

OFFICIAL  
FILE COPY

DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

REPORT

ST. BERNARD PARISH SHERIFF

CHALMETTE, LOUISIANA

JUNE 30, 1999

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

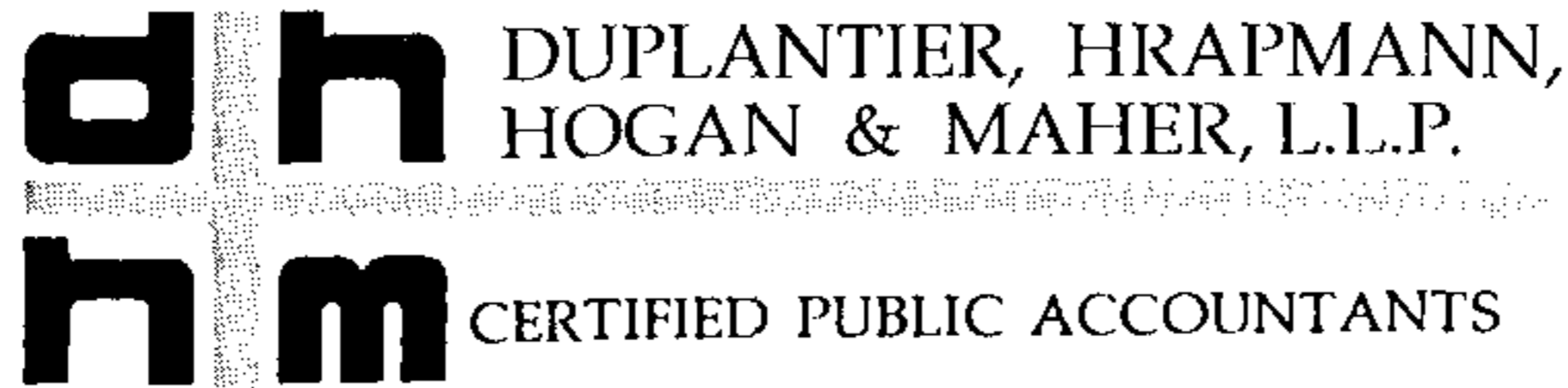
Release Date DEC 2 2 1999

ST. BERNARD PARISH SHERIFF

INDEX TO REPORT

JUNE 30, 1999

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT .....	1
GENERAL PURPOSE FINANCIAL STATEMENTS:	
All Fund Types and Account Groups	
Combined Balance Sheet .....	2
Governmental Fund - General Fund	
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	3
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget GAAP and Actual .....	4
Notes to Financial Statements .....	5 - 19
SUPPLEMENTARY INFORMATION:	
Fiduciary Funds - Agency Funds .....	20
Combining Balance Sheet .....	21
Schedule of Changes in Balances Due to Taxing Bodies and Others .....	22
Year 2000 Issue .....	23
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON A FINANCIAL STATEMENT AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....	24 - 25



MICHAEL J. O'ROURKE, C.P.A.  
WILLIAM G. STAMM, C.P.A.  
CLIFFORD J. GIFFIN, JR., C.P.A.  
DAVID A. BURGARD, C.P.A.  
LINDSAY J. CALUB, C.P.A., I.L.C.  
DAVID J. MUMFREY, C.P.A.  
GUY L. DUPLANTIER, C.P.A.  
BONNIE J. McAFEE, C.P.A.

MICHELLE H. CUNNINGHAM, C.P.A.  
KENNETH J. BROOKS, C.P.A., ASSOCIATE

1340 Poydras St., Suite 2000 • New Orleans, LA 70112  
(504) 586-8866  
FAX (504) 525-5888  
cpa@dhhmcpa.com

A.J. DUPLANTIER, JR., C.P.A.  
(1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A.  
(1919-1990)  
WILLIAM R. HOGAN, JR., C.P.A.  
(1920-1996)  
JAMES MAHER, JR., C.P.A.  
(1921-1999)

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF L.A. C.P.A.'S

## INDEPENDENT AUDITOR'S REPORT

October 7, 1999

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff  
Chalmette, Louisiana 70043

We have audited the accompanying general purpose financial statements of the St. Bernard Parish Sheriff as of and for the year ended June 30, 1999, as listed in the index to the report. These general purpose financial statements are the responsibility of the St. Bernard Parish Sheriff's office 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Bernard Parish Sheriff as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements, taken as a whole. The combining balance sheet and the schedule of changes in balances due to taxing bodies and others of the individual fiduciary fund type - agency funds and year 2000 issue are presented for purposes of additional analysis and are not a required part of the financial statements of the St. Bernard Parish Sheriff. The combining balance sheet and the schedule of changes in balances due to taxing bodies and others have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The supplemental schedule on the year 2000 issue has not been subjected to procedures applied in the audit of the general purpose financial statements and accordingly, we do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 7, 1999 on our consideration of the St. Bernard Parish Sheriff's internal control over financial reporting and on its compliance with laws and regulations.

