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ST. TAMMANY PARISH CORONER
COVINGTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
December 31, 1995

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 7-24-96

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INDEPENDENT AUDITOR'S REPORT

Dr. Theodore R. Brustowicz, MD
St. Tammany Parish Coroner
Covington, Louisiana

We have audited the accompanying general purpose financial statements that do not include a statement of revenues, expenditures, and changes in fund balance-budget and actual, for the general fund and special revenue fund of the St. Tammany Parish Coroner, as of December 31, 1995 and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the management of the St. Tammany Parish Coroner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 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.

The Coroner did not prepare and legally adopt a budget for the General Fund and Special Revenue Fund as required by state law and generally accepted accounting principles; therefore, the financial statements do not include a statement of revenues, expenditures, and changes in fund balance-budget and actual for the year ended December 31, 1995.

In our opinion, except for the omission of the statement of revenues, expenditures, and changes in fund balance-budget and actual that results in an incomplete presentation as explained in the preceding paragraph, the general purpose financial statements referred to above, present fairly, in all material respects, the financial position of the St. Tammany Parish Coroner as of December 31, 1995 and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

SKARDA & SILVA, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

In accordance with Government Auditing Standards (issued by the Comptroller General of the United States), and the Louisiana Governmental Audit Guide, we have also issued a report dated June 11, 1996 on our consideration of the Coroner's internal control structure and a report dated June 11, 1996 on its compliance with laws and regulations.

Shirley S. Silver, C.P.A.

June 11, 1996

ST. TAMMANY PARISH CORONER
Covington, Louisiana
Combined Balance Sheet
All Governmental Fund Types and Account Groups
December 31, 1995

	<u>Governmental Fund Type</u>		<u>General Fixed Assets Account Group</u>	<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		
ASSETS AND OTHER DEBITS				
Cash & cash equivalents	\$ 15,984	\$ 2,559	\$ -	\$ 18,543
Fees receivable	3,100	-	-	3,100
Due from St. Tammany Parish Police Jury	16,780	-	-	16,780
Due from other govern- mental entities	5,650	-	-	5,650
Due from General Fund	-	8,393	-	8,393
Prepaid Insurance	1,793	-	-	1,793
Property and equipment	-	-	99,632	99,632
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 43,307</u>	<u>\$ 10,952</u>	<u>\$ 99,632</u>	<u>\$ 153,891</u>
 LIABILITIES AND FUND EQUITY (DEFICIT)				
Liabilities:				
Accounts payable and accrued expenses	\$ 21,483	\$ 11,636	\$ -	\$ 33,119
Due to Special Revenue Fund	<u>8,393</u>	<u>-</u>	<u>-</u>	<u>8,393</u>
Total Liabilities	29,876	11,636	-	41,512
Fund Equity:				
Investment in general fixed assets	-	-	99,632	99,632
Fund Balance (DEFICIT):				
Unreserved	<u>13,431</u>	<u>(684)</u>	<u>-</u>	<u>12,747</u>
Total Fund Equity (DEFICIT)	<u>13,431</u>	<u>(684)</u>	<u>99,632</u>	<u>112,379</u>
 TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	 <u>\$43,307</u>	 <u>\$ 10,952</u>	 <u>\$ 99,632</u>	 <u>\$ 153,891</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER
Covington, Louisiana
Statement of Revenues, Expenditures and
Changes in Fund Balances - All Governmental Fund Types
Year Ended December 31, 1995

REVENUES	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total (Memorandum Only)</u>
Intergovernmental:			
St. Tammany Parish Police Jury	\$ 208,776	\$ 248,100	\$ 456,876
Charges for service	152,026	17,701	169,727
Miscellaneous:			
Interest	<u>146</u>	<u>-</u>	<u>146</u>
Total revenues	\$ 360,948	265,801	626,749
 EXPENDITURES			
Public safety:			
Personal services	187,256	181,869	369,125
Operating services	89,494	42,552	132,046
Materials and supplies	17,639	49,340	66,979
Travel and other charges	46,661	1,923	48,584
Capital expenditures	<u>36,422</u>	<u>-</u>	<u>36,422</u>
Total expenditures	<u>377,472</u>	<u>275,684</u>	<u>653,156</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(16,524)	(9,883)	(26,407)
 FUND BALANCE (DEFICIT)			
BEGINNING OF YEAR, as restated	<u>29,955</u>	<u>9,199</u>	<u>39,154</u>
END OF YEAR	<u>\$ 13,431</u>	<u>\$ (684)</u>	<u>\$ 12,747</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. Tammany Parish Coroner 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. The more significant of the governmental entity's accounting policies are described below.

