

3101

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUN 30 AM 10:30

OFFICIAL  
FILE COPY  
**DO NOT SEND OUT**  
[Xerox necessary  
copies from this  
copy and PLACE  
BACK IN FILE]

ANNUAL FINANCIAL REPORT  
ORLEANS PARISH CRIMINAL SHERIFF'S OFFICE  
NEW ORLEANS, LOUISIANA  
FOR THE YEAR ENDED  
DECEMBER 31, 1999

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 08-02-00

**Ericksen, Krentel, Canton & LaPorte, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS  
4227 Canal Street  
New Orleans, Louisiana 70119-5996

**TABLE OF CONTENTS**

	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
<b><u>INDEPENDENT AUDITORS' REPORT</u></b> .....		2
<b><u>GENERAL PURPOSE FINANCIAL STATEMENTS</u></b> <b><u>(COMBINED STATEMENTS - OVERVIEW)</u></b>		
Combined Balance Sheet - All Fund Types and Account Groups - December 31, 1999 .....	A	4 - 5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds - Year Ended December 31, 1999 .....	B	6 - 7
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Types - Year Ended December 31, 1999 .....	C	8 - 9
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Pension Trust Funds - Year Ended December 31, 1999 .....	D	10
Combined Statement of Cash Flows - All Proprietary Fund Types - Year Ended December 31, 1999 .....	E	11
<b><u>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</u></b> .....		12 - 25
<b><u>SUPPLEMENTAL INFORMATION</u></b>		
	<b><u>SCHEDULE</u></b>	<b><u>PAGE</u></b>
<b><u>FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS</u></b>		
Combining Balance Sheet - Proprietary Fund Types - Enterprise Funds - December 31, 1999 .....	A-1	27
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Types - Enterprise Funds - Year Ended December 31, 1999 .....	A-2	28
Combining Statement of Cash Flows - Proprietary Fund Types - Enterprise Funds - Year Ended December 31, 1999 .....	A-3	29
Combining Balance Sheet - Proprietary Fund Types - Internal Service Funds - December 31, 1999 .....	B-1	30
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Types - Internal Service Funds - Year Ended December 31, 1999 .....	B-2	31
Combining Statement of Cash Flows - Proprietary Fund Types - Internal Service Funds - Year Ended December 31, 1999 .....	B-3	32
Combining Balance Sheet - Fiduciary Fund Types - December 31, 1999 .....	C-1	33 - 34
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Expendable Trust Funds - Year Ended December 31, 1999 .....	C-2	35
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Pension Trust Funds - Year Ended December 31, 1999 .....	D-1	36
Combining Statement of Cash Flows - Pension Trust Funds - Year ended December 31, 1999 .....	D-2	37
Schedule of Expenditures of Federal Financial Awards .....	1	38

# Ericksen, Krentel, Canton & LaPorte, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET  
TELEPHONE (504) 486-7275

NEW ORLEANS, LOUISIANA 70119-5996

FAX (504) 482-2516 E-Mail ekcl@ekclcpa.com

FABIO J. CANTON\*  
JAMES E. LAPORTE\*  
RICHARD G. MUELLER  
RONALD H. DAWSON, JR.\*  
KEVIN M. NEYREY  
CLAUDE M. SILVERMAN\*  
KENNETH J. ABNEY\*  
W. ERIC POWERS

\*PROFESSIONAL CORPORATION

BENJAMIN J. ERICKSEN (Retired 1998)  
J.V. LECLERE KRENTEL (Retired 1993)  
RONALD H. ACKERMANN (Retired 1995)

## INDEPENDENT AUDITORS' REPORT

Charles C. Foti, Jr.  
Orleans Parish Criminal Sheriff  
2800 Gravier Street  
New Orleans, Louisiana 70119

We have audited the accompanying general purpose financial statements of the Orleans Parish Criminal Sheriff's Office, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Orleans Parish Criminal Sheriff's Office's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the *Louisiana Governmental Audit Guide*, 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Orleans Parish Criminal Sheriff's Office, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules 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 Orleans Parish Criminal Sheriff's Office. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the Orleans Parish Criminal Sheriff's Office. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2000, on our consideration of the Orleans Parish Criminal Sheriff's Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

May 30, 2000

*Ericksen, Krentel, Canton & LaPorte* JSI

Certified Public Accountants

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

Orleans Parish Criminal Sheriff's Office

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1999

	Governmental Funds	
	General Fund	Debt Service
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 2,764,321	\$ 198,198
Receivables:		
Inmate housing	11,551,924	-
Grants	73,492	-
Ad valorem taxes	-	14,642
Interest receivable	5	49,829
Interfund receivables	381,369	-
Other receivables	415,527	-
Prepaid pension contributions	690,649	-
Prepaid expenses	517,500	132,276
Inventory	447,599	-
Fixed assets (Note 5)	-	-
Investments (Note 4)	135,314	5,670,398
Loans outstanding	-	-
Deposits	-	-
Other debits:		
Amount available in debt service funds	-	-
Amount to be provided for retirement of general long-term debt	-	-
Total assets and other debits	<u>\$ 16,977,700</u>	<u>\$ 6,065,343</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 2,139,664	\$ -
Interfund payables	425,646	34,840
Claims and judgments	-	-
Accrued annual and sick leave (Note 1)	1,237,711	-
Other liabilities	95,735	-
Prepaid pension contributions	-	-
General obligation bonds	-	-
Total liabilities	<u>3,898,756</u>	<u>34,840</u>
<b><u>FUND EQUITY:</u></b>		
Investment in general fixed assets	-	-
Retained earnings:		
Reserved for claims and judgments	-	-
Reserved for inventory	447,599	-
Unreserved	-	-
Fund balances:		
Reserved for encumbrances (Note 1)	3,480,860	-
Reserved for credit union	-	-
Reserved for employee pension	690,649	-
Reserved for debt service	-	6,030,503
Reserved for prepaid expenses	517,500	-
Other reserves (Note 1)	-	-
Unreserved:		
Designated for capital improvements	7,942,336	-
Total fund equity	<u>13,078,944</u>	<u>6,030,503</u>
Total liabilities and fund equity	<u>\$ 16,977,700</u>	<u>\$ 6,065,343</u>

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS



COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1999

Proprietary Funds		Fiduciary Funds	Account Groups		Totals
Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Debt	Memorandum Only
\$ 353,283	\$ 5,501	\$ 1,608,941	\$ -	\$ -	\$ 4,930,244
-	-	-	-	-	11,551,924
-	-	-	-	-	73,492
-	-	-	-	-	14,642
53	120,592	162,934	-	-	333,413
115	422,261	3,271	-	-	807,016
-	200	-	-	-	415,727
-	-	-	-	-	690,649
-	-	-	-	-	649,776
84,607	-	-	-	-	532,206
-	-	-	80,081,959	-	80,081,959
-	17,050,765	15,743,562	-	-	38,600,039
-	-	1,739,527	-	-	1,739,527
-	-	23,160	-	-	23,160
-	-	-	-	6,065,343	6,065,343
-	-	-	-	20,134,657	20,134,657
<u>\$ 438,058</u>	<u>\$ 17,599,319</u>	<u>\$ 19,281,395</u>	<u>\$ 80,081,959</u>	<u>\$ 26,200,000</u>	<u>\$ 166,643,774</u>
\$ 3,750	\$ -	\$ -	\$ -	\$ -	\$ 2,143,414
131,540	-	214,990	-	-	807,016
-	15,300,000	-	-	-	15,300,000
-	-	-	-	-	1,237,711
-	-	2,831,513	-	-	2,927,248
-	-	690,649	-	-	690,649
-	-	-	-	26,200,000	26,200,000
<u>135,290</u>	<u>15,300,000</u>	<u>3,737,152</u>	<u>-</u>	<u>26,200,000</u>	<u>49,306,038</u>
-	-	-	80,081,959	-	80,081,959
-	2,213,533	-	-	-	2,213,533
84,607	-	-	-	-	532,206
218,161	85,786	-	-	-	303,947
-	-	-	-	-	3,480,860
-	-	1,480,376	-	-	1,480,376
-	-	5,371,327	-	-	6,061,976
-	-	-	-	-	6,030,503
-	-	-	-	-	517,500
-	-	744,025	-	-	744,025
-	-	7,948,515	-	-	15,890,851
<u>302,768</u>	<u>2,299,319</u>	<u>15,544,243</u>	<u>80,081,959</u>	<u>-</u>	<u>117,337,736</u>
<u>\$ 438,058</u>	<u>\$ 17,599,319</u>	<u>\$ 19,281,395</u>	<u>\$ 80,081,959</u>	<u>\$ 26,200,000</u>	<u>\$ 166,643,774</u>

