,782,075)	635
Inmate	21,518	366,413	(314,350)	73,581
Total	\$ 2,523,429	\$ 73,257,931	\$ (73,301,378)	\$ 2,527,229

Note 9 - ON-BEHALF PAYMENTS

Certain employees of the Ouachita Parish Sheriff's department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$762,897.

Note 10 - COMMITMENTS AND CONTINGENCIES

At June 30, 2002, the Ouachita Parish Sheriff is involved in several lawsuits. A final judgment in excess of \$500,000 which was awarded to a plaintiff against the Sheriff, was subsequently settled for a lesser amount and paid by the Ouachita Parish Police Jury. The potential liability for other lawsuits pending cannot be reasonably estimated and accordingly no provision for any other liability resulting from the lawsuits has been made in the accompanying financial statements.

The sheriff has entered into various cancelable operating leases for vehicles, office and radio equipment. Rental expense under all cancelable operating leases for the year ended June 30, 2002 was \$53,724.

**Note 11 - JOINT OPERATION OF HIBERNIA CENTER
FOR LAW ENFORCEMENT TRAINING**

On September 11, 1997, Hibernia National bank donated a building to the City of West Monroe, the Ouachita Parish Sheriff's Office and the City of Monroe, to be used solely for law enforcement purposes with the primary emphasis on training. The

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

donation was made subject to a restriction on use that requires that the property be used solely for law enforcement purposes for a period of ten years from the date of donation and that the building be designated as "The Hibernia Center for Law Enforcement Training." The Ouachita Parish Sheriff, the City of West Monroe, and the City of Monroe agreed to share equally the costs of improving and maintaining the building. The sheriff did not incur any expenditures related to the building during the year ended June 30, 2002.

**Note 12 - EXPENDITURES OF THE SHERIFF'S OFFICE
PAID BY THE PARISH POLICE JURY**

The 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 Ouachita Parish Police Jury.

Note 13 - WORK RELEASE CENTER

In July 2002, the sheriff's office opened a new work release center in the Old Conway Hospital in Monroe, LA. The use of the building is being donated by the Parish under a cooperative endeavor agreement. The Center houses inmates who are due to be paroled within twelve months and have volunteered to participate in this program. Area employers hire and pay the inmates who in turn reimburse the sheriff's office for meals, housing, transportation and other miscellaneous expenses. In addition, the sheriff's office receives State funds for maintaining these inmates.

SUPPLEMENTARY INFORMATION SCHEDULES

**OUACHITA PARISH SHERIFF
SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002**

FIDUCIARY FUND TYPE – AGENCY FUNDS

TAX COLLECTOR FUND

Article V., Section 27 of the Louisiana constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes, licenses, and fees. The Tax Collector fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CIVIL FUND

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

BOND FUND

The Bond fund accounts for the collection of cash bonds and either the transfer of these collections to the Tax Collector fund for payment to recipients in accordance with applicable laws, or the refund to individuals.

CLEARING FUND

The Clearing Fund accounts for the collection of redemptions of prior years taxes and the subsequent payment of these collections to the recipients in accordance with applicable laws.

CRIMINAL FUND

The Criminal Fund accounts for the collection of out-of-parish fines and the subsequent payment of these collections to the recipients in accordance with applicable laws.

INMATE FUND

The Inmate Fund accounts for funds belonging to the inmates at the Ouachita Correctional Center and the subsequent payment of these funds to the inmates upon their release or to the Ouachita Parish Police Jury for inmate store charges, medical charges, restitution and other items.

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS**

**COMBINING BALANCE SHEET
JUNE 30, 2002**

	Tax Collector Fund	Civil Fund	Bond Fund	Clearing Fund	Criminal Fund	Inmate Fund	Total
ASSETS							
Cash and cash equivalents	\$ 2,192,502	\$ 102,621	\$ 159,772	\$ 635	\$ -	\$ 73,581	\$ 2,529,111
Due from General Fund	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,192,502</u>	<u>\$ 102,621</u>	<u>\$ 159,772</u>	<u>\$ 635</u>	<u>\$ -</u>	<u>\$ 73,581</u>	<u>\$ 2,529,111</u>
LIABILITIES							
Due to General Fund	\$ -	\$ -	\$ 1,882	\$ -	\$ -	\$ -	\$ 1,882
Due to taxing bodies and other	<u>2,192,502</u>	<u>102,621</u>	<u>157,890</u>	<u>635</u>	<u>-</u>	<u>73,581</u>	<u>2,527,229</u>
TOTAL LIABILITIES	<u>\$ 2,192,502</u>	<u>\$ 102,621</u>	<u>\$ 159,772</u>	<u>\$ 635</u>	<u>\$ -</u>	<u>\$ 73,581</u>	<u>\$ 2,529,111</u>