1. Reporting Entity

As provided by Chapter 3 of Title 33 of the Louisiana Revised Statutes of 1950, the St. Tammany Parish Coroner is elected by the voters of St. Tammany Parish for a four year term. The Coroner investigates all deaths, performs autopsies, furnishes death certificates, provides protective custody services and examines other cases for other crimes under police investigation. As discussed further in Note G, the Coroner and the St. Tammany Parish Police Jury entered into an intergovernmental agreement whereby the Coroner would provide medical services at the St. Tammany Parish Jail.

The General Purpose Financial Statements of the Coroner include all funds, account groups and activities that are within the oversight responsibility of the Coroner as an independently elected parish official. Certain units of local government, over which the Coroner exercises no oversight responsibility such as the Parish Police Jury, Parish School Board, other independently elected parish officials, and municipalities within the Parish, are excluded from the accompanying component unit financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Coroner.

As the governing authority of the Parish, for reporting purposes, the St. Tammany Parish Police Jury is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Police Jury 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:

(a)Appointing a voting majority of an organization's governing body, and the ability of the police jury to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

(b)Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

(c)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.

The management of the Parish has not made a determination as to which units of local government should be considered component units of the St. Tammany Parish Police Jury for reporting purposes. The accompanying financial statements present information only on the funds maintained by the Coroner and do not present information on the Police Jury, the general government services provided by the Police Jury, or other governmental units that comprise the financial reporting entity.

2. Fund Accounting

The Coroner 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 related to certain government functions or activities.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Funds are ordered into three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The funds and accounts groups used by the Coroner are as follows:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which general governmental functions of the Coroner are financed. The acquisition, use and balances of the Coroner's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The following are the Coroner's Governmental Fund types:

A) GENERAL FUND

The General Fund is the main operating fund of the Coroner. This fund is used to account for all financial resources not accounted for in other funds.

B) SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. This fund includes Jail Services. The St. Tammany Parish Police Jury and the Coroner entered into an intergovernmental agreement, renewable annually, whereby the Coroner would provide medical services at the St. Tammany Parish Jail. (See Note G to the financial statements)

ACCOUNT GROUPS

An account group is used to establish accounting control and accountability for the Coroner's general fixed assets. This account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is established to account for all fixed assets of the Coroner. Capital outlays in the General and Special Revenue Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

3. 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. The operating statement of the fund presents increases (i.e. revenues and other sources) and decreases (i.e. expenditures and other uses) in net current assets.

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.

Those revenues susceptible to accrual are fees due from the Police Jury and other governmental units, and fees charged for autopsies, death certificates, criminal investigations, and interest revenue. Substantially all other revenues are recorded when received.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4. Budget and Budgetary Accounting

The budgets for the General Fund and the Special Revenue Fund have not been prepared and legally adopted as required by state law and generally accepted accounting principles; therefore, the financial statements do not include a comparison of revenues and expenditures to budget.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Coroner.

6. Cash and Cash Equivalents

Cash includes amounts in demand deposits and certificates of deposits, if any.

Louisiana revised statutes authorize the Coroner to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U. S. Government or its agencies.

7. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition is reflected as expenditures in the General Fund and Special Revenue Fund, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated fixed assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

8. Bad Debts

The financial statements for the Coroner contain no allowance for bad debts. Uncollectible receivables (including amounts due from other governmental units) are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The Coroner determined that amounts due from other governmental entities in the amount of \$7,620 was uncollectible and were written off at December 31, 1995.

9. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. A deficit undesignated fund balance of \$684 exists in the special revenue jail services fund. The deficit results from the increase in inmate population which increased medical services expenditures significantly from initial expectations for 1995. It is expected that the Police Jury will provide the fees necessary to provide the medical services required at the jail.

10. Short-term Interfund Receivable/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

11. Total Column on Financial Statements

The total columns on the general purpose financial 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 are such data comparable to a consolidation.

NOTE B - CASH AND CASH EQUIVALENTS

At year end, the carrying amount of the Coroner's deposits was \$18,543 and the bank balance was \$35,001. The Coroner's cash was not in excess of the FDIC insurance during 1995. There were no funds invested during 1995.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE C - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1995 consisted of the following:

Jefferson Parish Coroner's Office	\$ 400
St. Helena Parish Coroner's Office	300
St. Bernard Parish Coroner's Office	100
Washington Parish Police Jury	<u>300</u>
	<u>\$ 1,100</u>

NOTE D - FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group during the year ended December 31, 1995:

	Balance December <u>31, 1994</u>	<u>Additions</u>	<u>Deletions</u>	Balance December <u>31, 1995</u>
Automobiles	\$ 58,730	\$ 18,300	\$ -	\$ 77,030
Computer equipment	4,480	16,283	-	20,763
Leasehold improvements	<u>-</u>	<u>1,839</u>	<u>-</u>	<u>1,839</u>
	<u>\$ 63,210</u>	<u>\$ 36,422</u>	<u>\$ -</u>	<u>\$ 99,632</u>

NOTE E - RELATED PARTY TRANSACTIONS

The Coroner's office leases office space and certain office equipment and furniture from Dr. Brustowicz on a month-to-month basis. For the year ended December 31, 1995, rental payments aggregated \$12,600.

NOTE F - CONTINGENT LIABILITIES

From time to time, the Coroner is involved as a defendant in actual or threatened litigation which is not covered by insurance. At December 31, 1995, there were no pending or threatened claims which, in the opinion of the Coroner's legal advisors, would have a material adverse affect on the financial statements should such claims be settled in favor of the plaintiffs.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE G - INTERGOVERNMENTAL AGREEMENT

Effective March 1, 1994, the St. Tammany Parish Police Jury and the Coroner entered into an intergovernmental agreement, renewable annually, whereby the Coroner would provide medical services at the St. Tammany Parish Jail. The agreement requires the Police Jury to compensate the Coroner a monthly amount of \$20,675 in order for the Coroner to provide medical services. The Coroner received payments totaling \$248,100 from the Police Jury and \$17,701 in "in kind" services from St. Tammany Parish Hospital during 1995. The Coroner incurred expenditures, relating to the medical services provided, in the amount of \$275,684. The fees received from the Police Jury and expenditures incurred, relating to the medical services provided at the St. Tammany Parish Jail, are included in the Special Revenue Fund of the Coroner.

NOTE H - PENSION PLAN

Substantially all employees of the St. Tammany Parish Coroner are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Coroner are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the system. Employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. 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 the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE H - PENSION PLAN (CONT'D)

The payroll for employees of the Coroner was \$239,798 and payroll covered by the system was \$203,266 for the year ended December 31, 1995.

In addition to certain dedicated taxes that are remitted to the System (which constitute major funding of the System) covered employees are required by state statute to contribute 9.5% of gross salary to which the Coroner adds an 8.0% contribution as an employer's match. The contribution for the year ended December 31, 1995 was \$35,572 of which \$19,310 was contributed by employees and \$16,262 was contributed by the Coroner. The actuarially required contribution for that year, using the System's actuarial funding method (Frozen Attained Age Normal Cost Method), the actuary's recommended contribution rate of 8.00% from all sources (employees, employers, and dedicated taxes), and based on covered payroll, was \$22,777,658. The actuarially required contribution has not been allocated to employees, employers, or to dedicated taxes, but will be determined by future actions of the Louisiana Legislature. The Coroner's actuarially determined contributions represents .1% of the total contribution required of all participating employers.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of entities. The pension benefit obligation at December 31, 1994 for the System as a whole, determined through an actuarial valuation performed as of that date was \$691,858,596. The System's net assets available for benefits on that date (valued at market) were \$597,625,304, leaving an unfunded pension benefit obligation of \$94,233,292.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's 1994 comprehensive annual financial report (a separate report). The Coroner does not guarantee the benefits granted by the System.