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
AND EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types
	General Fund
<b>REVENUES:</b>	
Inmate housing:	
City charges	\$ 29,342,646
Department of Corrections charges	25,424,032
Federal charges	4,445,263
Interest income	453,339
On-behalf payments	1,000,000
Dining and vending income (net)	23,087
Other income	2,400,803
State pay	1,317,854
Federal grants	609,887
Restitution/administration	247,368
Release processing fees	411,802
Ad valorem tax revenue	-
Total revenues	65,676,081
<b>EXPENDITURES:</b>	
Central services	4,475,542
Court services	2,506,694
Security services	18,064,503
Administrative services	2,583,624
Records and booking	5,041,795
Inmate services	19,085,603
Grants and special programs	870,955
Miscellaneous	-
Plant and maintenance	15,402,127
Debt retirement	-
Interest payments	-
Capital outlays	-
Total expenditures	68,030,843
Excess (deficit) of revenues over expenditures	(2,354,762)
<b>OTHER FINANCING SOURCES (USES):</b>	
Operating transfers in	481,551
Operating transfers (out)	(572,470)
Disaster assistance for flood expenditures	533,091
Proceeds from sale of assets	-
Total other financing sources (uses)	442,172
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,912,590)
<b>FUND BALANCE, BEGINNING</b>	14,572,507
Increase in reserve for prepaid pension contributions due to current year forfeitures	419,027
<b>FUND BALANCE, ENDING</b>	\$ 13,078,944

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
AND EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999

Governmental Fund Types		Fiduciary Fund Types	Totals
Capital Projects	Debt Service	Expendable Trust	Memorandum Only
\$ -	\$ -	\$ -	\$ 29,342,646
-	-	-	25,424,032
-	-	-	4,445,263
-	279,736	420,931	1,154,006
-	-	-	1,000,000
-	-	-	23,087
-	32,506	22,892	2,456,201
-	-	-	1,317,854
-	-	-	609,887
-	-	-	247,368
-	-	-	411,802
-	4,332,638	-	4,332,638
-	4,644,880	443,823	70,764,784
-	-	-	4,475,542
-	-	-	2,506,694
-	-	-	18,064,503
-	-	-	2,583,624
-	-	-	5,041,795
-	-	-	19,085,603
-	-	-	870,955
-	18,464	221,057	239,521
-	-	-	15,402,127
-	1,740,000	-	1,740,000
-	1,308,791	-	1,308,791
572,470	-	-	572,470
572,470	3,067,255	221,057	71,891,625
(572,470)	1,577,625	222,766	(1,126,841)
572,470	-	-	1,054,021
-	-	-	(572,470)
-	-	-	533,091
-	-	-	-
572,470	-	-	1,014,642
-	1,577,625	222,766	(112,199)
-	4,452,878	2,011,795	21,037,180
-	-	-	419,027
\$ -	\$ 6,030,503	\$ 2,234,561	\$ 21,344,008

See accompanying NOTES TO FINANCIAL STATEMENTS



Orleans Parish Criminal Sheriff's Office

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Inmate housing:			
City charges	\$ 33,548,513	\$ 29,342,646	\$ (4,205,867)
Department of corrections charges	18,702,600	25,424,032	6,721,432
Federal charges	8,294,625	4,445,263	(3,849,362)
Interest income	625,000	453,339	(171,661)
On-behalf payments	-	1,000,000	1,000,000
Dining and vending income (net)	22,000	23,087	1,087
Other	2,340,000	2,400,803	60,803
State pay	1,300,000	1,317,854	17,854
Federal grants	800,000	609,887	(190,113)
Restitution/administration	62,500	247,368	184,868
Release processing fees	270,000	411,802	141,802
Ad valorem tax revenue	-	-	-
Total revenues	<u>65,965,238</u>	<u>65,676,081</u>	<u>(289,157)</u>
<b>EXPENDITURES:</b>			
Central services	3,965,457	4,475,542	(510,085)
Court services	2,147,732	2,506,694	(358,962)
Security services	18,757,833	18,064,503	693,330
Administrative services	1,902,631	2,583,624	(680,993)
Records and booking	3,516,636	5,041,795	(1,525,159)
Inmate services	16,890,702	19,085,603	(2,194,901)
Grants and special programs	696,605	870,955	(174,350)
Miscellaneous	-	-	-
Plant and maintenance	18,712,642	15,402,127	3,310,515
Debt retirement	-	-	-
Interest payments	-	-	-
Total expenditures	<u>66,590,238</u>	<u>68,030,843</u>	<u>(1,440,605)</u>
Excess (deficiency) of revenues over expenditures	(625,000)	(2,354,762)	(1,729,762)
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	625,000	481,551	(143,449)
Operating transfers (out)	-	(572,470)	(572,470)
Disaster assistance of flood expenditures	-	533,091	533,091
Proceeds from sale of assets	-	-	-
Total other financing sources (uses)	<u>625,000</u>	<u>442,172</u>	<u>(182,828)</u>
Excess of revenues and other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>(1,912,590)</u>	<u>\$ (1,912,590)</u>
<b>FUND BALANCE, BEGINNING</b>		14,572,507	
Increase in reserve for prepaid pension contributions due to current year forfeitures		<u>419,027</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ 13,078,944</u>	

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS



COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS/FUND BALANCES - ALL PROPRIETARY FUND TYPES  
AND PENSION TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Types		Fiduciary Fund Types	Totals
	Enterprise	Internal Service	Pension Trust	Memorandum Only
<b>REVENUES:</b>				
Commissary (net)	\$ 503,542	\$ -	\$ -	\$ 503,542
Fines and costs (net)	-	28,594	-	28,594
Interest income	15,475	905,766	784,024	1,705,265
Insurance revenues	-	3,563,574	-	3,563,574
Pension contributions	-	-	721,414	721,414
Realized (losses) on investment sales	-	(264,064)	(876)	(264,940)
Unrealized (losses) on investments	-	-	(364,758)	(364,758)
Community services (net)	(3,557)	-	-	(3,557)
Ft. McComb Marina	15,000	-	-	15,000
<b>Total revenues</b>	<b>530,460</b>	<b>4,233,870</b>	<b>1,139,804</b>	<b>5,904,134</b>
<b>EXPENSES:</b>				
Claims and judgments	-	5,711,972	-	5,711,972
Trustee fees	-	34,008	55,463	89,471
Pension payments	-	-	1,851,905	1,851,905
Miscellaneous	51,681	2,626	-	54,307
<b>Total expenses</b>	<b>51,681</b>	<b>5,748,606</b>	<b>1,907,368</b>	<b>7,707,655</b>
Net income before other financing (uses)	478,779	(1,514,736)	(767,564)	(1,803,521)
<b>OTHER FINANCING (USES):</b>				
Operating transfers out	(474,875)	(6,676)	-	(481,551)
<b>Total other financing (uses)</b>	<b>(474,875)</b>	<b>(6,676)</b>	<b>-</b>	<b>(481,551)</b>
Net income (loss)	3,904	(1,521,412)	(767,564)	(2,285,072)
<b>RETAINED EARNINGS/FUND BALANCE, BEGINNING</b>	<b>298,864</b>	<b>3,820,731</b>	<b>14,077,246</b>	<b>18,196,841</b>
<b>RETAINED EARNINGS/FUND BALANCE, ENDING</b>	<b>\$ 302,768</b>	<b>\$ 2,299,319</b>	<b>\$ 13,309,682</b>	<b>\$ 15,911,769</b>

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	Memorandum Only
<b><u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u></b>			
Net income (loss)	\$ 3,904	\$ (1,521,412)	\$ (1,517,508)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Losses on investment sales	-	264,064	264,064
Changes in assets and liabilities:			
(Increase) decrease in interest receivable	(53)	23,341	23,288
(Increase) in inventory	(12,780)	-	(12,780)
(Increase) in interfund receivable	-	(370,751)	(370,751)
(Increase) in other receivables	-	(200)	(200)
Increase in accrued expenses	3,750	-	3,750
Increase in interfund payables	36,066	-	36,066
Increase in claims and judgments	-	1,800,000	1,800,000
Net cash from operating activities	<u>30,887</u>	<u>195,042</u>	<u>225,929</u>
<b><u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u></b>			
Proceeds from sale of investments	-	13,667,947	13,667,947
Purchase of investments	-	(13,865,815)	(13,865,815)
Net cash from (used for) investing activities	<u>-</u>	<u>(197,868)</u>	<u>(197,868)</u>
Net increase (decrease) in cash and cash equivalents	30,887	(2,826)	28,061
Cash and cash equivalents, beginning of year	<u>322,396</u>	<u>8,327</u>	<u>330,723</u>
Cash and cash equivalents, end of year	<u>\$ 353,283</u>	<u>\$ 5,501</u>	<u>\$ 358,784</u>

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS



NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Organization

The Orleans Parish Criminal Sheriff's Office (OPCSO) was created by the Louisiana Constitution of 1921, Article 7, Section 89. The Criminal Sheriff is elected by qualified electors every four years. The Criminal Sheriff is in charge of the direction and supervision of all deputy criminal sheriffs who possess all of the powers and authority granted by law to the Sheriff.

