

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

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

RECEIVED
LEGISLATIVE AUDITOR

08 FEB -7 AM 10:48

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
WITH SUPPLEMENTAL INFORMATION

As of and for the Year Ended 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 FEB 09 2000

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	4
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	6
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUNDS	7
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS	9
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS	10
NOTES TO THE FINANCIAL STATEMENTS	11
SUPPLEMENTAL INFORMATION	
SPECIAL REVENUE FUNDS	
COMBINING BALANCE SHEET	30
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS	31
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS	
COMBINING BALANCE SHEET	34
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS	35
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS	36
FIDUCIARY FUND TYPE - AGENCY FUNDS:	
COMBINING BALANCE SHEET	39
COMBINING SCHEDULE OF CHANGES IN BALANCE DUE TO TAXING BODIES AND OTHERS - FIDUCIARY FUND TYPE - AGENCY FUNDS	40

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	42
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT IN ACCORDANCE WITH <i>GOVERNMENTAL AUDITING STANDARDS</i>	45
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A- 133	47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	49
STATUS OF PRIOR YEAR AUDIT FINDINGS	52

Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

P.O. Box 3790

Covington, Louisiana 70434-3790

Samuel K. Smith, CPA
Patrick "Bryan" Huval, CPA

(504) 892-6633 - Covington
(504) 892-4666 - FAX

INDEPENDENT AUDITORS' REPORT

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

We have audited the accompanying general purpose financial statements of the St. Tammany Parish Sheriff as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the St. Tammany Parish Sheriff. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the *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. Tammany Parish Sheriff, as of June 30 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information and the schedule of expenditures of federal awards, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the St. Tammany Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The St. Tammany Parish Sheriff has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1 *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the St. Tammany Parish Sheriff is or will become Year 2000 compliant, that the

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

St. Tammany Parish Sheriff's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the St. Tammany Parish Sheriff does business are or will become Year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 1999 on our consideration of the St. Tammany Parish Sheriff's internal control over financial reporting and on our tests of its compliance with laws and regulations.

Smith, Hural & Associates, L.L.C.
October 25, 1999

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS

June 30, 1999

	GOVERNMENTAL FUND TYPE		PROPRIETARY FUND TYPE -		FIDUCIARY FUND TYPE - AGENCY FUNDS	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE	INTERNAL SERVICE	GENERAL FIXED ASSETS		GENERAL LONG-TERM DEBT		
ASSETS								
Cash (note A-5)	\$ 3,713,447	\$ 1,407,335	\$ 87,706	\$ 12,146,874	\$	\$	\$	17,355,362
Investments (note E)	499,609							499,609
Receivables (note D)	2,447,873	967,857	125,409	95,331				3,636,470
Due from other governments				13,793				13,793
Due from other funds (note F)	387,389	25,732						413,121
Inventory (note A-6)	91,886							91,886
Building, automobiles and equipment (note G)			10,317,779					10,317,779
Amount to be provided for retirement of general long-term obligations						1,097,586		1,097,586
TOTAL ASSETS	\$ 7,140,204	\$ 2,400,924	\$ 213,115	\$ 12,255,998	\$ 10,317,779	\$ 1,097,586	\$	\$ 33,425,606
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 370,873	\$ 237,927	\$ 263,474	\$	\$	\$	\$	872,274
Accrued liabilities	429,439							429,439
Due to other funds (note F)	25,732	387,121		268				413,121
Due to other governments	173,334			82,590				255,924
Notes payable (note J)						1,097,586		1,097,586
Due to taxing bodies and others	145,480			12,173,140				12,318,620
Total Liabilities	1,144,858	625,048	263,474	12,255,998		1,097,586		15,386,964
Fund Equity:								
Investment in general fixed assets					10,317,779			10,317,779
Fund balance								
Unreserved - undesignated	5,903,460	1,775,876						7,679,336
Reserve for inventory	91,886							91,886
Retained deficit								(50,359)
Total Fund Equity	5,995,346	1,775,876	(50,359)		10,317,779			18,038,642
TOTAL LIABILITIES AND FUND EQUITY	\$ 7,140,204	\$ 2,400,924	\$ 213,115	\$ 12,255,998	\$ 10,317,779	\$ 1,097,586	\$	\$ 33,425,606