*Duplantier, Hrapmann, Hogan & Maher LLP*

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS  
COMBINED BALANCE SHEET  
JUNE 30, 1999

	GOVERNMENTAL	FIDUCIARY	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	FUND - GENERAL FUND	FUNDS - AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
<b>ASSETS AND OTHER DEBITS</b>					
Assets:					
Cash and cash equivalents (Note 3)	\$ 1,593,894	\$ 6,088,798	\$ --	\$ --	\$ 7,682,692
Restricted cash	17,232	--	--	--	17,232
Receivables (Note 4)	1,556,351	--	--	--	1,556,351
Due from other funds (Note 5)	--	3,561	--	--	3,561
Building improvements and equipment (Note 6)	--	--	3,431,019	--	3,431,019
Other	12,472	--	--	--	12,472
Other debits:					
Amount to be provided for retirement of general long-term obligations	--	--	--	364,700	364,700
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 3,179,949</b>	<b>\$ 6,092,359</b>	<b>\$ 3,431,019</b>	<b>\$ 364,700</b>	<b>\$ 13,068,027</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
Liabilities:					
Accounts, salaries, and withholdings payable	\$ 400,843	\$ --	\$ --	\$ --	\$ 400,843
Restricted payable	17,232	--	--	--	17,232
Due to other funds (Note 5)	3,561	--	--	--	3,561
Due to taxing bodies and others	--	6,092,359	--	--	6,092,359
Capital lease obligations (Note 11)	--	--	--	364,700	364,700
<b>Total liabilities</b>	<b>421,636</b>	<b>6,092,359</b>	<b>--</b>	<b>364,700</b>	<b>6,878,695</b>
Equity and other credits:					
Investment in general fixed assets (Note 6)	--	--	3,431,019	--	3,431,019
Fund balances:					
Unreserved - undesignated	2,758,313	--	--	--	2,758,312
<b>Total equity and other credits</b>	<b>2,758,313</b>	<b>--</b>	<b>3,431,019</b>	<b>--</b>	<b>6,189,331</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 3,179,949</b>	<b>\$ 6,092,359</b>	<b>\$ 3,431,019</b>	<b>\$ 364,700</b>	<b>\$ 13,068,026</b>

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH SHERIFF  
 CHALMETTE, LOUISIANA  
 GOVERNMENTAL FUND - GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 1999

REVENUES (NOTE 1)

Taxes:	
Ad valorem	\$ 1,947,318
Sales taxes	3,330,270
Video poker	411,955
Intergovernmental revenues:	
Operating federal , state and other grants (Note 17)	381,761
Other state grants:	
State supplemental pay	605,217
State revenue sharing	329,347
Fees, charges and commissions for services:	
Commissions:	
Sales taxes, licenses, etc.	2,228,033
Prisoner care and maintenance	2,699,601
Civil and criminal fees and court costs	433,962
Interest	67,859
Other	672,286
Total revenues	<u>13,107,609</u>

EXPENDITURES (NOTE 1)

Public safety:	
Personnel services and related benefits	9,338,530
Operating services	2,099,228
Materials and supplies	655,109
Travel and other charges	36,651
Debt service	296,156
Capital outlay (Note 6)	497,763
Miscellaneous	80,864
Total expenditures	<u>13,004,301</u>

Excess of revenues over expenditures	<u>103,308</u>
--------------------------------------	----------------

Other financing sources:	
Capital leases (Note 11)	306,131
Total other financing sources	<u>306,131</u>

Excess of revenues and other financing sources over expenditures	409,439
---	---------