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS**

**COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2002**

	Tax						
	Collector Fund	Civil Fund	Bond Fund	Clearing Fund	Criminal Fund	Inmate Fund	Total
Due to Taxing Bodies and							
Others - Beginning of Year	\$ 2,269,197	\$ 96,906	\$ 135,800	\$ 5	3	21,518	\$ 2,523,429
Additions:							
Deposits:							
Sheriff's sales	-	2,354,682	-	-	-	-	2,354,682
Fines, bond forfeitures and costs	3,030,833	579,560	158,056	-	-	-	3,768,449
Other deposits	-	-	-	3,782,705	4,303	366,413	4,153,421
Ad valorem taxes	59,475,733	-	-	-	-	-	59,475,733
Prior year taxes	249,626	-	-	-	-	-	249,626
In lieu of taxes	334,511	-	-	-	-	-	334,511
State revenue sharing	2,603,211	-	-	-	-	-	2,603,211
Protest taxes	56,502	-	-	-	-	-	56,502
Interest on:							
Demand deposits	54,962	-	1,882	-	-	-	56,844
Protest taxes - escrow accounts	43,639	-	-	-	-	-	43,639
Delinquent taxes	136,354	-	-	-	-	-	136,354
Costs, advertising, notices, etc.	24,959	-	-	-	-	-	24,959
Total additions	66,010,330	2,934,242	159,938	3,782,705	4,303	366,413	73,257,931
Total	68,279,527	3,031,148	295,738	3,782,710	4,306	387,931	75,781,360
Reductions							
Settled to:							
LA Dept. of Wildlife and Fisheries	273	-	-	-	-	-	273
LA Dept. of Agriculture and Forestry	11,897	-	-	-	-	-	11,897
Tensas Basin Levee District	1,350,430	-	-	-	-	-	1,350,430
LA Comm. On Law Enforcement	23,453	-	-	-	-	-	23,453
LA Tax Commission	11,714	-	-	-	-	-	11,714

(Continued)

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS**

**COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES AND OTHERS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2002**

	Tax Collector Fund	Civil Fund	Bond Fund	Clearing Fund	Criminal Fund	Inmate Fund	Total
LA Help Our Wildlife	199	-	-	-	-	-	199
Keep Louisiana Beautiful	85	-	-	-	-	-	85
LA Dept of Public Safety	44,317	-	-	-	-	-	44,317
Injury Trust Fund	31,429	-	-	-	-	-	31,429
State of LA CMIS	32,940	-	-	-	-	-	32,940
Ouachita Parish:							
Sheriff's General Fund	7,536,219	987,455	1,882	-	-	-	8,525,556
Police jury	22,555,196	-	-	-	-	236,217	22,791,413
School board	15,633,221	-	-	-	-	-	15,633,221
Assessor	1,081,141	-	-	-	-	-	1,081,141
Clerk of court	112,771	166,223	-	-	-	-	278,994
East Ouachita recreation district	718,977	-	-	-	-	-	718,977
G. B. Cooley hospital	867,594	-	-	-	-	-	867,594
West Ouachita sewerage district	93,306	-	-	-	-	-	93,306
Monroe City School Board	12,670,422	-	-	-	-	-	12,670,422
Fourth Judicial District:							
District attorney	463,910	-	2,850	-	-	-	466,760
Indigent defender board	441,123	-	-	-	-	-	441,123
District court	461,808	-	-	-	-	-	461,808
Judicial expense fund	113,071	-	-	-	-	-	113,071
North Louisiana Crime Lab	134,871	-	-	-	-	-	134,871
Litigants	-	1,599,423	-	-	-	-	1,599,423
Advertising	20,348	19,986	-	-	-	-	40,334
Pension funds	1,672,192	-	-	-	-	-	1,672,192
Refunds	-	48,609	133,116	231,838	-	68,913	482,476
Municipalities	4,093	-	-	-	-	-	4,093
Other settlements	25	106,831	-	3,550,237	4,306	9,220	3,670,619
Total reductions	66,087,025	2,928,527	137,848	3,782,075	4,306	314,350	73,254,131
Due to Taxing Bodies and Others - End of Year	\$ 2,192,502	\$ 102,621	\$ 157,890	\$ 635	\$ -	\$ 73,581	\$ 2,527,229