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1999

	General Fund			Special Revenue Funds			VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
REVENUES							
Ad valorem taxes	\$ 5,553,682	\$ 5,447,144	\$ (106,538)	\$	\$	\$	
Sales taxes	5,408,271	5,438,563	30,292	5,332,284	5,409,184	76,900	
Intergovernmental revenues:							
Federal grants	885,686	982,431	96,745				
State grants	91,735	91,847	112				
State revenue sharing	400,000	402,957	2,957				
State supplemental pay	808,944	848,608	39,664				
Fees, charges, and commissions for services:							
Commissions							
Sales tax	1,190,000	1,218,572	28,572				
Other	803,423	884,507	81,084				
Civil fees	787,518	837,036	49,518				
Criminal fees	799,409	838,573	39,164				
Court attendance	39,520	40,660	1,140				
Feeding and keeping prisoners	1,800,344	1,877,809	77,465	7,245	72,777	65,532	
Tax research and other services	300,000	326,853	26,853				
Interest earnings	360,000	415,262	55,262	60,000	63,122	3,122	
Other revenues	437,104	409,678	(27,426)		211,476	211,476	
Salary reimbursements	126,782	132,389	5,607				
Total revenues	19,792,418	20,192,889	400,471	5,399,529	5,756,559	357,030	
EXPENDITURES							
Public safety:							
Personal services	9,653,108	9,775,007	(121,899)	1,980,057	2,015,507	(35,450)	
Payroll benefits	680,062	688,451	(8,389)	123,168	142,909	(19,741)	
Employee insurance benefit	1,460,000	1,278,725	181,275	219,215	261,552	(42,337)	
Operating expenditures	1,594,596	1,747,454	(152,858)	285,686	305,501	(19,815)	
Professional fees	390,362	452,983	(62,621)	3,876	3,229	647	
Materials and supplies	1,454,255	1,637,031	(182,776)	747,818	929,921	(182,103)	
Travel and education	218,747	248,670	(29,923)	43,680	46,380	(2,700)	
Insurance	332,444	324,395	8,049	51,362	51,362	-	
Other	26,523	22,420	4,103				
Debt service							
Transfer to St. Tammany Parish							
Police Jury	1,219,002	1,219,002	-	1,299,059	1,624,027	(324,968)	
Principal	91,571	91,571	-				
Interest	2,942,514	2,459,221	483,293	52,338	14,889	37,449	
Capital outlay							
Total expenditures	\$ 20,063,184	\$ 19,944,930	\$ 118,254	\$ 4,806,259	\$ 5,395,277	\$ (589,018)	

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUNDS (Continued)

For the Year Ended June 30, 1999

	General Fund		Special Revenue Funds		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (270,766)	\$ 247,959	\$ 593,270	\$ 361,282	\$ (231,988)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In(Out)	225,000	15,793		(15,793)	(15,793)
Sale of Assets	74,982	121,698			
Note proceeds	650,000	650,000			
Total other financing sources (uses)	<u>949,982</u>	<u>787,491</u>		<u>(15,793)</u>	<u>(15,793)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ 679,216	1,035,450	\$ 593,270	345,489	\$ (247,781)
FUND BALANCE AT BEGINNING OF YEAR		<u>4,959,896</u>		<u>1,430,387</u>	
FUND BALANCE AT END OF YEAR		\$ <u>5,995,346</u>		\$ <u>1,775,876</u>	

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS -
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 1999

OPERATING REVENUES	
Premium contributions	\$ 2,014,556
Reinsurance proceeds	158,462
Other	<u>1,812</u>
Total revenues	2,174,830
OPERATING EXPENSES	
Claims expenses	2,035,586
Other premiums	127,635
Stop loss premiums	115,421
Administrative fees	<u>85,667</u>
Total operating expenses	<u>2,364,309</u>
OPERATING NET LOSS	(189,479)
NON-OPERATING REVENUES	
Interest income	<u>10,957</u>
NET LOSS	(178,522)
Retained earnings - beginning	<u>128,163</u>
Deficit in Retained earnings - ending	<u>\$ (50,359)</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINED STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating loss	\$ (189,479)
Adjustments to reconcile net operating loss to net cash used by operating activities	
Decrease in accounts receivable	91,041
Decrease in due to other funds	(4,642)
Increase in accounts payable	<u>95,850</u>
Total adjustments	<u>182,249</u>
Net cash used by operating activities	(7,230)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Receipts of interest	<u>10,957</u>
Net cash provided by investing activities	<u>10,957</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,727
Cash, beginning of year	<u>83,979</u>
Cash, end of year	<u>\$ 87,706</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the Chief Executive Officer of the law enforcement district and Ex-Officio Tax Collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, and other law enforcement activities. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish, state or federal government.

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, sportsman's licenses, fines and costs, and bond forfeitures imposed by the district court. The Sheriff is also contracted to be the sole tax collector for the collection and distribution of sales taxes throughout the parish.

The financial statements of the Sheriff conform to generally accepted accounting principals (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body in establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

1. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds and account groups that are controlled by the Sheriff as an independently elected parish official. As an independently elected official, the Sheriff is solely responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff 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 financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the St. Tammany Parish Sheriff.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

2. Fund Accounting

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

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

Funds are classified into three categories; governmental, fiduciary, and proprietary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on providing services to the public; fiduciary funds are used to account for assets held for others; and proprietary funds are used to account for a government's ongoing activities. The Sheriff's current operations require the use of governmental, fiduciary, and proprietary funds as described below:

Governmental Funds

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 an ad valorem tax levied by the law enforcement district, and the Sheriff's one-fourth percent sales tax. The Sheriff also receives revenue from state supplemental pay for deputies, civil and criminal fees, fees for court attendance, maintenance of prisoners, and various other commissions. General operating expenditures are paid from this fund.

The Special Revenue funds are used to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes. The Sheriff's Special Revenue funds include Inmate Commissary and Jail Sales Tax.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Fund Accounting - Continued

Fiduciary Fund - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, licenses, inmates and Cops More Grant. Disbursements from the funds are made to various parish agencies, litigants in suits, and refunds, 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.