FUND BALANCE AT BEGINNING OF YEAR	<u>2,348,874</u>
-----------------------------------	------------------

FUND BALANCE AT END OF YEAR	<u>\$ 2,758,313</u>
-----------------------------	---------------------

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
GOVERNMENTAL FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET - GAAP AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>REVENUES</u></b>			
Taxes:			
Ad valorem	\$ 1,946,000	\$ 1,947,318	\$ 1,318
Sales taxes	3,277,000	3,330,270	53,270
Video poker	383,000	411,955	28,955
Intergovernmental revenues:			
Operating federal, state and other grants	170,000	381,761	211,761
Other state grants:			
State supplemental pay	593,000	605,217	12,217
State revenue sharing	329,000	329,347	347
Fees, charges and commissions for services:			
Commissions:			
Sales taxes, licenses, etc.	1,966,000	2,228,033	262,033
Prisoner care and maintenance	2,647,000	2,699,601	52,601
Civil and criminal fees and court costs	698,000	433,962	(264,038)
Interest	--	67,859	67,859
Other	730,134	672,286	(57,848)
Total revenues	<u>12,739,134</u>	<u>13,107,609</u>	<u>368,475</u>
<b><u>EXPENDITURES</u></b>			
Public safety:			
Personnel services and related benefits	9,085,000	9,338,530	(253,530)
Operating services	1,882,000	2,099,228	(217,228)
Material and supplies	737,000	655,109	81,891
Travel and other charges	38,000	36,651	1,349
Debt service	--	296,156	(296,156)
Capital outlay	902,036	497,763	404,273
Miscellaneous	--	80,864	(80,864)
Total expenditures	<u>12,644,036</u>	<u>13,004,301</u>	<u>(360,265)</u>
Excess of revenues over expenditures	<u>95,098</u>	<u>103,308</u>	<u>8,210</u>
Other financing sources:			
Capital leases	--	306,131	306,131
Total other financing sources	<u>--</u>	<u>306,131</u>	<u>306,131</u>
Excess of revenues and other financing sources over expenditures	<u>95,098</u>	<u>409,439</u>	<u>314,341</u>
Fund balance at beginning of year	<u>2,348,874</u>	<u>2,348,874</u>	<u>--</u>
<b>FUND BALANCE AT END OF YEAR</b>	<b><u>\$ 2,443,972</u></b>	<b><u>\$ 2,758,313</u></b>	<b><u>\$ 314,341</u></b>

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

## INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### BASIS OF PRESENTATION

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

#### REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Government is the financial reporting entity for St. Bernard Parish. The financial reporting entity consists of (a) the primary government (parish government), (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 Statement No. 14 established criteria for determining which component units should be considered part of the St. Bernard Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

REPORTING ENTITY (Continued)

- 1) Appointing a voting majority of an organization's governing body, and
  - a) the ability of the parish government 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 parish government.
- 2) Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
- 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.

For the following reasons, the St. Bernard Parish Sheriff is not considered to be a component unit of the St. Bernard Parish Government, the reporting entity:

- 1) The St. Bernard Parish Government does not have the ability to appoint or impose its will on the Sheriff.
- 2) The St. Bernard Parish Sheriff is not fiscally dependent on the parish government.
- 3) The relationship between the Sheriff and the St. Bernard Parish Government is not significant and therefore the Parish Government's financial statements are not misleading because of the exclusion of the Sheriff's financial information.

The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

FUND ACCOUNTING

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



ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING (Continued)

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

Funds of the Sheriff are classified into two categories: governmental (General Fund) and fiduciary (agency funds). These funds are described as follows:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary sources of revenue are sales taxes (see page 11) and ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on sales taxes, state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Agency Funds

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

BASIS OF ACCOUNTING

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

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF ACCOUNTING (Continued)

Revenues

Ad valorem taxes and commissions earned from the related state revenue sharing (which is based upon population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed for the calendar year and became due on November 15 of each year and delinquent on December 31. The taxes are generally collected in December of the assessed year and January and February of the ensuing year.

Sales tax revenues are recognized by the Sheriff on the accrual basis. Intergovernmental revenues, fees, commissions, and grants are recorded when the Sheriff is entitled to the funds.

Interest income on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred. Expenditures typically include salaries, office supplies and capital outlays.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received. Fixed assets acquired through capital leases or other debt are recorded as expenditures and other financing sources at the time of acquisition. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

BUDGET PRACTICES

The proposed budget for 1999 was made available for public inspection on June 5, 1998. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal thirteen days before the public hearing, which was held at the St. Bernard Parish Sheriff's office on June 30, 1998, for comments from taxpayers. The original budget was amended on May 28, 1999 and is reflected in the budget comparison on Page 4. The budget is legally adopted and amended, as necessary, by the Sheriff.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BUDGET PRACTICES (Continued)

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

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Under state law, the Sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. See note 3 for the detail on investments and collateralization.

FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish government are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Fair market value at the date of acquisition or donation is used for donated fixed assets and fixed assets when historical cost is not available. Historical cost was not available for a minor amount of fixed assets.

ST. BERNARD PARISH SHERIFF  
 CHALMETTE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

COMPENSATED ABSENCES

The Sheriff's office has the following policy relating to vacation and sick leave:

Employees earn vacation based on continuous service as follows:

<u>Time in Service</u>	<u>Vacation Earned</u>
Up to 3 years	10 days per year
4 to 10 years	15 days per year
over 10 years	20 days per year

Annual leave cannot be accumulated and must be used in the year earned.

Sick leave is earned at a rate of one day per month of service and can be accumulated up to 90 days. Sick leave is lost upon termination. The cost of current leave privileges is recognized as a current-year expenditure in the governmental fund when the leave is actually taken. At June 30, 1999, there are no accumulated and vested leave privileges to be accrued in accordance with government standards.