Among the powers of the Criminal Sheriff are the keeping of the jails, the preservation of the peace and the apprehension of disturbers of the peace and other public offenders. The Criminal Sheriff is the executive officer of the Criminal District Courts and has the authority to serve citations, summons, subpoenas, notices and other process, and shall execute writs, mandates, orders, and judgments directed to him by the Criminal District Courts.

On July 28, 1989, the Orleans Parish Law Enforcement District (OPLLED) was created by Act No. 20 of the 1989 Second Extraordinary Session of the Louisiana Legislature, which Act amended Chapter 26 of Title 33 of the Louisiana Revised Statutes. The Criminal Sheriff of the parish of Orleans is the Chief Ex-Officio Executive Officer of the District. The purpose of the District is to provide financing for the Criminal Sheriff through the levying and collection of tax millages. The proceeds of these tax revenues may be used to fund the operations of the Criminal Sheriff's Office or fund the repayment of debt.

Reporting Entity

The Orleans Parish Criminal Sheriff's Office is a "primary government" as defined in GASB pronouncements since the Office is a government, created by State statute, that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in generally accepted accounting principles. The basic, but not the only, criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following component units are included within the reporting entity:

- 1) Orleans Parish Law Enforcement District
- 2) Orleans Parish Criminal Sheriff's Office Credit Union

Separate financial reports for these component units containing more detailed financial information are available from the Orleans Parish Criminal Sheriff's Office.



NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Fund Accounting

The accounts of the Orleans Parish Criminal Sheriff's Office are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. The Orleans Parish Criminal Sheriff's Office's activities are accounted for in individual funds based upon the specific revenue source and the means by which spending activities are controlled. The following funds and account groups are used by OPCS0:

Governmental Fund Types:

General Fund

The General Fund is the general operating fund of the OPCS0. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Trust Funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including principal, interest and related costs of the OPLED.

The District's ad valorem property tax is levied each January 1, by the City of New Orleans, on the assessed value for all real property located in the City. The City collects the property tax and remits amounts as collected to the OPLED.

The OPLED debt service fund receives taxes that have been levied on real property in Orleans Parish, Louisiana. The taxes are collected by the City of New Orleans and then remitted to OPLED. The taxes are levied on January 1 of the assessment year based upon the assessed value as of the prior August 15. Taxes are due and payable on January 1, the date on which an enforceable lien attaches on the property, and are delinquent on February 1.

Proprietary Fund Types:

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds

These funds are used to account for services provided by one governmental department to another on a user charge basis.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Fiduciary Fund Types:

Trust and Agency Funds

Trust and agency funds are used to account for assets held by the OPCSO in a trustee capacity or as an agent for individuals, organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

General Fixed Assets and General Long-Term Debt Account Groups:

General Fixed Assets

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from government funds, and for those long-term liabilities to be liquidated with resources to be provided in future periods.

Basis of Accounting

The accounting and 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 of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", it is policy of the Office's proprietary funds to apply all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements, interpretations, accounting principles board opinions and accounting research bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Basis of Accounting (Continued)**

The modified accrual basis of accounting is used by all governmental fund types and agency funds. 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. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgetary Data**

The Office is required by state law to adopt annual budgets for the General Fund and Debt Service Fund. Each budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to December 1 the Office prepares a budget for the next succeeding fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted, after proper official public notification, to obtain taxpayer comment.
3. Prior to December 15 the budget is legally enacted through passage of a resolution by the Sheriff.

**Cash and Certificates of Deposit**

The Office is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. The Office may also invest in time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

At December 31, 1999, the carrying amount of the Office's deposits was \$4,930,244 and the bank balance was \$8,626,508. Of the bank balances, \$8,262,866 required deposit insurance or collateralization, of which \$400,000 was covered by federal depository insurance and \$7,862,866 was covered by collateral held by the pledging institutions' agent in the Office's name.

**Investments**

The Office is authorized under state law to invest in United States bonds, treasury notes, and other federally insured investments.



NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Investments (Continued)

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are stated at fair value as determined by quoted market prices; except that short-term, highly liquid investments that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost.

Inventories

Inventories in the General Fund consist of expendable supplies and food items held for consumption and are carried at weighted average cost. The weighted average cost is recorded as an expenditure at the time of consumption. Inventories reported in the General Fund are offset by a fund balance reserve which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets. Although a reservation of fund balance is not required under the consumption method, this reservation is shown for management purposes only. The inventories in the Proprietary Funds consist of snacks and personal items held for resale to inmates and are recorded at cost (first-in, first-out).

Fixed Assets

During 1983, the OPCSO established a general fixed asset account group for reporting purposes. Generally accepted accounting principles require that the assets making up such an account group be valued at historical cost or estimated historical cost. Due to the difficulty of obtaining accurate historical cost data for many assets or of estimating the historical costs of such assets, the Office chose to value those assets where cost data was not available at estimated current values.

The basis used in estimating current values for financial reporting purposes is estimated current replacement cost less a factor relating to the remaining useful life of the asset. This method was used for all assets without historical cost data, except for automobiles, which were valued at current published loan values.

All fixed assets acquired since 1983 are valued at historical cost.

Accrued Annual and Sick Leave

Vacation (annual leave) and sick pay (sick leave) are accrued at year end according to current wage rates and leave policy. At December 31, 1999, employees of the Orleans Parish Criminal Sheriff's Office had accumulated and vested \$1,237,711 in leave privileges. This amount has been recorded as a current liability in the General Fund as it is expected to be paid with resources currently available.

Reserves

Reserve for Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 1999

**(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(CONTINUED)

**Other Reserves**

**Enterprise Fund**

In compliance with Section 33:1527 of the Revised Louisiana Statutes, the retained earnings contained in the Enterprise Funds are restricted and therefore reserved for use as follows:..."Such funds should be expended solely for the operations, security and maintenance of the office of the Criminal Sheriff of the Parish of Orleans and to assist in the rehabilitation of the inmates of the Orleans Parish Prison."

**Elderly Victim Fund**

All funds of the Elderly Victim program have been reserved for payment of services to those individuals who qualify to receive assistance for loss, damages or injuries suffered from criminal actions.

**Total Columns on Combined Statements - Overview**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Statement of Cash Flows**

For the purposes of the Statement of Cash Flows, the Office considers demand deposits, certificates of deposit and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Use of Estimates**

The Office uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were used.

**(2) RECEIVABLES**

The Office is authorized under state law to house inmates for Municipal, State, and Federal agencies. In accordance with contracts between the Office and these agencies, the Office bills the agencies a per diem amount for the housing of inmates. Receivables due from these agencies, for the housing of inmates, at December 31, 1999 are as follows:

City of New Orleans	\$	8,255,196
State of Louisiana		2,315,294
Federal Agencies		<u>981,434</u>
	\$	<u>11,551,924</u>



**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**(3) INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables at December 31, 1999 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 381,369	\$ 425,646
Self Insurance Fund	342,156	-
Ft. McComb Marina Enterprise Fund	-	125,666
Community Service Enterprise Fund	115	5,874
Fines and Fees Internal Service Fund	80,105	-
Criminal Justice Agency Fund	-	100
Property Room Agency Fund	-	214,890
Debt Service	-	34,840
Elderly Victim Expendable Trust Fund	<u>3,271</u>	<u>-</u>
	<u>\$ 807,016</u>	<u>\$ 807,016</u>