Proprietary Fund - Internal Service Funds

Internal service funds are used to account for liability claims and health care claims made by the Sheriff's employees on a cost recovery basis. Resources to fund the self insurance plans are recorded as revenues. The cost of claims is recorded as an expense in the internal service funds when the claims arise. Accrued liabilities include provisions for claims reported but not yet paid as of fiscal year-end.

3. 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.

Governmental Funds

The governmental funds are accounted for using the modified accrual basis of accounting. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

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

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Basis of Accounting - Continued

Sales taxes are recorded in the year the related sale has occurred. Fees, charges, and commissions for services, interest income on time deposits, other revenues, and intergovernmental revenues (except state revenue sharing) are recorded when earned.

Expenditures

Generally, expenditures are recognized under the modified accrual basis when the related fund liability is incurred.

Compensated absences are recognized as expenditures when paid.

Other Financing Sources

Proceeds of notes payable are accounted for as an other financing source and are recorded when cash is received.

Proprietary Fund

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. The Sheriff applies all applicable FASB pronouncements passed on or before November 30, 1989 in accounting and reporting for its proprietary fund operations unless those pronouncements conflict with or contradict GASB pronouncements. The Sheriff's proprietary fund type is limited to the Internal Service Funds - Employee Health Insurance and Risk Management.

4. Budget Practices

The proposed 1998-1999 budgets for the General Fund and Special Revenue Funds were made available for public inspection at the Sheriff's office on June 11, 1998. A public hearing was held on June 23, 1998, at the Sheriff's office for suggestions and comments from taxpayers. The proposed budget was legally adopted by the Sheriff on the date of the public hearing. All appropriations lapse at year end. The budget, which includes proposed expenditures and the means of financing them, was published in the official journal prior to the public hearings.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Budget Practices - Continued

The General and Special Revenue Fund budgets are prepared on the modified accrual basis of accounting. Formal budget integration (within the accounting records) is used during the year as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

5. Cash and Investments

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

Investments are limited by R.S. 33:2955 and the Sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 1999, the Sheriff's investments consisted of a U.S. government agency bond which has been reported at fair value in accordance with Governmental Accounting Standards Board No. 31.

6. Inventories

Office supplies, lab supplies, and vehicle parts inventories are valued at cost, which approximates market. Cost is determined using the specific identification method. This is not considered to be a material departure from GAAP.

7. General Fixed Assets and Long-Term Obligations

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the parish police jury or improvements thereon, such as the jail addition, are not recorded within the Sheriff's general fixed assets account group. Fixed assets are valued at historical cost or estimated historical cost, if historical cost is not available. Donated assets are recorded at fair market value at the

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. General Fixed Assets and Long-Term Obligations (Continued)

time of donation. No depreciation has been provided on general fixed assets. Fixed assets are only placed in the general fixed asset account group if they are above a \$2,500 floor. Records of other assets and those that are federally funded are kept separately from the formal financial statements.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the General Fund. These two account groups are not funds because they are concerned only with the measurement of financial position and do not involve measurement of results of operations.

8. Compensated Absences

Employees of the Sheriff's office earn from 10 to 15 days of vacation leave and 5 to 15 days of sick leave each year, depending on length of service. Vacation leave cannot be accumulated and must be used during the year it is earned. Sick leave can be accumulated up to a maximum of 480 hours. Upon termination, sick leave lapses. Accordingly, at June 30, 1999, no liability for compensated absences has been reported in the general long-term debt account group.

9. Short-term Interfund Receivables / Payables

During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds on the combined balance sheet.

10. 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 Sheriff.

11. Total Column on the Balance Sheet

The total column on the balance sheet is captioned "Memorandum Only" (overview) 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.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE B - LEVIED TAXES

Property taxes for the Sheriff are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the St. Tammany Parish Assessors's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 1996. Taxes are due and payable December of the following year.

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

	Millage	Expiration Date
1998 Law Enforcement District	4.89	2008
Constitutional Law Enforcement District	8.05	n/a

The 1998 millage was adopted for the purpose of general law enforcement support.

NOTE C - CASH AND CASH EQUIVALENTS

At June 30, 1999, the Sheriff has \$17,355,362 (book balance) in interest-bearing demand deposits. 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 holding or custodial bank that is mutually acceptable to both parties.

At June 30, 1999, the Sheriff has \$17,442,686 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$17,342,686 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE D - RECEIVABLES

The receivables at June 30, 1999, are as follows:

Class of Receivable	General Fund	Special Revenue Fund
Sales tax	\$ 967,938	\$ 967,857
Ad valorem taxes	266,628	
State funds receivable	24,176	
Federal funds receivable	285,148	
Fees, charges, and commissions for services:		
Feeding, keeping and transporting prisoners	413,683	
Fines and cost	46,917	
Commissions	266,612	
Other	<u>176,771</u>	
Total	<u>\$2,447,873</u>	<u>\$ 967,857</u>

NOTE E - INVESTMENTS

At June 30, 1999, the Sheriff owned a Federal Home Loan Bank callable bond yielding 6.43% maturing November 2002. This investment is uninsured and unregistered, and held by Sheriff's fiscal agent in the Sheriff's name (GASB Category 2). In accordance with Governmental Accounting Standards Board Statement No. 31, it is recorded at its fair value using published market quotes which was \$499,609. Unrealized losses incurred during the year have been recorded as an offset against investment earnings.