LONG-TERM OBLIGATIONS

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

FUND EQUITY

Reserves

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

Designated Fund Balance

Designated fund balance represents tentative plans for future use of financial resources.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

SALES TAXES

Effective January 1, 1993, the Law Enforcement District of the Parish of St. Bernard, State of Louisiana (the "District"), under the provisions of Article VI, Section 30 of the Constitution of the State of Louisiana of 1974, Chapter 26 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, was authorized to levy and collect a tax of one-half of one percent (1/2%) (the "Tax") upon the sale at retail, the use, and the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services in the District, all as presently defined in La. R.S.47:301 through La. R.S.47:317, inclusive, for a period of ten (10) years from the date of the first levy of the Tax. The proceeds of the Tax (after paying the reasonable and necessary costs and expenses of collecting and administering the Tax) are dedicated and used for the purpose of paying salaries and benefits of law enforcement personnel, including the addition of thirty-five new deputies in the patrol, juvenile and narcotics divisions; paying the cost of training for law enforcement personnel; funding juvenile and narcotics programs; paying the cost of constructing, acquiring and/or improving two new substations and other law enforcement facilities; and paying the cost of acquiring equipment.

The Sheriff agreed to rollback the commission charged for collecting and administering the collection of sales taxes in St. Bernard Parish from 9% to 8% for a two year period effective April 1, 1993. As of June 30, 1999, the rollback remains in effect and 8% is still being collected on Parish sales taxes.

TOTAL COLUMN ON BALANCE SHEET

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

2. LEVIED TAXES:

In accordance with La. R.S. 47:1705, the Law Enforcement District of the Parish of St. Bernard annually furnishes the Assessor the authorized millage to be applied to the assessed values for ad valorem taxes.

The following is a summary of the authorized and levied millage for ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Police District	10.68	10.68	1999

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

3. CASH, CASH EQUIVALENTS AND INVESTMENTS:

At June 30, 1999, the Sheriff has cash and cash equivalents (book balances) totaling \$7,699,924 as follows:

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Cash	\$ 1,422	\$ --	\$ 1,422
Demand deposits	425	204,589	205,014
Interest-bearing demand deposits	<u>1,609,279</u>	<u>5,884,209</u>	<u>7,493,488</u>
Total	<u>\$1,611,126</u>	<u>\$6,088,798</u>	<u>\$7,699,924</u>

See note 1 for investments allowed under Louisiana law.

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

At June 30, 1999, the Sheriff had \$7,814,815 in deposits (collected bank balances). These deposits are held by one bank and are secured from risk by \$100,000 of federal deposit insurance and pledged securities held in joint custody at the federal reserve bank, New Orleans, Louisiana.

4. RECEIVABLES:

The receivables of \$1,556,351 at June 30, 1999 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
St. Bernard Parish Sheriff Tax Collector	\$ 984,170	\$ --	\$ 984,170
St. Bernard Parish Government	101,319	--	101,319
Other parishes	33,836	--	33,836
State of Louisiana	147,185	--	147,185
U.S. Government	258,570	--	258,570
Federal and state grants	29,371	--	29,371
Other	<u>1,900</u>	<u>--</u>	<u>1,900</u>
TOTAL	<u>\$1,556,351</u>	<u>\$ --</u>	<u>\$1,556,351</u>

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

5. DUE FROM/TO OTHER FUNDS:

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

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ --	\$3,561
Cash Bond Agency Fund	<u>3,561</u>	<u>--</u>
Total	<u>\$3,561</u>	<u>\$3,561</u>

6. CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	Balance, July 1 <u>1998</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>1999</u>
Land, and building improvements	\$ 259,853	\$ 41,830	\$ --	\$ 301,683
Vehicles	1,704,139	293,313	--	1,997,452
Office furniture and equipment	555,366	65,079	--	620,445
Law enforcement weapons and communications equipment	<u>413,898</u>	<u>97,541</u>	<u>--</u>	<u>511,439</u>
Total	<u>\$2,933,256</u>	<u>\$497,763</u>	<u>\$--</u>	<u>\$3,431,019</u>

See Note 9 for an analysis of capital leases included in above.

7. PENSION PLAN:

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

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

7. PENSION PLAN: (Continued)

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 percent 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 percent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 6554 Florida Boulevard, Baton Rouge, Louisiana 70806, or by calling (225) 922-0465.

*Funding Policy.* Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the St. Bernard Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the St. Bernard Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The St. Bernard Parish Sheriff's contributions to the System for the years ending June 30, 1999, 1998 and 1997, were \$290,395, \$248,618 and \$283,907, respectively, equal to the required contributions for each year.