**(4) INVESTMENTS**

Investments of Orleans Parish Criminal Sheriff at December 31, 1999 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Fund</u>
<u>L.a. Asset Management Pool:</u>			
Held by OPCSO's agent in OPCSO's name	\$ 135,314	\$ 135,314	General
Total L.a. Asset Management Pool	<u>\$ 135,314</u>	<u>\$ 135,314</u>	
<u>U.S. Treasury Bills:</u>			
Held by OPCSO's Credit Union's agent in Credit Union's name	\$ 297,150	\$ 297,062	Expendable Trust
Total U.S. Treasury Bills	<u>\$ 297,150</u>	<u>\$ 297,062</u>	
<u>U.S. Treasury Notes:</u>			
Held by OPCSO's Employee's Retirement Plan agent's trust department in the Plan's name	\$ 7,184,442	\$ 7,184,442	Pension Trust
Held by OPCSO's agent in OPCSO's name	<u>8,805,714</u>	<u>8,805,714</u>	Internal Service
Total U.S. Treasury Notes	<u>\$ 15,990,156</u>	<u>\$ 15,990,156</u>	
<u>Fidelity U.S. Treasury Portfolio II Fund:</u>			
Held by OPCSO's Employee's Retirement Plan agent's trust department in the Plan's name	\$ 2,383,398	\$ 2,383,398	Pension Trust
Held by OPCSO's agent in OPCSO's name	<u>674,947</u>	<u>674,947</u>	Internal Service
Total Fidelity U.S. Treasury Portfolio Fund	<u>\$ 3,058,345</u>	<u>\$ 3,058,345</u>	

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**(4) INVESTMENTS (CONTINUED)**

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Fund</u>
<u>Federal Home Loan Mortgage Note:</u>			
Held by OPCSO's Credit Union's agent in Credit Union's name	\$ 482,684	\$ 480,717	Expendable Trust
Total Federal Home Loan Mortgage Notes	<u>\$ 482,684</u>	<u>\$ 480,717</u>	
<u>Federal Home Loan Bank Discount Notes:</u>			
Held by OPLED's agent in OPLED's name	\$ 3,772,825	\$ 3,796,228	Debt Service
Held by OPCSO's Credit Union's agent in Credit Union's name	<u>678,122</u>	<u>676,726</u>	Expendable Trust
Total Federal Home Loan Bank Discount Notes	<u>\$ 4,450,947</u>	<u>\$ 4,472,954</u>	
<u>Federal National Mortgage Notes:</u>			
Held by OPCSO's Employee's Retirement Plan agent's trust department in the Plan's name	\$ 1,246,250	\$ 1,246,250	Pension Trust
Held by OPCSO's agent in OPCSO's name	987,800	987,800	Internal Service
Held by OPLED's agent in OPLED's name	<u>1,897,572</u>	<u>1,901,875</u>	Debt Service
Total Federal National Mortgage Discount Notes	<u>\$ 4,131,622</u>	<u>\$ 4,135,925</u>	
<u>FNMA Pass-thru Issues:</u>			
Held by OPCSO Employee's Retirement Plan agent's trust department in the Plan's name	\$ 2,411,452	\$ 2,411,452	Pension Trust
Total FNMA Pass-thru Issues	<u>\$ 2,411,452</u>	<u>\$ 2,411,425</u>	
<u>Federal Farm Credit Bank Bonds:</u>			
Held by OPCSO's agent in OPCSO's name	\$ 6,582,305	\$ 6,582,305	Internal Service
Held by OPCSO's Credit Union's agent in Credit Union's name	<u>473,504</u>	<u>473,502</u>	Expendable Trust
Total Federal Farm Credit Bank Bonds	<u>\$ 7,055,809</u>	<u>\$ 7,055,807</u>	
<u>Other Pass-thru Issues:</u>			
Held by OPCSO Employee's Retirement Plan agent's trust department in the Plan's name	\$ 586,560	\$ 586,560	Pension Trust
Total Other Pass-thru Issues	<u>\$ 586,560</u>	<u>\$ 586,560</u>	
Total investments	<u>\$ 38,600,039</u>	<u>\$ 38,624,265</u>	

The La. Asset Management Pool is a state sponsored external investment pool.

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**(5) CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	December 31, 1998	Additions	Removals	December 31, 1999
Buildings and improvements	\$ 56,579,605	\$ 4,022,707	\$ -	\$ 60,602,312
Maintenance Equipment	3,472,261	17,536	-	3,489,797
Office Furniture and Equipment	7,090,404	1,549,697	-	8,640,101
Vehicles	4,438,436	915,194	-	5,353,630
Construction in progress	724,912	1,996,119	(724,912)	1,996,119
<b>Total general fixed assets</b>	<b>\$ 72,305,618</b>	<b>\$ 8,501,253</b>	<b>\$ (724,912)</b>	<b>\$ 80,081,959</b>

**(6) GENERAL LONG-TERM DEBT**

A summary of general long-term debt is as follows:

<u>Description</u>	Balance at December 31, 1998	Issued	Retired	Balance at December 31, 1999
General Obligation Bonds: \$34,000,000 originally issued with interest rate ranging from 6.9% to 10.0%, maturing May 1, 1998 through May 1, 2000	\$ 2,975,000	\$ -	\$ 1,435,000	\$ 1,540,000
General Obligation Refunding Bonds: \$25,255,000 originally issued with interest rate ranging from 3.85% to 4.95%, maturing May 1, 1998 through May 1, 2010	24,965,000	-	305,000	24,660,000
	<b>\$ 27,940,000</b>	<b>\$ -</b>	<b>\$ 1,740,000</b>	<b>\$ 26,200,000</b>

Following is a summary of bond principal and interest maturities:

<u>Year Ending</u>	Principal	Interest	Total
2000	1,855,000	1,180,025	3,035,025
2001	1,960,000	1,078,017	3,038,017
2002	2,050,000	991,780	3,041,780
2003	2,145,000	900,539	3,045,539
2004	2,240,000	700,743	2,940,743
Thereafter	15,950,000	2,511,975	18,461,975
<b>Outstanding principal</b>	<b>\$ 26,200,000</b>	<b>\$ 7,363,079</b>	<b>\$ 33,563,079</b>

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**(6) GENERAL LONG-TERM DEBT (CONTINUED)**

During 1997, OPCSO entered into a partial advance refunding transaction whereby it issued General Obligation Refunding Bonds to effect early retirement of certain General Obligation Bonds. The net proceeds of these refunding bonds were placed in an irrevocable escrow account and invested in U. S. Treasury obligations that together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest on the refunded bonds. Accordingly, the escrow accounts and the refundable bonds are no longer included on OPCSO's combined balance sheet. This advance refunding was undertaken to reduce total debt service payments over the next thirteen years by \$2,961,955 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$2,205,797.

General obligation bonds of OPCSO are reflected in the General Long-Term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Of the general obligation bonds authorized by the voters, none remain unissued.

**(7) FUND BALANCE DESIGNATIONS**

**Designated for Capital Improvements**

Due to prison population increases and the deterioration of aged jail facilities, the Orleans Parish Criminal Sheriff's Office anticipates undertaking various rehabilitation and construction projects which will not be financed with funds appropriated by the City of New Orleans. The Office has designated fund balance amounts from the following funds to ensure that such improvements will not be neglected because of a lack of available financing from the City.

Capital Expenditure Fund Balance Designation

General Fund	\$	7,886,593
Pension Trust II		<u>7,938,355</u>
		<u>\$ 15,824,948</u>

**(8) INMATE FOOD EXPENSES**

The Office has participated in the United States Department of Agriculture Food Distribution Program for the year ended December 31, 1999. The program provides food commodities to the Office to use in the preparation of meals for inmates of the Orleans Parish Prison. The value of the donated commodities was \$10,280 for the year ended December 31, 1999. These amounts are not listed as revenues or expenditures of the General Fund.

**(9) COMPENSATION OF SHERIFF**

In accordance with Louisiana Revised Statute 33:1421, the Sheriff of Orleans Parish was paid the following compensation for preserving the peace, arresting public offenders and keeping of the jail. He is also the executive officer of the district.

Salary	\$	92,520
Expense allowance		9,252

**(10) LEASES**

The Office has various operating leases for rental of equipment. The leases are on a month to month basis and the lease payments for 1999 included in expenditures in this financial statement are \$64,999.



NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

(11) EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE CITY OF NEW ORLEANS

The accompanying general purpose financial statements do not include certain portions of the Office's expenses paid directly by the City of New Orleans. These expenses include building space, utilities, office supplies, gasoline and certain major repairs among others.

Hospitalization premiums paid by the City of New Orleans, in the amount of \$1,000,000 on behalf of the Office are included in the accompanying financial statements as revenues and expenditures in the General Fund.

(12) CREDIT UNION

On June 1, 1983, a credit union was established for the benefit of the employees of Orleans Parish Criminal Sheriff's Office. As of year end, all employees could establish a savings account with the credit union.

(13) PENSION PLANS

The Orleans Parish Criminal Sheriff's Office provides pension benefits for substantially all of its full-time employees through a defined contribution pension plan and a defined benefit pension plan. All eligible employees hired before July 1, 1997 were given the option to remain in the defined contribution pension plan or participate in a new defined benefit plan. All eligible employees hired on July 1, 1997 or after, are required to participate in the new defined benefit plan.