NOTE F - DUE FROM/ TO OTHER FUNDS

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

	Due from other funds	Due to other funds
General Fund	\$ 387,389	\$ 25,732
Special Revenue:		
Jail Sales Tax Fund	25,732	387,121
Agency		
Inmate Fund	<u>-</u>	<u>268</u>
	<u>\$ 413,121</u>	<u>\$ 413,121</u>

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE G- GENERAL FIXED ASSETS

A summary of changes in general fixed assets (automobiles and equipment) follows:

Balance, June 30, 1998	\$ 10,055,231
Additions	2,530,922
Reductions	<u>(2,268,374)</u>
Balance, June 30, 1999	<u>\$ 10,317,779</u>

General fixed assets consist of the following at June 30, 1999:

Vehicles and accessories	\$ 6,009,300
Computer equipment	1,789,536
Building improvements	1,696,871
Boats and accessories	275,486
Communication equipment	231,088
Other	227,059
Office equipment	61,976
Lab equipment	<u>26,463</u>
 Total	 <u>\$ 10,317,779</u>

During the year ended December 31, 1999, the Sheriff's capitalization policy for general fixed assets was increased from \$500 to \$2,500. Assets previously included in general fixed assets at costs less than \$2,500 are included in the total reductions for the current year.

NOTE H - LEASES

The Sheriff is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the Sheriff's account groups. Rent payments of \$128,833 were made during the year ended June 30, 1999. The following is a schedule of future minimum rental payments:

Year Ending <u>June 30</u>	<u>Amount</u>
2000	\$ 138,384
2001	41,573
2002	42,238
2003	<u>10,960</u>
 Total minimum lease payments	 <u>\$ 233,155</u>

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE I - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligations for:

	<u>Compensated Absences</u>	<u>Notes Payable</u>	<u>Total</u>
Balance, June 30, 1998	\$ 94,673	\$1,666,588	\$ 1,761,261
Additions	-	650,000	650,000
Reductions	(94,673)	(1,219,002)	(1,097,886)
Balance, June 30, 1999	<u>\$ -</u>	<u>\$1,097,586</u>	<u>\$ 1,313,675</u>

NOTE J - NOTES PAYABLE

At June 30, 1999, the Sheriff was obligated under the following agreements:

Certificate of Indebtedness payable to a bank dated November 21, 1996, principal payable in ten annual installments with interest to be paid semi-annually at a rate of 4.9% secured by excess revenue of the Sheriff \$ 585,000

Equipment installment purchase agreement payable to a bank dated November 20, 1998, with an original principal of \$650,000, payable in thirty-six monthly installments of \$19,257 including interest at a rate of 4.25%, secured by certain equipment purchased with the proceeds of the agreement 512,586

\$1,097,586

Total future principal and interest payments under the above obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 255,373	\$ 62,907	\$ 318,280
2001	286,938	33,280	320,218
2002	165,275	21,836	187,111
2003	70,000	17,395	87,395
2004	75,000	13,843	88,843
Thereafter	<u>245,000</u>	<u>18,252</u>	<u>263,252</u>
	<u>\$1,097,586</u>	<u>\$167,513</u>	<u>\$1,265,099</u>

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE K - CHANGES IN AGENCY FUND BALANCES

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

	Sheriff's Fund	Tax Collector Fund	Inmate Fund	Fines and Cost Fund	COPS More
Balance at July 1, 1998	\$ 1,072,022	\$ 8,492,535	\$ 59,483	\$ 308,213	\$ 338,395
Additions	3,930,086	185,859,801	422,772	3,751,542	364,468
Deductions	<u>(3,905,797)</u>	<u>(183,717,089)</u>	<u>(435,015)</u>	<u>(3,665,145)</u>	<u>(620,273)</u>
Balance at June 30, 1999	<u>\$ 1,096,311</u>	<u>\$ 10,635,247</u>	<u>\$ 47,240</u>	<u>\$ 394,610</u>	<u>\$ 82,590</u>

NOTE L- EXPENDITURES OF THE SHERIFF'S OFFICE PAID
BY THE PARISH POLICE JURY

The Sheriff's office occupies various facilities owned by the Parish. The cost of maintaining and operating these facilities, as required by Louisiana Revised Statute 33:4715, is paid by the St. Tammany Parish Police Jury.

NOTE M - PENSION PLAN

Substantially all employees of the St. Tammany Parish Sheriff are members of the state individual retirement system known as the Sheriffs' Pension and Relief Fund ("System"), a multiple-employer (cost sharing), public employee retirement system (PERS), administered and controlled by a separate board of trustees.

Plan description - All sheriffs and deputies who are found to be physically fit, who earn at least \$550 per month, and who were between the ages of 18 and 50 at 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 2.75 percent for each year if total service is at least 12 but less than 15 years, 3 percent for each year if total service is at least 15 but less than 20 years, and 3.25 percent for each year if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employees'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 who do not withdraw their employee

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE M - PENSION PLAN - Continued

contributions may retire at or after age 55 and receive benefits 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 by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Sheriff's Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana, 71210-3163, or by calling (318) 362-3198.