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Pass-Through Grantor Number	Grant Identification Number	Federal Expenditures
U. S. Department of Justice:				
Direct Programs:				
Local Law Enforcement Block Grant	16.592	N/A	1999-LB-VX-8631	\$ 267,155
Bullet Proof Vest - FY 2001 and 2002	16.607	N/A	N/A	5,526
Safe Streets Task Force	N/A	N/A	N/A	30,457
Pass-Through Programs:				
Louisiana Commission on Law Enforcement:				
D.A.R.E Program	16.579	E02-2-003	N/A	51,345
Domestic Violence Investigation	16.588	M98-2-005	N/A	63,908
Total Expenditures of Federal Awards				\$ 418,391

See notes to Schedule of Expenditures of Federal Awards

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

General

The Schedule of Expenditures of Federal Awards presents the activity of all Federal financial assistance programs of the Ouachita Parish Sheriff. The Sheriff's reporting entity is defined in Note 1 to the Sheriff's financial statements. All Federal financial assistance received directly from Federal agencies, as well as Federal financial assistance passed through other government agencies, are included on the schedule.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Sheriff's component unit financial statements.

OTHER SUPPLEMENTAL INFORMATION

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

**Ouachita Parish Sheriff
Monroe, Louisiana**

We have audited the component unit financial statements of the Ouachita Parish Sheriff as of and for the year ended June 30, 2002 and have issued our report thereon dated November 4, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Ouachita Parish Sheriff's component unit 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as items 02-02 and 02-03.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ouachita Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 operation that we consider to be a reportable condition. 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 judgement, could adversely affect the Ouachita Parish Sheriff's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The

**Ouachita Parish Sheriff
Monroe, Louisiana**

reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 02-01, 02-02, 02-03, 02-04, and 02-05.

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 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 over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we consider item 02-02 to be a material weakness.

This report is intended solely for the information and use of the Ouachita Parish Sheriff, management of the sheriff's office, agencies granting funds to the sheriff's office and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

November 4, 2002

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

**Ouachita Parish Sheriff
Monroe, Louisiana**

Compliance

We have audited the compliance of the **Ouachita Parish Sheriff** (a component unit of the Ouachita Parish Police Jury - the Sheriff) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2002. The Sheriff's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Sheriff's management. Our responsibility is to express an opinion on the Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Sheriff's compliance with those requirements.

In our opinion, the Sheriff complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2002.

**Ouachita Parish Sheriff
Monroe, Louisiana**

Internal Control Over Compliance

Management of the Sheriff is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the Sheriff's ability to administer a major Federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 02-01F.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program 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 over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we believe item 02-01F to be a material weakness.

This report is intended for the information of management of the Sheriff, Federal awarding agencies and pass-through entities, other entities granting funds to the Sheriff and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

November 4, 2002

**OUACHITA PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

(1) The following are the applicable elements of the Summary of Auditors Results:

- i) The independent auditors' report on the component unit financial statements of the Ouachita Parish Sheriff (the Sheriff) as of and for the fiscal year ended June 30, 2002 was unqualified;
- ii) Five reportable conditions were noted in the audit of the financial statements of the Sheriff;
- iii) The audit of the financial statements disclosed two instances of noncompliance which are considered to be material to the component unit financial statements of the Sheriff;
- iv) One reportable condition in the internal control over major programs was reported in the audit of the Sheriff;
- v) The auditors' report on the Sheriff's compliance with requirements applicable to each major program was unqualified;
- vi) The audit of the Sheriff's compliance with requirements applicable to each major program did not disclose any findings required to be reported under the provisions of OMB Circular A-133 Section .510(a);
- vii) Major Federal programs for purposes of the report on compliance with the requirements applicable to each major program were the Local Law Enforcement Block Grant (CFDA 16.592);
- viii) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000; and,
- ix) The Sheriff qualified as a low-risk auditee under the provisions of OMB Circular A-133 section .530.