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE I - EXPENDITURES OF THE CORONER PROVIDED BY OTHER ENTITIES

During the year ended December 31, 1995, Slidell Memorial Hospital and St. Tammany Parish Hospital provided the Coroner with certain services and supplies. Slidell Memorial Hospital provided fuel to the Coroner in the amount of \$18,452. St. Tammany Parish Hospital agreed to provide emergency room services for parish inmates up to a limit of \$30,000 annually. For the year ended December 31, 1995, services provided amounted to \$17,701.

In the accompanying financial statements, the values of the services and supplies provided are reflected as income received and expense incurred.

NOTE J- EXPENDITURES OF THE CORONER REQUIRED TO BE PAID BY THE
PARISH POLICE JURY

Louisiana Revised Statutes (LSA-R.S.) 33:1566 requires the Police Jury to provide the Coroner with all necessary or unavoidable expenses incidental to the operation of the Coroner's office. During the year ended December 31, 1995, the Police Jury provided funds to the Coroner in the amount of \$456,876 as follows:

General Fund	\$ 208,776
Special Revenue Fund	<u>248,100</u>
	<u>\$ 456,876</u>

NOTE K - PRIOR PERIOD ADJUSTMENT

The following discloses the restatement of fund balances as of the beginning of the calendar year:

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Fund balance, beginning of year, as previously stated	\$ 39,154	\$ -
(Decrease) Increase due to adoption of Special Revenue Fund	<u>(9,199)</u>	<u>9,199</u>
Fund balance, beginning of year, as restated	<u>\$ 29,955</u>	<u>\$ 9,199</u>

ST. TAMMANY PARISH CORONER
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE L - CORONER'S COMPENSATION

The Coroner's compensation for the year ended December 31, 1995 as established by law for salary aggregated \$68,600 as follows:

General fund	\$ 35,000
Special Revenue fund	<u>33,600</u>
	<u>\$ 68,600</u>

SUPPLEMENTARY FINANCIAL REPORTS

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Dr. Theodore R. Brustowicz, M.D.
St. Tammany Parish Coroner
Covington, Louisiana

We have audited the general purpose financial statements of the St. Tammany Parish Coroner as of and for the year ended December 31, 1995, and have issued our report thereon dated June 11, 1996. In our report, our opinion was qualified because the Coroner did not prepare and legally adopt budgets for the General Fund and Special Revenue Fund.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards (issued by the Comptroller General of the United States), and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the St. Tammany Parish Coroner for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the St. Tammany Parish Coroner is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may

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SKARDA & SILVA, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

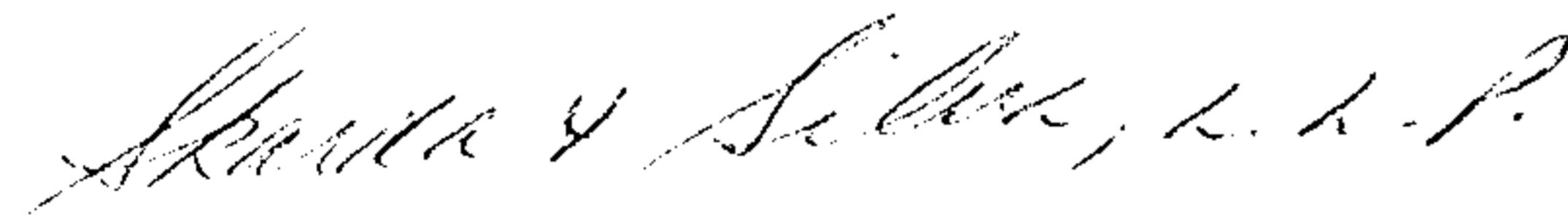
nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We noted certain matters, which are listed in the attached schedule, involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of St. Tammany Parish Coroner, management, and the Legislative Auditor of the State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the St. Tammany Parish Coroner, is a matter of public record.