Funding Policy - Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0 percent of annual covered payroll. The contribution requirements of plan members and the Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Sheriff's contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$548,180, \$437,728, and \$460,340, respectively, equal to the required contributions for each year.

NOTE N - DEFERRED COMPENSATION PLAN

The St. Tammany Parish Sheriff offers its employees deferred compensation under the Louisiana Public Employees Deferred Compensation Plan in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until retirement, death, termination, disability, or financial hardship.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or beneficiary) solely the property and rights of the Sheriff (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Sheriff's general creditors.

Participants' rights under the plan are equal to those of general creditors of the Sheriff in an amount equal to the fair market value of the deferred account for each participant.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE N - DEFERRED COMPENSATION PLAN - Continued

It is the opinion of the Sheriff's legal counsel that the Sheriff has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Sheriff believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Accordingly, the plan assets and related liabilities have not been included herein.

NOTE O - POST-RETIREMENT BENEFITS

The St. Tammany Parish Sheriff provides certain continuing health care benefits for retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff's office. These benefits for retirees and similar benefits for active employees are provided through the Sheriff's Internal Service Fund. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 1999, the Sheriff expended \$1,548,998 for health care and life insurance benefits. Included in this total is \$116,147 of health care benefits paid for retirees. There are 38 retirees and 507 active employees as of June 30, 1999.

NOTE P - LITIGATION AND CLAIMS

At June 30, 1999, the Sheriff is involved in a number of lawsuits. In the opinion of the Sheriff's legal counsels, resolution of the majority of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

NOTE Q - SELF-INSURANCE

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Sheriff has contracted with various insurers to cover its risk of loss as to assets which it owns with the exception of motor vehicles for which he retains the risk of loss. The Sheriff also retains the risk of loss as to injuries to employees not covered under the Employee Health Insurance Plan. Effective July 1, 1999 the Sheriff has executed insurance contracts to cover the risk of loss to injuries to employees. The Sheriff has retained a portion of its risks as to employee health insurance coverage and for general and law enforcement liability for which it has established internal service funds to account for and to finance its portion of these risks.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE Q - SELF-INSURANCE - Continued

Employee Health Insurance

On January 1, 1994, the Sheriff established a self-insurance health plan for his employees. The Plan administrators, Fara Benefit Services, are responsible for the approval, processing, and payment of claims. They are also responsible for actuarially determining the needed funding of the plan, for which they bill the Sheriff. The Plan is accounted for in an internal service fund of the Sheriff. Resources to fund the Plan are recorded as revenues. The cost of claims is recorded as an expense in the internal service fund when the claims arise. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claims liabilities include an amount for claims that have been incurred but not paid as of June 30, 1999. These liabilities are reported at their present value of \$130,813.

Changes in the balances of claims liabilities during fiscal years 1999, 1998 and 1997 were as follows:

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Beginning of year liability	\$ 145,163	\$ 297,202	\$ 76,591
Claims and changes in estimates	1,785,477	1,525,493	1,442,751
Claims payments	<u>(1,799,827)</u>	<u>(1,677,532)</u>	<u>(1,222,140)</u>
Balance at fiscal year end	<u>\$ 130,813</u>	<u>\$ 145,163</u>	<u>\$ 297,202</u>

A stop-loss insurance contract executed with an insurance carrier covers aggregate claims in excess of 125% of total expected claims and \$50,000 per single employee, per year. This policy provides stated coverage on a calendar year basis.

Liability Risk Management

The Sheriff has established a self insurance fund to cover its deductible for general liability, law enforcement, and automotive liability. The Sheriff participates in insurance contracts for the coverage of general liability, law enforcement liability, automotive liability and buildings and contents. Limits of coverage are \$1,000,000 for each general liability, law enforcement, and automotive liability. Aggregate insurance limits for both general liability and law enforcement is \$3,000,000 combined. The Sheriff self insures the deductible of \$50,000 for each occurrence up to a maximum of \$140,000 aggregate per claim year for all liability insurances. The cost of claims is recorded as an expense in the internal service fund when the claims arise. Resources to fund the plan are recorded as revenues. Claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not paid as of June 30, 1999. These liabilities are recorded at their present value of \$132,661.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE Q - SELF-INSURANCE - Continued

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Beginning of year liability	\$ 22,461	\$ 12,398	\$ -
Claims and changes in estimates	250,109	127,924	27,920
Claims payments	<u>(139,909)</u>	<u>(117,861)</u>	<u>(15,522)</u>
Balance at fiscal year end	<u>\$ 132,661</u>	<u>\$ 22,461</u>	<u>\$ 12,398</u>

NOTE R - EXPENDITURES - ACTUAL AND BUDGET

The Special Revenue Funds had actual expenditures of \$5,395,277 over budgeted expenditures of \$4,806,259 creating an unfavorable variance of \$589,018.

NOTE S - RESERVED FUND BALANCE

Reserve for inventories - The reserve for inventories was created to represent the portion of the fund balance that is not available for expenditure because the Sheriff expects to use these resources within the next budgetary period.