(a) Defined Contribution Pension Plan

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate at their date of employment as long as they have attained the age of 18. The Plan requires that both the employees and the Office contribute to the plan.

The Office contributed 9% of each participating employee's wages on a monthly basis. Participating employees were required to contribute 9% of their wages. Employees may also make additional voluntary contributions to the Plan. Such additional amounts are not matched wholly or in part by the Office. The maximum contribution an employee may make, which consists of both required and voluntary amounts, is 19% of the employee's wages. Employees become partially vested in the Office's contributions (and earnings allocated to the employee's account) after completing three years of service. The vesting percentage increases annually until the employee completes seven years of service at which time they become fully vested. The unvested Office contributions and unvested interest earned by employees who separate from service of the Office are available to the Office to reduce future contribution requirements.

The Office's total payroll for the year ended December 31, 1999 was \$23,739,201. The Office's contributions were calculated using the base salary amounts of \$5,744,522. The Office made contributions in the amounts of \$517,007. Forfeitures of \$450,876 in 1999 were credited to the benefit of the employer resulting in a net employer contribution of \$66,130 for the year ended December 31, 1999. Accumulated forfeitures of \$690,649 through 1999 are available to offset future contributions. The employees contributed through payroll withholdings a total of \$655,284 for the year ended December 31, 1999, which represents both the required and additional voluntary contributions.



**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 1999

**(13) PENSION PLANS (CONTINUED)**

Effective July 1, 1997, new employees of OPCSO began enrolling in the Louisiana Sheriff's Pension and Relief Fund (the "System"). Existing employees were allowed to elect irrevocable membership in the System from July 1, 1997 through November 25, 1997. All employees of OPCSO who were participants in the Plan and who elected to join the System agreed to have their account balances transferred to the System in order to assist in the funding of their future retirement benefits. The Plan administrator transferred \$17,328,965 on behalf of approximately 375 employees to the System on November 6, 1998. An additional \$8,028,458 was transferred to the System from a pension trust fund previously established to accumulate the monies necessary to fund the actuarially determined future retirement benefits.

**(b) Defined Benefit Pension Plan**

Effective July 1, 1997, the Office contributes to the Sheriff's Pension & Relief Fund (the "System"), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. The System was established and provided for within LRS 11:2171 of the Louisiana Revised Statutes.

Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits. Both employer and employee contribution rates are approved by the Louisiana Legislature. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Sheriff's Pension & Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3163 or by calling (318) 362-3188.

In addition to ad valorem and insurance premium taxes that are remitted to the System (which constitute the major funding of the System), plan members were required by state statute to contribute 8.7% of gross salary through June 30, 1999 and are currently required to contribute 9.70% of gross salary. The Sheriff is required to contribute at an actuarially determined rate. The current employer's rate is 5% of annual covered payroll. The contributions for the year ended December 31, 1999 were as follows:

	Amount	Percent of Covered Payroll
Employee	\$ 1,640,275	9.20%
Employer	\$ 911,840	5.00%

The Office's contributions to the System for the years ending December 31, 1998 and 1997 were \$823,837 and 317,618, respectively, equal to the required contribution for each year.

**(14) CONTINGENCIES**

The Office participates in the Louisiana Sheriff's Risk Management Program (a public entity risk pool). Under this program, general/professional liability cases are covered by insurance at the rate of \$100,000 per claim, with an aggregate stop-loss in the amount of the total premium paid by the Office or \$300,000 for each loss year. Once the aggregate loss is met, the Office is completely self-insured on general/professional liability cases.

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**(14) CONTINGENCIES (CONTINUED)**

Due to instances where the Orleans Parish Criminal Sheriff's Office is unable to obtain commercial insurance at reasonable rates, it manages its risks internally and sets aside assets for claim settlements in its internal service fund, Self Insurance Fund. The fund services claims for various risks of loss to which the Office is exposed, including general liability, property and casualty, and environmental.

Self Insurance Fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The Orleans Parish Criminal Sheriff's Office is a defendant in various lawsuits pertaining to material matters. As of December 31, 1999, on the advise of legal counsel, \$15,300,000 has been accrued in the self insurance fund to fund outstanding claims. Changes in the balances of claims liabilities during the fiscal year 1999 were as follows:

<u>Fiscal Year</u>	<u>Liability at Beginning</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability at End</u>
1999	13,500,000	5,711,972	(3,911,972)	15,300,000

At December 31, 1999, Self Insurance Fund held \$17,513,533 in assets designated for payment of these claims.

**(15) ECONOMIC DEPENDENCY**

The OPCSO derives a material part of its revenues from per diem charges for the housing of federal, state, and municipal prisoners. These revenues are received from the City of New Orleans, The State of Louisiana Department of Corrections and various Federal agencies. For the year ended December 31, 1999, revenues from these sources totaled \$59,211,941.

**(16) SEGMENT INFORMATION - ENTERPRISE FUNDS**

The OPCSO maintains three enterprise funds. The Commissary sells foodstuffs and other personal items to inmates. Fort McComb Marina is operated under contract with the State of Louisiana. Revenues are derived from the rental of boat slips. The Community Service Fund derives its revenues from sales of arts and crafts. Segment information as of and for the year ended December 31, 1999 is as follows:

	<u>Commissary</u>	<u>Fort McComb Marina</u>	<u>Community Service Fund</u>	<u>Total</u>
Operating income (loss)	503,542	(21,299)	(3,464)	478,779
Operating transfers in (out)	(474,875)	-	-	(474,875)
Net income (loss)	28,667	(21,299)	(3,464)	3,904
Net working capital	84,607	221,817	(3,656)	302,768
Total assets	84,607	351,233	2,218	438,058
Total equity (accumulated deficit)	84,607	221,817	(3,656)	302,768

The accumulated deficit in the Community Service Fund as of December 31, 1999 will be eliminated next year through an operating transfer from the General Fund.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

(17) EXTRAORDINARY ITEM

During 1999, the Sheriff's Office was allocated additional disaster assistance in the amount of \$533,091 from the Federal Emergency Management Agency (FEMA) for repair and clean-up expenditures as the result of damages to several of its facilities from the May 1995 flood.

(18) CONSTRUCTION COMMITMENT - JAIL

At December 31, 1999, OPCS0 had entered into contracts totaling \$2,699,714 for the construction of a jail facility. The Office paid \$1,996,119 in contract billing during 1999. The remaining balance, \$703,595, has been included in fund balance designated for construction projects within the general fund at December 31, 1999.

**FINANCIAL STATEMENTS**  
**OF INDIVIDUAL FUNDS**

**COMBINING BALANCE SHEET  
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS  
 DECEMBER 31, 1999**

	<u>Commissary</u>	<u>Ft. McComb Marina</u>	<u>Community Service Fund</u>	<u>Totals Memorandum Only</u>
<b><u>ASSETS:</u></b>				
Cash and cash equivalents	\$ -	\$ 351,180	\$ 2,103	\$ 353,283
Interest receivable	-	53	-	53
Interfund receivables	-	-	115	115
Inventory	<u>84,607</u>	<u>-</u>	<u>-</u>	<u>84,607</u>
Total assets	<u>\$ 84,607</u>	<u>\$ 351,233</u>	<u>\$ 2,218</u>	<u>\$ 438,058</u>
<b><u>LIABILITIES:</u></b>				
Accrued expenses	\$ -	\$ 3,750	\$ -	\$ 3,750
Interfund payables	-	<u>125,666</u>	<u>5,874</u>	<u>131,540</u>
Total liabilities	<u>-</u>	<u>129,416</u>	<u>5,874</u>	<u>135,290</u>
<b><u>FUND EQUITY:</u></b>				
Retained earnings:				
Reserved for inventory	84,607	-	-	84,607
Unreserved	<u>-</u>	<u>221,817</u>	<u>(3,656)</u>	<u>218,161</u>
Total retained earnings	<u>84,607</u>	<u>221,817</u>	<u>(3,656)</u>	<u>302,768</u>
Total fund equity	<u>84,607</u>	<u>221,817</u>	<u>(3,656)</u>	<u>302,768</u>
Total liabilities and fund equity	<u>\$ 84,607</u>	<u>\$ 351,233</u>	<u>\$ 2,218</u>	<u>\$ 438,058</u>

See Auditors' Report



**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Commissary</u>	<u>Ft. McComb Marina</u>	<u>Community Service Fund</u>	<u>Totals Memorandum Only</u>
<b><u>REVENUES:</u></b>				
Sales	\$ 2,220,783	\$ -	\$ 766	\$ 2,221,549
Less: cost of goods sold	(1,717,241)	-	(4,323)	(1,721,564)
Gross profit (loss)	503,542	-	(3,557)	499,985
Rents	-	15,000	-	15,000
Interest	-	15,382	93	15,475
Total revenue	503,542	30,382	(3,464)	530,460
<b><u>EXPENSES:</u></b>				
Miscellaneous	-	51,681	-	51,681
Total expenses	-	51,681	-	51,681
Net income before other financing (uses)	503,542	(21,299)	(3,464)	478,779
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers (out)	(474,875)	-	-	(474,875)
Total other financing sources (uses)	(474,875)	-	-	(474,875)
Net income (loss)	28,667	(21,299)	(3,464)	3,904
<b><u>RETAINED EARNINGS, BEGINNING</u></b>	55,940	243,116	(192)	298,864
<b><u>RETAINED EARNINGS, ENDING</u></b>	<u>\$ 84,607</u>	<u>\$ 221,817</u>	<u>\$ (3,656)</u>	<u>\$ 302,768</u>

**Note:** The General Fund of the Orleans Parish Criminal Sheriff's Office has borne certain operating expenses normally associated with providing the services offered by these enterprise funds. Among those expenses are facility costs and insurance expenses.