**OUACHITA PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

- (2) Findings related to the financial statements which are required to be reported under Government Auditing Standards.**

02-01 Inmate Fund

Finding:

Sound internal accounting controls include the regular reconciliation of subsidiary ledgers to control accounts. We determined that inmate bank account balances were not being reconciled to a listing of the funds that are being held for inmates. The bank account is reconciled to the check register monthly. The listing of inmate balances are maintained on a perpetual basis. However, there is no reconciliation of the cash in the inmate bank account to the listing of inmate balances. At July 1, 2001, there was an excess cash balance over the listing of inmate balances of \$8,739. As of June 30, 2002, this excess had increased to \$12,527. The lack of reconciling the inmate bank account with the listing of funds held for inmates can result in an inmate being given more or less funds than he is due. As a result of not performing this monthly reconciliation, unaccounted for inmate funds increased over \$3,700 for the year ended June 30, 2002.

Recommendation:

We recommend monthly reconciliations of the listings of inmates account balances to the reconciled bank balance. The reconciliation would start with beginning of the month inmates balances, adding and subtracting the various summarized charges and credits and agreeing the total to detailed inmates ending account balances. This ending inmates balance would then be reconciled to the inmate bank balance after reconciling items such as outstanding checks and deposits and unpaid amounts for Police Jury commissions and commissary purchases.

Management Corrective Action Plan:

The supervisor in charge of inmate funds accounting is evaluating the software which is currently used to operate the inmate funds accounting program. In addition, accounting staff will be trained on how to reconcile the subsidiary inmate ledgers to the control account.

02-02 General Fixed Assets (see also Finding 02-01F)

Finding:

State law and accountability for assets require an accurate listing of assets in service. During the course of our audit, we determined that the records of general fixed assets were incomplete and not current. Prior year ending balances plus additions less retirements did not agree with the

**OUACHITA PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

print out of ending balances by department. In addition, we noted that certain radio equipment, vehicles, and work release assets that were purchased during the year were not entered into the General Fixed Asset program. In accordance with La. Rev. Stat. Sec. 24:515(B)(1) records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired shall be maintained. The records shall include information as to the date of purchase, the initial cost, the disposition, if any, the purposes of such disposition, and the recipient of the property or equipment disposed of. Failure to maintain such a list increase the risk of misappropriation of assets and noncompliance with grant agreements.

Recommendation:

We recommend the Chief Financial Officer develop a system whereby fixed asset records are maintained accurately and currently. This can be accomplished by reviewing purchase orders and amounts charged to the various capital outlay general ledger accounts, periodic onsite inventories, and reviews of written reports by departments heads noting any changes to fixed assets, i.e. destruction / theft, transfers, additions. The General Fixed Assets records should be updated at the same time the transaction is recorded in the accounting records but at a minimum, should be updated no less than monthly.

Management Corrective Action Plan:

The Chief Financial Officer will review all expenditures over \$500 beginning effective July 1, 2002 and then on a monthly basis. All purchase orders will be reviewed on a weekly basis.

02-03 Budget

Finding:

Louisiana Rev. Stat. 39:1309 and 1310 state that when total actual expenditures are exceeding the total budgeted expenditures by five percent or more the chief executive or administrative officer shall advise the elected official in writing. The elected official shall then adopt a budget amendment and publish it in the official journal. Total expenditures exceeded budgeted expenditures by \$1,622,824 or 14%.

Recommendation:

We recommend that budgeted amounts be compared to actual amounts on a monthly basis by the Chief Financial Officer who should inform the sheriff in writing and the budget be amended when it is apparent that the end of the year unfavorable variance in revenues or expenditures will exceed 5% of the budgeted amounts. This will enhance the control environment in regards to compliance with laws and regulations as well increase budgetary control.

**OUACHITA PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

Management Corrective Action Plan:

Financial statements will be reviewed monthly and compared to budgeted amounts for the fiscal year by the Sheriff and the Chief Financial Officer. The budget will be timely amended if it is anticipated that there will be a 5% or more unfavorable variance in actual over budgeted revenues or expenditures.