NOTE T - TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others at June 30, 1999, include taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$1,471,856. Additional taxes paid under protest, which were held by an outside law firm, total \$500,000. These monies are held in escrow pending resolution of the protest.

NOTE U - INTERGOVERNMENTAL AGREEMENT

On April 23, 1998, The St. Tammany Parish Police Jury issued \$18,900,000 of general obligation sales tax bonds to finance an addition to the jail which is funded by a 1/4% sales tax. The Sheriff entered into an intergovernmental agreement effective April 1, 1998 through June 30, 2002 with the St. Tammany Parish Police Jury which requires the proceeds of the 1/4% sales tax to be deposited in the Sheriff's Jail Sales Tax Fund. The Sheriff will pay the St. Tammany Parish Police Jury monthly the proportionate interest and principal requirements of the bond. The Sheriff has assumed responsibility for operation, maintenance, administrative, and feeding and keeping of prisoner expenditures of the jail. For these expenses, The Parish will pay the Sheriff \$325,000 per year beginning January 1, 2000. The St. Tammany Parish Police Jury retains responsibility for medical expenses of parish prisoners.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 1999

NOTE V - DEFICIT IN RETAINED EARNINGS

At June 30, 1999, the Risk Management Fund had a deficit in retained earnings of \$62,380. The Sheriff plans to overcome this deficit by increasing premiums paid by the General Fund.

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE FUNDS

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

SPECIAL REVENUE FUNDS

As of and for the Year Ended June 30, 1999

INMATE COMMISSARY

The Inmate Commissary fund accounts for proceeds of sales of various goods to inmates of the parish jail. Expenditures of the fund are for purchases of goods and for maintenance of the jail.

JAIL SALES TAX

The Jail Sales Tax fund accounts for the proceeds of a 1/4 cent sales tax approved on January 17, 1998 for the expansion of the existing jail and to fund ongoing operations of the jail. The fund also transfers monies to the St. Tammany Parish Police Jury for debt service on bonds issued by the Police Jury for construction of an addition to the current jail.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINING BALANCE SHEET -
SPECIAL REVENUE FUNDS

June 30, 1999

	Inmate <u>Commissary</u>	Jail Sales <u>Tax</u>	<u>Total</u>
ASSETS			
Cash	\$ 240,783	\$1,166,552	\$ 1,407,335
Receivables	-	967,857	967,857
Due from other funds	<u>-</u>	<u>25,732</u>	<u>25,732</u>
Total Assets	<u>\$ 240,783</u>	<u>\$2,160,141</u>	<u>\$ 2,400,924</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Due to other funds	\$ -	\$ 387,121	\$ 387,121
Accounts payable	<u>12,678</u>	<u>225,249</u>	<u>237,927</u>
Total Liabilities	12,678	612,370	625,048
Fund Equity			
Fund balance	<u>228,105</u>	<u>1,547,771</u>	<u>1,775,876</u>
Total Liabilities and Fund Equity	<u>\$ 240,783</u>	<u>\$2,160,141</u>	<u>\$ 2,400,924</u>

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES -
SPECIAL REVENUE FUNDS
For the Year Ended June 30, 1999

	Inmate <u>Commissary</u>	Jail Sales <u>Tax</u>	<u>Total</u>
REVENUES			
Sales tax	\$ -	\$5,409,184	\$ 5,409,184
Interest earnings	9,029	63,748	72,777
Feeding and keeping prisoners	-	63,122	63,122
Sale of goods to inmates	<u>211,476</u>	<u>-</u>	<u>211,476</u>
Total revenue	220,505	5,536,054	5,756,559
OPERATING EXPENSES			
Personal services	-	2,015,507	2,015,507
Payroll benefits	-	142,909	142,909
Employee insurance benefit	-	261,552	261,552
Operating expenditures	-	305,501	305,501
Professional fees	-	3,229	3,229
Materials and supplies	138,894	791,027	929,921
Travel and education	-	46,380	46,380
Insurance	-	51,362	51,362
Transfer to St. Tammany Parish Police Jury	-	1,624,027	1,624,027
Capital Outlay	<u>-</u>	<u>14,889</u>	<u>14,889</u>
Total expenses	<u>138,894</u>	<u>5,256,383</u>	<u>5,395,277</u>
EXCESS OF REVENUES OVER EXPENSES	81,611	279,671	361,282
OTHER FINANCING USES			
Operating transfers in (out)	<u>-</u>	<u>(15,793)</u>	<u>(15,793)</u>
Total other financing uses	<u>-</u>	<u>(15,793)</u>	<u>(15,793)</u>
EXCESS OF REVENUES OVER EXPENSES AND OTHER USES	81,611	263,878	345,489
FUND BALANCE - BEGINNING	<u>146,494</u>	<u>1,283,893</u>	<u>1,430,387</u>
FUND BALANCE - ENDING	<u>\$ 228,105</u>	<u>\$1,547,771</u>	<u>\$ 1,775,876</u>

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

As of and for the Year Ended June 30, 1999

EMPLOYEE HEALTH

The Sheriff provides employee health and life insurance benefits through monthly transfers from the general fund to the Employee Health fund.

RISK MANAGEMENT

The Risk Management fund accounts for the Sheriff's self insurance of its deductibles on its general, law enforcement, and automotive liability policies.