8. DEFERRED COMPENSATION PENSION FUND:

All employees of the St. Bernard Parish Sheriff are required by law to contribute to a pension fund. Those employees who are not Sheriffs or deputies and therefore not eligible to participate in the Louisiana Sheriffs' Pension and Relief Fund pension plan (see note 7), have the option of participating in the Louisiana Public Employees' Deferred Compensation Plan, or the Public Employees Benefit Services Corporation Deferred Compensation Program.



ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

8. DEFERRED COMPENSATION PENSION FUND: (Continued)

The Louisiana Public Employees' Deferred Compensation Plan (the "Plan") was adopted by the Louisiana Deferred Compensation Commission, effective September 15, 1982. The Plan was established in accordance with Louisiana Revised Statutes 42:1301 through 42:1308 and section 457 of the Internal Revenue Code of 1954, as amended, for the purpose of providing supplemental retirement income to employees and independent contractors by permitting such individuals to defer a portion of compensation to be invested and distributed in accordance with the terms of the Plan.

Effective September 14, 1987, the Plan was amended and restated in its entirety. The restated Plan superseded all plans and rules previously adopted in connection with the Louisiana Public Employees' Deferred Compensation Plan.

The plan document states that no fund or other account shall be established to provide benefits under the terms of the Plan. Effective January 1, 1999, the Plan was amended whereby all compensation deferred under the Plan, all property and rights purchased with such amounts and all income attributed to such amounts, property or rights shall be held for the exclusive benefit of participants and their beneficiaries. The maximum amount of compensation which may be deferred during a calendar year shall not exceed the lesser of 33 1/3% of a participant's includible compensation or \$7,500. The amount of the compensation deferred is reduced by compensation excludible from a participant's gross income under Internal Revenue Code Section 403(b), if any, which is attributable to contributions made by the employer.

The following is a summary of the payrolls covered and contributions made to the plan during fiscal year ended June 30, 1999:

Total covered payroll	<u>\$378,966</u>	
	<u>6/30/99</u>	
	<u>Percent</u>	<u>Amount</u>
Contributions		
Employer	5.0%	\$18,949
Employee	<u>7.9%</u>	<u>29,830</u>
Total	<u>12.9%</u>	<u>\$48,779</u>

The Public Employees Benefit Services Corporation Deferred Compensation Program (the Program) was adopted effective March 1, 1996. The Program was established in accordance with section 457 of the Internal Revenue Code of 1954, as amended, for the purpose of providing supplemental retirement income to employees by permitting such individuals to defer a portion of compensation to be invested and distributed in accordance with the terms of the Program.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

8. DEFERRED COMPENSATION PENSION FUND: (Continued)

Effective September 25, 1998, the Plan was amended whereby all assets and income are held in a trust custodial account for the exclusive benefit of the participants and their beneficiaries.

The maximum amount of compensation which may be deferred during a calendar year shall not exceed the lesser of 33 1/3% of a participant's includible compensation or \$7,500.

The following is a summary of the deferrals made to the Program during the fiscal year ended June 30, 1999:

Total covered payroll	<u>\$588,507</u>	
	<u>June 30, 1999</u>	
	<u>Percent</u>	<u>Amount</u>
Contributions:		
Employer	5.0%	\$ 29,311
Employee	<u>17.1%</u>	<u>100,524</u>
Total	<u>22.1%</u>	<u>\$129,835</u>

Additional information relating to benefits payable under the Plans is provided in the Plan documents.

9. LEASES:

The Sheriff records assets acquired through capital leases as an asset and an obligation in the accompanying financial statements. Leases have been entered into to provide computers, copiers, telephone equipment, radios and automobiles. During the fiscal year ended June 30, 1999 a new lease was executed for twelve Ford Crown Victorias, one Ford Econoline fifteen passenger club wagon, and two Minolta copiers. The following is an analysis of capital leases as of June 30, 1999:

	<u>ASSETS ON LEASE</u>			
	Balance	New	Leases Paid	Balance
	<u>July 1, 1998</u>	<u>Leases</u>	<u>Out</u>	<u>June 30, 1999</u>
Vehicles	\$430,712	\$293,313	\$123,294	\$600,731
Office furniture & equipment	<u>56,965</u>	<u>12,818</u>	<u>--</u>	<u>69,783</u>
	<u>\$487,677</u>	<u>\$306,131</u>	<u>\$123,294</u>	<u>\$670,514</u>

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

9. LEASES: (Continued)

All of the equipment relating to leases paid out during the year was retained by the Sheriff by exercising options to retain title. In most cases leases allowed transfer at end of lease, in other cases a minimal one dollar payment was required to transfer ownership.