02-04 General Ledger Accounts

Finding:

We noted that during the year, bank accounts were opened in the DARE and Work Release departments yet the account activity was not recorded in the general ledger. Unrecorded bank accounts could result in understated assets, liabilities, revenues and expenditures.

Recommendation:

We recommend all accounts of the Sheriff be on the general ledger system and if it is not practicable for the accounting department to maintain the bank account, it should at least be provided with monthly reconciliations and transaction summaries for inclusion into the general ledger.

Management Corrective Action Plan:

All bank accounts have been included in the general ledger system and the Chief Financial Officer will insure that all new bank and general ledger accounts will be included in the general ledger system.

02-05 Monthly Financial Reporting

Finding:

The Sheriff's Office general ledger accounting system categorizes detailed revenue and expenses accounts by department yet the operating budget of the office is very broad and general. Monthly financial statements are not being prepared and accordingly, year to date revenues and expenditures by department as they relate to budgeted amounts are not being reviewed and monitored. As a result, the ability to measure and administer the financial operations of the office has been severely limited.

**OUACHITA PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

Recommendation:

We recommend the preparation of a detailed budget by department. Monthly financial statements should also be prepared by the tenth of each month by the Chief Financial Officer comparing actual to budgeted amounts including detailed descriptions of variances by department which is then submitted to the Sheriff, the Chief, and the department heads for their review and follow up.

Management Corrective Action Plan:

Monthly financial statements are now prepared comparing actual to budgeted amounts by departments. The Chief will review and follow up on variances with the respective department heads.

- (3) Findings or questioned costs for Federal awards, including those specified by OMB Circular A-133.**

02-01F General Fixed Assets

Finding:

During our examination of funds accounting for grants from the Department of Justice, we noted that certain assets purchased during the year did not appear on the listing of general fixed assets. We also noted that prior year ending balances plus additions less retirements did not agree with the print out of ending balances by department. State law and accountability for assets require an accurate listing of assets in service. The records shall include information as to the date of purchase, the initial cost, the disposition, if any, the purposes of such disposition, and the recipient of the property or equipment disposed of. Failure to maintain such a list increase the risk of misappropriation of assets and noncompliance with grant agreements.

Recommendation:

We recommend the Chief Financial Officer develop a system whereby fixed asset records are maintained accurately and currently. This can be accomplished by reviewing purchase orders and amounts charged to the various capital outlay general ledger accounts, periodic onsite inventories, and reviews of written reports by departments heads noting any changes to fixed assets, i.e. destruction / theft, transfers, additions. The General Fixed Assets records should be updated at the same time the transaction is recorded in the accounting records but at a minimum, should be updated no less than monthly

**OUACHITA PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

Management's Corrective Action Plan:

The Chief Financial Officer will review all expenditures over \$500 beginning effective July 1, 2002 and then on a monthly basis. All purchase orders will be reviewed on a weekly basis. The Chief Financial Officer will review all expenditures over \$500 beginning effective July 1, 2002 and then on a monthly basis. All purchase orders will be reviewed on a weekly basis.

**OUACHITA PARISH SHERIFF
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of findings included in the Schedule of Findings and Questioned Costs and Management Letter dated December 27, 2001, issued in connection with the examination of the financial statements of the Ouachita Parish Sheriff as of and for the year ended June 30, 2001.

Schedule of Findings and Questioned Costs

There were no prior year findings and questioned costs.

Management Letter

1. Inmate Fund

Finding:

The general ledger balance was not being reconciled to a listing of the fund that are being held for inmates and staff responsible for the Inmate Fund were not being adequately trained on the software program to prepare needed accounting reports.

Status:

Spreadsheets have been developed and staff responsible for preparing reconciliations have been trained on the appropriate monthly procedures. The current accounting software for inmate accounting is being evaluated and potential alternatives are being discussed.

2. Civil Fund

Finding:

The general ledger computer program was unable to produce a detailed transaction register.

Status:

The system has been updated and now produces a detailed transaction register.

**OUACHITA PARISH SHERIFF
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

3. Unauthorized Leave

Finding:

An employee was paid for sick leave while on active duty with the United States Air Force.

Status:

Information regarding the above incident has been forwarded to the District Attorney for further action.