ST. TAMMANY PARISH SHERIFF
 St. Tammany Parish, Louisiana

COMBINING BALANCE SHEET -
 PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

June 30, 1999

	Employee <u>Health</u>	Risk Management	<u>Total</u>
ASSETS			
Cash	\$ 17,425	\$ 70,281	\$ 87,706
Receivables	<u>125,409</u>	<u>-</u>	<u>125,409</u>
Total Assets	<u>\$ 142,834</u>	<u>\$ 70,281</u>	<u>\$ 213,115</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 130,813	\$ 132,661	\$ 263,474
Total Liabilities	130,813	132,661	263,474
Fund Equity			
Retained earnings (deficit)	<u>12,021</u>	<u>(62,380)</u>	<u>(50,359)</u>
Total Liabilities and Fund Equity	<u>\$ 142,834</u>	<u>\$ 70,281</u>	<u>\$ 213,115</u>

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS -
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 1999

	<u>Employee Health</u>	<u>Risk Management</u>	<u>Total</u>
OPERATING REVENUES			
Premium contributions	\$ 1,874,556	\$ 140,000	\$ 2,014,556
Reinsurance proceeds	158,462	-	158,462
Other	<u>1,812</u>	<u>-</u>	<u>1,812</u>
Total revenues	2,034,830	140,000	2,174,830
OPERATING EXPENSES			
Claims and legal fees	1,785,477	250,109	2,035,586
Other premiums	127,635	-	127,635
Stop loss premiums	115,421	-	115,421
Administrative fees	<u>85,667</u>	<u>-</u>	<u>85,667</u>
Total operating expenses	<u>2,114,200</u>	<u>250,109</u>	<u>2,364,309</u>
OPERATING LOSS	(79,370)	(110,109)	(189,479)
NON-OPERATING REVENUES			
Interest income	<u>4,419</u>	<u>6,538</u>	<u>10,957</u>
NET LOSS	(74,951)	(103,571)	(178,522)
Retained earnings - beginning	<u>86,972</u>	<u>41,191</u>	<u>128,163</u>
Retained earnings (deficit) - ending	<u>\$ 12,021</u>	<u>\$ (62,380)</u>	<u>\$ (50,359)</u>

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

COMBINING STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 1999

	<u>Employee Health</u>	<u>Risk Management</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating loss	\$ (79,370)	\$ (110,109)	\$ (189,479)
Adjustments to reconcile net operating income (loss) to net cash used by operating activities			
Decrease in accounts receivable	91,041	-	91,041
Decrease in due to other funds	-	(4,642)	(4,642)
Increase(decrease) in accounts payable	<u>(14,350)</u>	<u>110,200</u>	<u>95,850</u>
Total adjustments	<u>76,691</u>	<u>105,558</u>	<u>182,249</u>
Net cash used by operating activities	(2,679)	(4,551)	(7,230)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Receipts of interest	<u>4,419</u>	<u>6,538</u>	<u>10,957</u>
Net cash provided by investing activities	<u>4,419</u>	<u>6,538</u>	<u>10,957</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,740	1,987	3,727
Cash, beginning of year	<u>15,685</u>	<u>68,294</u>	<u>83,979</u>
Cash, end of year	<u>\$ 17,425</u>	<u>\$ 70,281</u>	<u>\$ 87,706</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS

As of and for the Year Ended June 30, 1999

SHERIFF'S FUND

The Sheriff's Fund accounts for funds held in connection with civil suits, sheriff's sales, and garnishments. It also accounts for the collections of bonds, probation fines, and disbursement of these collections, in accordance with applicable law.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

INMATE FUND

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

FINES AND COST FUND

The Fines and Cost Fund accounts for the collection and settlement of fines and costs received by the courts in accordance with applicable laws.

COPS MORE FUND

The sheriff in consort with the municipalities of St. Tammany Parish receives funds from a Cops More Grant. Grant funds are disbursed to the general fund of the sheriff and to each of the municipalities.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS

COMBINING BALANCE SHEET

June 30, 1999

	<u>SHERIFF'S</u>	<u>TAX COLLECTOR</u>	<u>INMATE FUND</u>	<u>FINES & COST</u>	<u>COPS MORE</u>	<u>TOTAL</u>
ASSETS						
Cash	\$ 1,096,311	\$ 10,605,803	\$ 46,972	\$ 394,610	\$ 3,178	\$ 12,146,874
Receivables		15,651	268		79,412	95,331
Due from other governments		13,793				13,793
TOTAL ASSETS	\$ 1,096,311	\$ 10,635,247	\$ 47,240	\$ 394,610	\$ 82,590	\$ 12,255,998
LIABILITIES						
Due to taxing bodies and others	\$ 1,096,311	\$ 10,635,247	\$ 46,972	\$ 394,610	\$ 82,590	\$ 12,173,140
Due to other governments			268			82,590
Due to other funds						268
TOTAL LIABILITIES	\$ 1,096,311	\$ 10,635,247	\$ 47,240	\$ 394,610	\$ 82,590	\$ 12,255,998