June 11, 1996

ST. TAMMANY PARISH CORONER
Covington, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
Year Ended December 31, 1995

SEGREGATION OF DUTIES

Comment

There appears to be a lack of segregation of duties with regard to certain critical accounting functions. Segregation of duties involves a separation of the record keeping function from the physical access to assets. Access to assets and the related accounting records could result in an asset being misappropriated and its accountability permanently concealed in the accounting records. At the present time the administrator is in charge of every stage of nearly every transaction. He handles cash receipts, makes bank deposits, and posts to the general ledger.

Recommendation

Due to the size of the St. Tammany Coroner, it is not cost effective to add personnel to eliminate such incompatible duties. However, there should be mitigating controls instituted such as review of the work by someone independent of these areas.

Response

The Coroner has taken steps to implement mitigating controls to eliminate these incompatible duties.

BUDGET

Comment

The Coroner did not prepare and legally adopt an annual budget for the General Fund and Special Revenue Fund. The preparation and legal adoption of an annual budget are required by state law and generally accepted accounting principles.

Budgets are an important internal and external planning tool for the financial planning, control, and evaluation processes of governments. Since government monies are considered to be of a public nature, parties outside as well as inside of governments participate in the development of the annual operating budgets.

Recommendation

Annual budgets should be prepared and legally adopted for the General Fund and Special Revenue Fund.

Response

The Coroner has been made aware of the Local Government Budget Act (LSA-R.S. 39:1301-1314) and generally accepted accounting principles requiring the preparation and legal adoption of an annual budget of the General Fund and Special Revenue Fund. The Coroner has prepared and adopted the annual budgets for the fiscal year ending December 31, 1996.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Dr. Theodore R. Brustowicz, M.D.
St. Tammany Parish Coroner
Covington, Louisiana

We have audited the financial statements of the St. Tammany Parish Coroner as of and for the year ended December 31, 1995, and have issued our report thereon dated June 11, 1996. In our report, our opinion was qualified because the Coroner declined to prepare and legally adopt budgets for the General Fund and the Special Revenue Fund.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards (issued by the Comptroller General of the United States), and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the St. Tammany Parish Coroner is the responsibility of the management of the St. Tammany Parish Coroner. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the St. Tammany Parish Coroner's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in laws, regulations, contracts, or grants, that cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following material instances of noncompliance listed in the attached schedule.

We considered these material instances of noncompliance in forming our opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report, except for the instances of noncompliance relating to the Local Government Budget Act, does not affect our report dated June 11, 1996, on those general purpose financial statements.

This report is intended for the information of the management of the St. Tammany Parish Coroner, and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the St. Tammany Parish Coroner, is a matter of public record.

Shanda & Silver, L.L.P.

June 11, 1996

ST. TAMMANY PARISH CORONER
Covington, Louisiana

SCHEDULE OF NONCOMPLIANCE WITH LAWS AND REGULATIONS
Year Ended December 31, 1995

BUDGET

Comment

The Local Government Budget Act (LSA-R.S. 39:1301-1314) requires that all independently elected officials prepare, adopt, and amend budgets for the General Fund and each special revenue fund in accordance with procedures prescribed therein. Because of the Coroner's failure to prepare and adopt required budgets, the accompanying financial statements do not include a comparison of actual revenues and expenditures to budget.

Response

The Coroner will abide by the Local Government Budget Act (LSA-R.S. 39:1301-1314) in the future.

ASSET MANAGEMENT

Comment

The Local Government Asset Management Laws (L.R.S. 39:324) requires the Coroner to make a complete physical inventory of the property once each fiscal year.

It does not appear that the Coroner complied with the requirements as set forth in the statute.

Response

The Coroner will abide by the Local Government Asset Management Law (L.R.S. 59:324) in the future.