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

Fiscal year:	
1999-2000	\$283,380
2000-2001	90,796
2001-2002	<u>4,047</u>
Total minimum lease payments	378,223
Less: Amounts representing interest	<u>13,523</u>
Net minimum lease payments	<u>\$364,700</u>

The Sheriff has entered into operating leases for a building used as a sub station and a equipment storage, repair and communication facility. The minimum lease payments due under the lease are as follows:

Fiscal year: 2000	\$25,350
2001	15,025
2002	10,800
2003	<u>2,700</u>
	<u>\$53,875</u>

Total rent expense incurred during the fiscal year ended June 30, 1999 was \$41,557.

10. CHANGES IN AGENCY FUND BALANCES:

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

	Balance at <u>7-1-98</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>6-30-99</u>
Agency funds:				
Tax Collector	\$4,986,257	\$52,212,609	\$51,378,639	\$5,820,227
Cash Bond Fund	151,370	140,412	83,632	208,150
Civil Fund	46,784	1,231,287	1,214,089	63,982
Deferred Comp. Program	<u>361,420</u>	--	<u>361,420</u>	--
Total	<u>\$5,545,831</u>	<u>\$53,584,308</u>	<u>\$53,037,780</u>	<u>\$6,092,359</u>

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS:

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

	Capital Leases (Note 9)
Long-term obligations payable at July 1, 1998	\$333,219
Additions	306,131
Deductions	<u>(274,650)</u>
Long-term obligations payable at June 30, 1999	<u>\$364,700</u>

12. LITIGATION AND CLAIMS:

At June 30, 1999, the St. Bernard Parish Sheriff is a defendant in several lawsuits seeking damages. These lawsuits are in various stages of resolution and since these cases and claims are characterized by conditions and complexities estimation of the ultimate liability is extremely difficult. In cases where judgments have been reached, Louisiana courts have ruled that plaintiffs can not seize the assets of the Sheriff. Accordingly, no provisions for any liability that may result is made in the financial statements until the funds are appropriated by the Sheriff.

The largest exposure related to claims and judgments at June 30, 1999 is estimated at \$225,000. None of these claims were appropriated by the Sheriff as of June 30, 1999. Therefore, no contingency for an expense has been accrued in the General Fund.

13. SELF INSURANCE:

Effective October 3, 1995, the Sheriff's Office obtained a one year excess insurance policy for self insurance of workmen's compensation and employer liability claims up to \$250,000 per employee. The excess is insured under an insurance policy. The fund is administered by an independent insurance service company.

There was no claims liability to be accrued as of June 30, 1999.

14. TAXES PAID UNDER PROTEST:

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 1999, as reflected on the Combined Balance Sheet, include \$2,629,183 of taxes paid under protest, plus interest earned to date on the investment of the funds. These funds are held pending resolution of the protests and are accounted for in the Tax Collector Agency Fund.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

14. TAXES PAID UNDER PROTEST: (Continued)

On October 29, 1998, a judgment was rendered regarding one of the protests requiring the taxpayer to pay delinquent taxes, interest, and attorney fees totaling \$1,459,587, as well as all audit and court costs. The judgment has been appealed and is currently awaiting a decision of the courts.

15. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH GOVERNMENT:

Certain operating expenditures of the Sheriff's office are paid by the parish government and are not included in the accompanying financial statements. These expenditures include certain costs associated with prisoner care, utilities and repairs for the building used by the Sheriff but owned by the parish government.

16. USE OF ESTIMATES:

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

17. FEDERAL FINANCIAL ASSISTANCE:

During the current fiscal year, the sheriff participated in the following federal financial assistance programs:

<u>PROGRAM TITLE</u>	<u>AMOUNT EXENDED</u>
Passed through State of Louisiana:	
Criminal Apprehension and Gang Eradication Deployment	\$ 47,678
Drug Abuse Resistance Education	38,710
Disaster assistance – Hurricane George	112,119
Passed through Battered Women's Program, Inc.:	
Counseling victims of family violence	40,488
Domestic violence program	<u>18,151</u>
Total federal assistance	<u>\$257,146</u>

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999

FIDUCIARY FUNDS - 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 and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

CIVIL FUND

The Civil Fund accounts for funds held in civil suits, Sheriff's sales, and garnishments.

CASH BOND FUND

The Cash Bond Fund accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

DEFERRED COMPENSATION PLAN FUND (PUBLIC EMPLOYEES BENEFIT SERVICES CORPORATION DEFERRED COMPENSATION PROGRAM)

In prior years, GASB Code Sec. D25 required that employers using governmental fund accounting report the assets and liabilities of a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457.

In 1996, Congress passed new legislation whereby the balances and activities of the plan would not be reported in the financial statements unless a fiduciary relationship exists. Effective September 25, 1998, the plan was amended whereby all assets and income are held in a trust custodial account for the exclusive benefit of the participants and their beneficiaries.