See Auditors' Report

**COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Commissary</u>	<u>Ft. McComb Marina</u>	<u>Community Service Fund</u>	<u>Totals Memorandum Only</u>
<b>CASH FLOWS FROM (USED FOR)</b>				
<b>OPERATING ACTIVITIES:</b>				
Net income (loss)	\$ 28,667	\$ (21,299)	\$ (3,464)	\$ 3,904
Adjustments to reconcile net income (loss) to net cash flows from operating activities:				
Change in assets and liabilities:				
Increase in interest receivable	-	(53)	-	(53)
Increase in inventory	(12,780)	-	-	(12,780)
Increase in accrued expenses	-	3,750	-	3,750
Increase (decrease) in interfund payables	(15,887)	47,932	4,021	36,066
Net cash from operating activities	-	30,330	557	30,887
Net increase in cash and cash equivalents	-	30,330	557	30,887
Cash and cash equivalents, beginning of year	-	320,850	1,546	322,396
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 351,180</u>	<u>\$ 2,103</u>	<u>\$ 353,283</u>

See Auditors' Report

**COMBINING BALANCE SHEET  
 PROPRIETARY FUND TYPES - INTERNAL SERVICE FUNDS  
 DECEMBER 31, 1999**

	Fines and Fees	Self- Insurance Fund	Totals  Memorandum Only
<b><u>ASSETS:</u></b>			
Cash and cash equivalents	\$ 5,481	\$ 20	\$ 5,501
Interest receivable	-	120,592	120,592
Interfund receivables	80,105	342,156	422,261
Other receivables	200	-	200
Investments	-	17,050,765	17,050,765
	\$ 85,786	\$ 17,513,533	\$ 17,599,319
<b><u>LIABILITIES:</u></b>			
Claims and judgments	\$ -	\$ 15,300,000	\$ 15,300,000
	-	15,300,000	15,300,000
<b><u>FUND EQUITY:</u></b>			
Retained earnings:			
Reserved for claims and judgments	-	2,213,533	2,213,533
Unreserved	85,786	-	85,786
	85,786	2,213,533	2,299,319
Total retained earnings	85,786	2,213,533	2,299,319
Total fund equity	85,786	2,213,533	2,299,319
Total liabilities and fund equity	\$ 85,786	\$ 17,513,533	\$ 17,599,319

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS -  
PROPRIETARY FUND TYPES - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fines and Fees	Self- Insurance Fund	Totals  Memorandum Only
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><u>REVENUES:</u></b>			
Fines and costs (net)	\$ 28,594	\$ -	\$ 28,594
Interest income	-	905,766	905,766
Insurance revenues	-	3,563,574	3,563,574
Realized (losses) on investment sales	-	(264,064)	(264,064)
	<u>28,594</u>	<u>4,205,276</u>	<u>4,233,870</u>
<b><u>EXPENSES:</u></b>			
Claims and judgments	-	5,711,972	5,711,972
Trustee fees	-	34,008	34,008
Miscellaneous	2,626	-	2,626
	<u>2,626</u>	<u>5,745,980</u>	<u>5,748,606</u>
Total expenses	2,626	5,745,980	5,748,606
Net income (loss) before other financing uses	25,968	(1,540,704)	(1,514,736)
<b><u>OTHER FINANCING USES:</u></b>			
Operating transfers out	-	(6,676)	(6,676)
Total other financing uses	-	(6,676)	(6,676)
Net income (loss)	25,968	(1,547,380)	(1,521,412)
<b><u>RETAINED EARNINGS, BEGINNING</u></b>	<u>59,818</u>	<u>3,760,913</u>	<u>3,820,731</u>
<b><u>RETAINED EARNINGS, ENDING</u></b>	<u>\$ 85,786</u>	<u>\$ 2,213,533</u>	<u>\$ 2,299,319</u>



**COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPES - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fines and Fees	Self- Insurance Fund	Totals  Memorandum Only
<b><u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u></b>			
Net income (loss)	\$ 25,968	\$ (1,547,380)	\$ (1,521,412)
Adjustments to reconcile net income (loss) to net cash flows from (used for) operating activities:			
Losses on investment sales	-	264,064	264,064
Changes in assets and liabilities:			
Decrease in interest receivable	-	23,341	23,341
Increase in interfund receivable	(28,595)	(342,156)	(370,751)
Increase in other receivables	(200)	-	(200)
Increase in claims and judgments	-	1,800,000	1,800,000
Net cash from (used for) operating activities	<u>(2,827)</u>	<u>197,869</u>	<u>195,042</u>
<b><u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u></b>			
Proceeds from sale of investments	-	13,667,947	13,667,947
Purchase of investments	-	(13,865,815)	(13,865,815)
Net cash (used for) investing activities	<u>-</u>	<u>(197,868)</u>	<u>(197,868)</u>
Net increase (decrease) in cash and cash equivalents	(2,827)	1	(2,826)
Cash and cash equivalents, beginning of year	<u>8,308</u>	<u>19</u>	<u>8,327</u>
Cash and cash equivalents, end of year	<u>\$ 5,481</u>	<u>\$ 20</u>	<u>\$ 5,501</u>

See Auditors' Report

**COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES**  
**DECEMBER 31, 1999**

	Agency Funds		Pension Trust	
	Criminal Justice	Property Room	Pension Trust I	Pension Trust II
<b>ASSETS:</b>				
Cash	\$ 100	\$ 486,340	\$ 25,406	\$ -
Interest receivable	-	-	57,956	104,867
Interfund receivables	-	-	-	-
Investments	-	-	5,978,614	7,833,488
Loans outstanding	-	-	-	-
Deposits	-	-	-	-
<b>Total assets</b>	<b>\$ 100</b>	<b>\$ 486,340</b>	<b>\$ 6,061,976</b>	<b>\$ 7,938,355</b>
<b>LIABILITIES:</b>				
Savings accounts	\$ -	\$ -	\$ -	\$ -
Due to others	-	271,450	-	-
Prepaid pension contributions	-	-	690,649	-
Interfund payables	100	214,890	-	-
<b>Total liabilities</b>	<b>100</b>	<b>486,340</b>	<b>690,649</b>	<b>-</b>
<b>FUND EQUITY:</b>				
Fund balances:				
Reserved for elderly victim	-	-	-	-
Reserved for credit union	-	-	-	-
Reserved for employee pension	-	-	5,371,327	-
Unreserved:				
Undesignated	-	-	-	-
Designated for capital improvements	-	-	-	7,938,355
<b>Total fund equity</b>	<b>-</b>	<b>-</b>	<b>5,371,327</b>	<b>7,938,355</b>
<b>Total liabilities and fund equity</b>	<b>\$ 100</b>	<b>\$ 486,340</b>	<b>\$ 6,061,976</b>	<b>\$ 7,938,355</b>

See Auditors' Report

**COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES  
DECEMBER 31, 1999**

Scholarship Fund	Expendable Trust Funds			Totals
	Elderly Victim	Benevolent Fund	Credit Union	Memorandum Only
\$ 7,559	\$ 740,643	\$ 2,601	\$ 346,292	\$ 1,608,941
-	111	-	-	162,934
-	3,271	-	-	3,271
-	-	-	1,931,460	15,743,562
-	-	-	1,739,527	1,739,527
-	-	-	23,160	23,160
<u>\$ 7,559</u>	<u>\$ 744,025</u>	<u>\$ 2,601</u>	<u>\$ 4,040,439</u>	<u>\$ 19,281,395</u>
\$ -	\$ -	\$ -	\$ 2,560,063	\$ 2,560,063
-	-	-	-	271,450
-	-	-	-	690,649
-	-	-	-	214,990
-	-	-	2,560,063	3,737,152
-	744,025	-	-	744,025
-	-	-	1,480,376	1,480,376
-	-	-	-	5,371,327
7,559	-	2,601	-	10,160
-	-	-	-	7,938,355
<u>7,559</u>	<u>744,025</u>	<u>2,601</u>	<u>1,480,376</u>	<u>15,544,243</u>
<u>\$ 7,559</u>	<u>\$ 744,025</u>	<u>\$ 2,601</u>	<u>\$ 4,040,439</u>	<u>\$ 19,281,395</u>

See Auditors' Report

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Scholarship Fund	Thanksgiving Fund	Elderly Victim	Benevolent Fund	Credit Union	Totals Memorandum Only
<b>REVENUES:</b>						
Donations	\$ 1,288	\$ -	\$ -	\$ -	\$ -	\$ 1,288
Inmate payments	-	-	6,168	-	-	6,168
Interest income	308	-	31,294	114	389,215	420,931
Fees and charges	-	-	-	-	15,436	15,436
Total revenues	<u>1,596</u>	<u>-</u>	<u>37,462</u>	<u>114</u>	<u>404,651</u>	<u>443,823</u>
<b>EXPENDITURES:</b>						
Interest	-	-	-	-	185,391	185,391
Insurance, credit reports, etc.	-	-	-	-	35,566	35,566
Miscellaneous	-	-	100	-	-	100
Total expenditures	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>220,957</u>	<u>221,057</u>
Excess of revenues over expenditures	1,596	-	37,362	114	183,694	222,766
<b>FUND BALANCE, BEGINNING</b>	<u>5,963</u>	<u>-</u>	<u>706,663</u>	<u>2,487</u>	<u>1,296,682</u>	<u>2,011,795</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 7,559</u>	<u>\$ -</u>	<u>\$ 744,025</u>	<u>\$ 2,601</u>	<u>\$ 1,480,376</u>	<u>\$ 2,234,561</u>



**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - PENSION TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Pension Trust I	Pension Trust II	Totals Memorandum Only
<b><u>REVENUES:</u></b>			
Interest income	\$ 339,847	\$ 444,177	\$ 784,024
Pension contributions	721,414	-	721,414
Realized gains (losses) on investment sales	20	(896)	(876)
Unrealized (losses) on investments	(170,272)	(194,486)	(364,758)
Total revenues	<u>891,009</u>	<u>248,795</u>	<u>1,139,804</u>
<b><u>EXPENSES:</u></b>			
Trustee fees	26,498	28,965	55,463
Pension payments	<u>1,851,905</u>	<u>-</u>	<u>1,851,905</u>
Total expenses	<u>1,878,403</u>	<u>28,965</u>	<u>1,907,368</u>
Net income (loss)	(987,394)	219,830	(767,564)
<b><u>FUND BALANCE, BEGINNING</u></b>	<u>6,358,721</u>	<u>7,718,525</u>	<u>14,077,246</u>
<b><u>FUND BALANCE, ENDING</u></b>	<u>\$ 5,371,327</u>	<u>\$ 7,938,355</u>	<u>\$ 13,309,682</u>

**COMBINING STATEMENT OF CASH FLOWS  
PENSION TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Pension Trust I	Pension Trust II	Totals
<b><u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u></b>			
Net income (loss)	\$ (987,394)	\$ 219,830	\$ (767,564)
Adjustments to reconcile net cash flows from operating activities:			
Changes in assets and liabilities:			
Decrease in interest receivable	30,498	10,140	40,638
Decrease (increase) in investments	1,020,157	(229,970)	790,187
Decrease in prepaid pension costs	(66,130)	-	(66,130)
Net cash (used for) operating activities	(2,869)	-	(2,869)
Net decrease in cash and cash equivalents	(2,869)	-	(2,869)
Cash and cash equivalents, beginning of year	28,275	-	28,275
Cash and cash equivalents, end of year	<u>\$ 25,406</u>	<u>\$ -</u>	<u>\$ 25,406</u>

See Auditors' Report

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<b><u>U.S. Department of Justice</u></b>			
National Institute of Justice Drug Use Forecasting System	16.560	94-IJ-R-014	\$ 53,319
Louisiana Commission on Law Enforcement and Administration of Criminal Justice Public Safety Partnerships and Community Policing Grant	16.710	-	<u>186,253</u>
			<u>239,572</u>
<b><u>U.S. Department of Agriculture</u></b>			
Louisiana Department of Agriculture Food Distribution	10.550	-	10,280
Louisiana Department of Education National School Lunch Program	10.555	-	232,236 *
School Breakfast Program	10.553	-	<u>138,079 *</u>
			<u>380,595</u>
			<u>\$ 620,167</u>

\* Major Program

**Notes to the Schedule of Expenditures of Federal Awards**

Note 1 - This schedule of expenditures of federal awards includes the federal grant activity of the Orleans Parish Criminal Sheriff's Office and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the general purpose financial statements.

# Ericksen, Krentel, Canton & LaPorte, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET NEW ORLEANS, LOUISIANA 70119-5996  
TELEPHONE (504) 486-7275 FAX (504) 482-2516 E-Mail ekcl@ekclcpa.com

FABIO J. CANTON\*  
JAMES E. LAPORTE\*  
RICHARD G. MUELLER  
RONALD H. DAWSON, JR.\*  
KEVIN M. NEYREY  
CLAUDE M. SILVERMAN\*  
KENNETH J. ARNEY\*  
W. ERIC POWERS

\*PROFESSIONAL CORPORATION

BENJAMIN J. ERICKSEN (Retired 1998)  
J.V. LECIERE KRENTEL (Retired 1993)  
RONALD H. ACKERMANN (Retired 1995)

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

Charles C. Foti, Jr.  
Orleans Parish Criminal Sheriff  
2800 Gravier Street  
New Orleans, Louisiana 70119

We have audited the general purpose financial statements of the Orleans Parish Criminal Sheriff's Office, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 30, 2000. 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.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Orleans Parish Criminal Sheriff's Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Orleans Parish Criminal Sheriff's Office, in a separate letter dated May 30, 2000.

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

May 30, 2000

*Ericksen, Krentel, Canton & LaPorte LLP*

Certified Public Accountants



# Ericksen, Krentel, Canton & LaPorte, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET NEW ORLEANS, LOUISIANA 70119-5996  
TELEPHONE (504) 486-7275 FAX (504) 482-2516 E-Mail ekcl@ekclcpa.com

FABIO J. CANTON\*  
JAMES E. LAPORTE\*  
RICHARD G. MUELLER  
RONALD H. DAWSON, JR.\*  
KEVIN M. NEYREY  
CLAUDE M. SILVERMAN\*  
KENNETH J. ABNEY\*  
W. ERIC POWERS

\* PROFESSIONAL CORPORATION  
BENJAMIN J. ERICKSEN (Retired 1998)  
J.V. LECIERE KRENTEL (Retired 1993)  
RONALD H. ACKERMANN (Retired 1995)

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

Charles C. Foti, Jr.  
Orleans Parish Criminal Sheriff  
2800 Gravier Street  
New Orleans, Louisiana 70119

### Compliance

We have audited the compliance of the Orleans Parish Criminal Sheriff's Office, 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 December 31, 1999. The Orleans Parish Criminal Sheriff's Office's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Orleans Parish Criminal Sheriff's Office's management. Our responsibility is to express an opinion on the Orleans Parish Criminal Sheriff's Office's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Orleans Parish Criminal Sheriff's Office'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 Orleans Parish Criminal Sheriff's Office's compliance with those requirements.

In our opinion, the Orleans Parish Criminal Sheriff's Office, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 1999.

### Internal Control Over Compliance

The management of the Orleans Parish Criminal Sheriff's Office, 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 Orleans Parish Criminal Sheriff's Office's internal control over compliance with requirements that could have a direct and material effect on its major federal programs 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.