ST. BERNARD PARISH SHERIFF  
 CHALMETTE, LOUISIANA  
 FIDUCIARY FUNDS - AGENCY FUNDS  
 COMBINING BALANCE SHEET  
JUNE 30, 1999

	TAX COLLECTOR FUND	CASH BOND FUND	CIVIL FUND	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,820,227	\$ 204,589	\$ 63,982	\$ 6,088,798
Due from other funds	<u>          --</u>	<u>          3,561</u>	<u>          --</u>	<u>          3,561</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,820,227</u>	<u>\$ 208,150</u>	<u>\$ 63,982</u>	<u>\$ 6,092,359</u>
<b>LIABILITIES</b>				
Due to taxing bodies and others	<u>\$ 5,820,227</u>	<u>\$ 208,150</u>	<u>\$ 63,982</u>	<u>\$ 6,092,359</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,820,227</u>	<u>\$ 208,150</u>	<u>\$ 63,982</u>	<u>\$ 6,092,359</u>

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FIDUCIARY FUNDS - AGENCY FUNDS  
SCHEDULE OF CHANGES IN BALANCES DUE  
TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 1999

	TAX COLLECTOR FUND	CASH BOND FUND	CIVIL FUND	DEFERRED COMPENSATION PLAN FUND	TOTAL
BALANCES AT JULY 1, 1998	\$ 4,986,257	\$ 151,370	\$ 46,784	\$ 361,420	\$ 5,545,831
<b>ADDITIONS</b>					
Deposits:					
Judical sales & costs	--	--	1,231,287	--	1,231,287
Bonds	--	140,412	--	--	140,412
Taxes, fees, etc., paid to tax collector	52,073,353	--	--	--	52,073,353
Interest	139,256	--	--	--	139,256
Total additions	52,212,609	140,412	1,231,287	--	53,584,308
Total	57,198,866	291,782	1,278,071	361,420	59,130,139
<b>REDUCTIONS</b>					
Taxes, fees, etc., distributed to taxing bodies and others	50,732,262	--	--	--	50,732,262
Deposits settled to:					
Litigants, attorneys, appraisers, etc.	59,080	83,632	1,214,089	--	1,356,801
Other reductions:					
Restitution and refunds	587,297	--	--	--	587,297
Deferred compensation plan amendment	--	--	--	361,420	361,420
Total reductions	51,378,639	83,632	1,214,089	361,420	53,037,780
BALANCES AT JUNE 30, 1999	\$ 5,820,227	\$ 208,150	\$ 63,982	\$ --	\$ 6,092,359



ST. BERNARD PARISH SHERIFF  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
YEAR 2000 ISSUE  
(Unaudited)

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

The St. Bernard Parish Sheriff has completed a process of identifying computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the St. Bernard Parish Sheriff's operations. The systems and equipment have been tested and results reviewed to determine that converted systems operate properly. The St. Bernard Parish Sheriff's management believes that computer software and hardware are year 2000 compliant.

Because of the unprecedented nature of the year 2000 issue, however, its effect and the success of related efforts will not be fully determinable until after the new year begins. Management cannot unequivocally assure that the St. Bernard Parish Sheriff is or will be year 2000 ready, nor that parties with whom the St. Bernard Parish Sheriff does business will be year 2000 ready, although inquiry, research, and programming best efforts have taken place.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON A FINANCIAL STATEMENT AUDIT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

October 7, 1999

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff  
Chalmette, Louisiana

We have audited the general purpose financial statements of the St. Bernard Parish Sheriff, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 7, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### COMPLIANCE

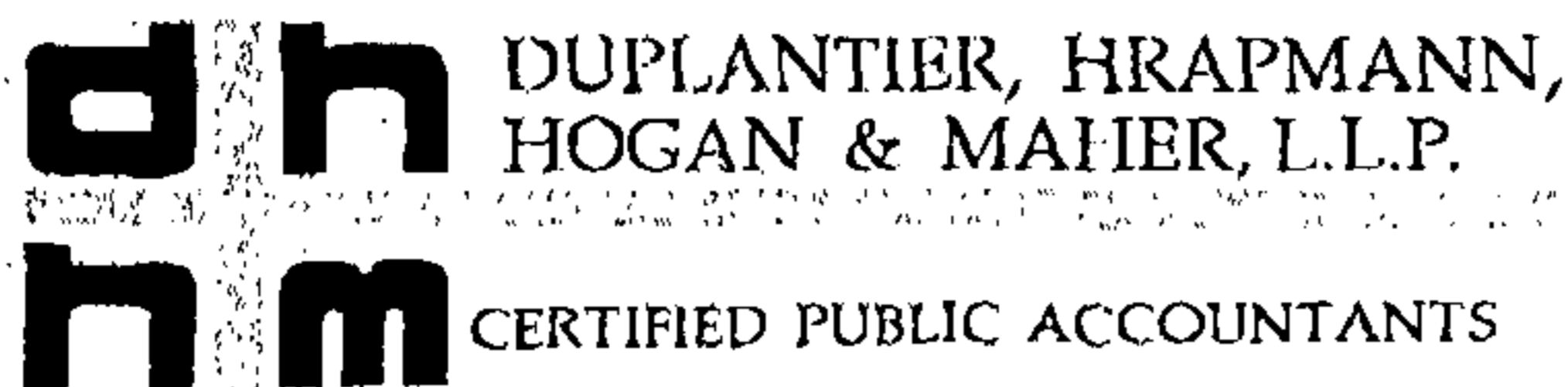
As part of obtaining reasonable assurance about whether the St. Bernard Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect 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*. However, we noted an immaterial instance of noncompliance that we have reported to the management of the St. Bernard Parish Sheriff, in a separate letter dated October 7, 1999.

#### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the St. Bernard 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. 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 a material weakness. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

This report is intended for the information of the management of the St. Bernard Parish Sheriff and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

*Duplantier, Chapman, Hogan & McNeil LLP*



MICHAEL J. O'ROURKE, C.P.A.  
 WILLIAM G. STAMM, C.P.A.  
 CLIFFORD J. GIFFIN, JR., C.P.A.  
 DAVID A. BURGARD, C.P.A.  
 LINDSAY J. CALUB, C.P.A., L.L.C.  
 DAVID J. MUMFREY, C.P.A.  
 GUY L. DUPLANTIER, C.P.A.  
 BONNIE J. McAFEE, C.P.A.

MICHELLE H. CUNNINGHAM, C.P.A.  
 KENNETH J. BROOKS, C.P.A., ASSOCIATE

1340 Poydras St., Suite 2000 • New Orleans, LA 70112  
 (504) 586-8866  
 FAX (504) 525-5888  
 cpa@dhhmcpa.com

A.J. DUPLANTIER, JR., C.P.A.  
 (1919-1985)  
 FELIX J. HRAPMANN, JR., C.P.A.  
 (1919-1990)  
 WILLIAM R. HOGAN, JR., C.P.A.  
 (1920-1996)  
 JAMES MAHER, JR., C.P.A.  
 (1921-1999)

MEMBERS  
 AMERICAN INSTITUTE OF  
 CERTIFIED PUBLIC ACCOUNTANTS  
 SOCIETY OF LA. C.P.A.'S

October 7, 1999

Honorable Jack A. Stephens  
 St. Bernard Parish Sheriff  
 P. O. Box 168  
 Chalmette, LA 70044

As part of obtaining reasonable assurance about whether the St. Bernard Parish Sheriff's financial statements for the year ended June 30, 1999 are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. The results of our tests indicated an immaterial instance of noncompliance that we feel should be brought to your attention. This letter summarizes our comments and suggestions regarding this matter. We previously reported on the St. Bernard Parish Sheriff's internal control over financial reporting and legal compliance in our report dated October 7, 1999. This letter does not affect our report dated October 7, 1999 on the financial statements of the St. Bernard Parish Sheriff.

Budget Act – Publishing the Amended Budget: (99-1)

Louisiana Revised Statute 39:1309 requires that budget amendments be published in the official journal. Although an amended budget was advertised in the official journal, it was not correct. Therefore, the amended budget was not published in accordance with Louisiana law.

We recommend that any future amended budget published in the official journal agree to the amended budgets approved by the Sheriff.

Response:

Budget amendments published in future years will agree to the amendment approved by the Sheriff.

Honorable Jack . Stephens  
St. Bernard Parish Sheriff

-2-

October 7, 1999

This letter is intended for the information of the St. Bernard Parish Sheriff and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

*William Stamm*

---

William G. Stamm, CPA  
Partner

WGS\djf



NOV 30 1999

**Sheriff Jack A. Stephens**  
**St. Bernard Parish Sheriff's Department**

November 30, 1999

Mr. William G. Stamm  
Duplantier, Hrapmann, Hogan & Maher, LLP  
Certified Public Accountants  
1340 Poydras Street, Suite 2000  
New Orleans, LA 70112

Dear Mr. Stamm:

The St. Bernard Parish Sheriff's Office offers the following information in response to your letter dated October 7, 1999.

Budget Act - Publishing the Amended Budget: (99-1)

An amended budget was advertised in the official journal as required by Louisiana Statue, however, it was not correct.

We have established internal procedures to ascertain that those budget amendments published in future years in the official journal agree to the approved amendment.

We believe that the foregoing fully addresses the comment included in your letter and appreciate your observation and suggestion.

Respectfully,

  
Sheriff Jack A. Stephens  
St. Bernard Parish

JAS/pi