Ericksen, Krentel, Canton & LaPorte, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Charles C. Foti, Jr.  
Orleans Parish Criminal Sheriff  
May 30, 2000  
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 its major federal programs being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

May 30, 2000

*Ericksen, Krentel, Canton & LaPorte LLP*

Certified Public Accountants

**ORLEANS PARISH CRIMINAL SHERIFF'S OFFICE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the Orleans Parish Criminal Sheriff's Office.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the general purpose financial statements of the Orleans Parish Criminal Sheriff's Office were disclosed during the audit.
4. No reportable conditions in internal control over its major programs were disclosed during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program for the Orleans Parish Criminal Sheriff's Office expresses an unqualified opinion.
6. The audit did not disclose any audit findings relating to major programs.
7. The programs tested as major programs were the National School Lunch Program (CFDA number 10.555) and the School Breakfast Program (CFDA number 10.553)
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Orleans Parish Criminal Sheriff's Office was determined to be a low risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT**

None

**Ericksen, Krentel, Canton & LaPorte**  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET  
TELEPHONE (504) 486-7275 FAX (504) 482-2516 E-Mail ekcl@ekclcpa.com

NEW ORLEANS, LOUISIANA 70119-5998

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUN 30 AM 10:30

FABIO J. CANTON\*  
JAMES E. LAPORTE\*  
RICHARD G. MUELLER  
RONALD H. DAWSON, JR.\*  
KEVIN M. NEYREY  
CLAUDE M. SILVERMAN\*  
KENNETH J. ABNEY\*  
W. ERIC POWERS

\* PROFESSIONAL CORPORATION  
BENJAMIN J. ERICKSEN (Retired 1998)  
J.V. LECLERE KRENTEL (Retired 2000)  
RONALD H. ACKERMANN (Retired)

RECEIVED  
LEGISLATIVE  
2000 JUN 30 AM

**MANAGEMENT LETTER**

May 30, 2000

Chief Michael Geerken  
Orleans Parish Criminal  
Sheriff's Office  
2800 Gravier Street  
New Orleans, Louisiana 70119

In planning and performing our audit of the financial statements of the Orleans Parish Criminal Sheriff's Office for the year ended December 31, 1999, we considered the Office's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. We previously reported on the Office's internal control structure in our report dated May 30, 2000. This letter does not affect our report dated May 30, 2000, on the general purpose financial statements of the Orleans Parish Criminal Sheriff's Office.



Chief Michael Geerken  
Orleans Parish Criminal  
Sheriff's Office  
May 30, 2000  
Page 2

The following items were noted:

1) Accounting Manual

Due to the significant changes in accounting procedures related to the new centralized Receiving and Task Tracking system we recommend that you revise/update your accounting procedures manual. We suggest that the Office update the manual by assigning specific individuals the task of revising the manual for the new and or changed procedures. We would also suggest that the Office's organization chart be reviewed during this process to make certain that any recent changes in operation are reflected therein.

2) Interim Financial Reporting - I

Upon review of the Office's interim financial statements, we noticed that a proper cutoff of accounts payable is not being achieved on a monthly basis. It appears that invoices are not being routed on a timely basis to the accounting department.

3) Interim Financial Reporting - II

Upon review of the Office's interim financial statements, we noticed that the issuances of inventory from centralized receiving are not being recorded timely.

4) Millage

We noted that excess funds have accumulated in the Debt Service Fund beyond amounts needed to pay currently maturing obligations. This excess results from the collection of delinquent taxes and changes in the property tax base from year to year, as well as from the refinancing of the bonded debt at lower interest rates. We recommend that the Office monitor the accumulation during 2000 and consider requesting a lower millage for future years until the excess amounts are used.

5) Pension II

The Pension II trust fund was established to fund a defined benefit plan to provide benefits comparable to the plans covering city and state employees. Effective July 1, 1997, the Office began participating in a cost-sharing multiple-employee pension plan and subsequently the past service costs were funded by a portion of the monies in this fund. As per the trust document, any remaining balance should be transferred back to the General fund.

*Ericksen, Krentel, Canton & LaPorte LLP*

Certified Public Accountants

# CRIMINAL SHERIFF

Parish of Orleans - State of Louisiana - New Orleans, Louisiana

CHARLES C. FOTI, JR.  
Sheriff

RECEIVED  
LEGISLATIVE AUDITOR  
2000 JUN 30 AM 10:30

## CORRECTIVE ACTION PLAN RELATIVE TO MANAGEMENT LETTER ITEMS

May 30, 2000

Louisiana Legislative Auditor

The Orleans Parish Criminal Sheriff's Office respectfully submits the following corrective action plan for the year ended December 31, 1999. This plan also provides an update on the status of items noted in the management letter for the year ended December 31, 1998.

Name and address of independent public accounting firm:

Erickson, Krentel, Canton & LaPorte, L.L.P.  
4227 Canal Street  
New Orleans, Louisiana 70119  
Contact: Ronald H. Dawson, Jr.

Audit Period: 01/01/99 to 12/31/99  
01/01/98 to 12/31/98

The items from the management letter issued for the year ended December 31, 1999 and 1998 are discussed below. The items are numbered consistently with the number assigned in the management letter.

1. **Accounting Manual**

Recommendation: The Office should complete and update its accounting procedures manual.

Current Status: We concur with the recommendation. Information needed to update the accounting manual has been compiled and is being processed. The accounting manual will be revised before the year end. We have also revised the organization chart.

2. **Interim Financial Reporting - I**

Recommendation: Establish better cutoff procedures for accounts payable for interim financial statements.

Current Status: We agree with the recommendation. New invoicing/monitoring procedures have been put into operation for maintenance expenditures which should eliminate most delays. In addition, delays in recording outstanding invoices for other areas of operation are being monitored by our controller.

3. **Interim Financial Reporting - II**

Recommendation: Record issuances of inventory on the perpetual inventory system on a timely basis.

Current Status: We agree with the recommendation. The warehouse manager was replaced and issuances of inventory are currently being recorded timely.

4. Millage

Recommendation: Consider reducing future millage requests until the fund returns to normal levels.

Current Status: We anticipate that we will reduce millages for 2001.

5. Pension II

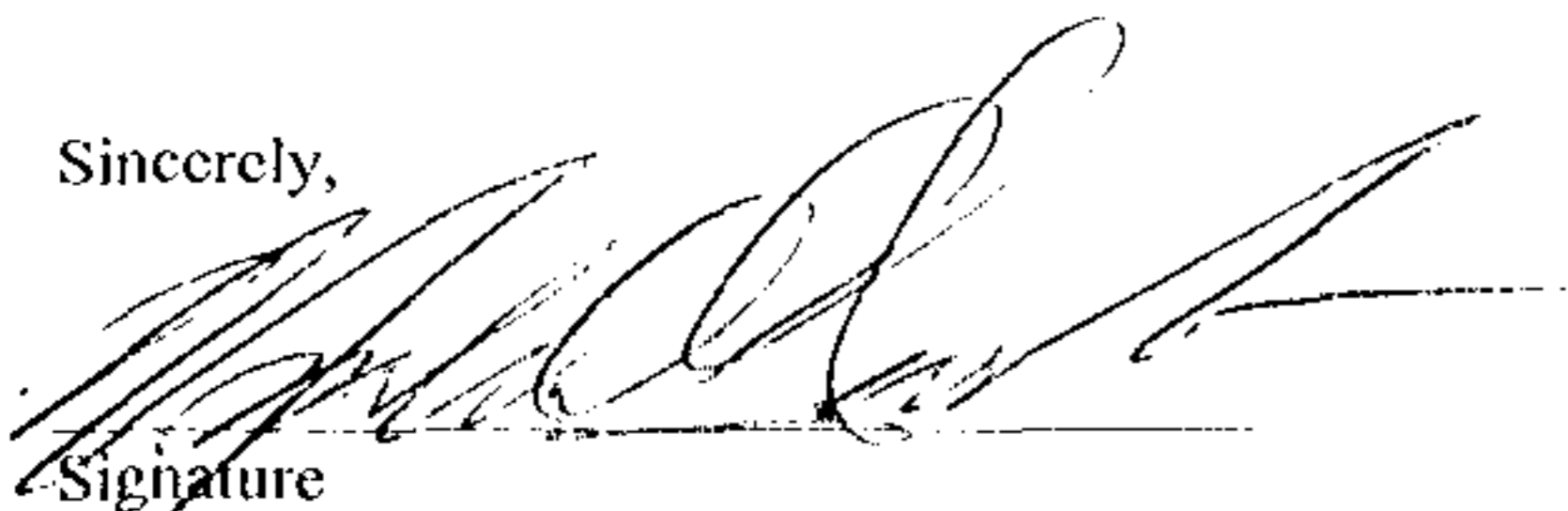
Recommendation: As per the trust agreement, transfer the monies remaining in this fund back to the General Fund.

Current Status: We concur with the recommendation and will make such transfer in the year 2000.

Finally, we hold weekly staff meetings attended by accounting, purchasing, data processing, and other department heads, chaired by the Chief Administrative Officer. These meetings serve to address problems such as those above, deal with day-to-day operational problems, coordinate ongoing projects, and make future plans.

If you have questions regarding this plan, please call Chief Michael Geerken at (504) 822-8000.

Sincerely,



Signature

Title

CAO