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS

COMBINING SCHEDULE OF CHANGES IN BALANCES DUE TO
TAXING BODIES AND OTHERS
For the Year Ending June 30, 1999

	SHERIFFS	TAX COLLECTOR	INMATE FUND	FINES & COST	COPS MORE	TOTAL
BALANCES AT BEGINNING OF YEAR	\$ 1,072,022	\$ 8,492,535	\$ 59,483	\$ 308,213	\$ 338,395	\$ 10,270,648
ADDITIONS						
Deposits:						
Sheriff's sales	3,454,067					3,454,067
Bonds	436,893					436,893
Fines and costs				3,732,135		3,732,135
Other deposits			420,130			420,130
Taxes, fees, etc., paid to tax collector		185,411,513				185,411,513
Interest	39,126	448,288	2,642	19,407	2,982	512,445
Grants Proceeds					361,486	361,486
Total additions	<u>3,930,086</u>	<u>185,859,801</u>	<u>422,772</u>	<u>3,751,542</u>	<u>364,468</u>	<u>194,328,669</u>
Subtotal	<u>5,002,108</u>	<u>194,352,336</u>	<u>482,255</u>	<u>4,059,755</u>	<u>702,863</u>	<u>204,599,317</u>
REDUCTIONS						
Taxes, fees, etc., distributed to taxing bodies and others		183,717,089				183,717,089
Deposits settled to:						
Sheriff's General Fund	514,478			455,456		969,934
Clerk of Court	78,857			348,914		427,771
Litigants and appraisers	2,581,681					2,581,681
Other cost	299,086					299,086
Advertisers	40,966					40,966
District Attorney				524,820		524,820
Police Jury				1,137,415		1,137,415
Judicial Expense Fund				106,379		106,379
Indigent defender board				468,988		468,988
Refunds to individuals				22,458		22,458
Other settlements	390,729		435,015	600,715		1,035,730
Grants Expenditures					620,273	620,273
Total reductions	<u>3,905,797</u>	<u>183,717,089</u>	<u>435,015</u>	<u>3,665,145</u>	<u>620,273</u>	<u>192,343,319</u>
BALANCES AT END OF YEAR	\$ <u>1,096,311</u>	\$ <u>10,635,247</u>	\$ <u>47,240</u>	\$ <u>394,610</u>	\$ <u>82,590</u>	\$ <u>12,255,998</u>

OTHER SUPPLEMENTAL INFORMATION

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 1999

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number (If Applicable)	Total Grant Award	(Accrued) Deferred Revenue 6/30/98	Cash Received	Revenue Recognized	Expenditures	(Accrued) Deferred Revenue 6/30/99
United States Department of Justice Direct federal assistance								
Public Safety and Community Policing (Major Program)								
COPS More Grant	16.710	97-CCL-WX-0060	\$ 1,102,257	\$ (118,973)	\$ 401,047	\$ 361,486	\$ 361,486	\$ (79,412)
COPS Hiring Grant - 1996	16.710	97-JM-WX-0937	375,936	(38,310)	115,366	120,140	120,140	(43,084)
COPS Hiring Grant - 1998	16.710	98-LB-VX-4501	924,216	-	-	106,457	106,457	(106,457)
Equitable Sharing/ Assets Forfeited	16.000	N/A	N/A	-	202,224	202,224	278,904	-
Passed through the St. Tammany Parish Police Jury								
Grants to Encourage Arrest Policies (Major program)	16.590	97-WE-VX-0059	254,116	(34,000)	131,110	145,799	145,799	(48,689)
Passed through the Metropolitan Commission on Law Enforcement								
Drug Control and System Improvement	16.579	B97-7-019	N/A	(26,529)	69,614	62,904	62,904	(19,819)
Passed through the Louisiana Commission on Law Enforcement								
Local Law Enforcement Block Grants	16.592	N/A	N/A	(75,950)	125,145	94,704	94,704	(45,509)
Total United States Department of Justice				(293,762)	1,044,506	1,093,714	1,170,394	(342,970)
United State Department of Transportation Passed through the State of Louisiana								
State and Community Highway Safety	20.600	N/A	N/A	-	21,676	30,500	30,500	(8,824)
Federal Emergency Management Agency Passed through the Louisiana Office of Emergency Preparedness								
Emergency Management - State and Local	83.534	N/A	N/A	-	55,161	55,161	55,161	-
United States Drug Enforcement Agency Overtime payments	N/A	N/A	N/A	-	1,783	2,674	2,674	(891)
				\$ (293,762)	\$ 1,123,126	\$ 1,182,049	\$ 1,258,729	\$ (352,685)

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 1999

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the Sheriff's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE B - RECONCILIATION OF SCHEDULE TO GENERAL PURPOSE FINANCIAL STATEMENTS

The following is a reconciliation of revenues reported on the schedule of expenditures of federal awards to federal grant revenues reported on the general purpose financial statements:

Revenues reported on schedule of expenditures of awards		<u>\$1,182,049</u>
Revenues reported on the general purpose financial statements		
General Fund		\$ 982,431
Cops More Agency Fund	361,486	
Less amount included in General Fund	<u>(161,868)</u>	<u>199,618</u>
Total revenues reported on the general purpose financial statements		<u>\$1,182,049</u>

NOTE C - PAYMENTS TO SUBRECIPIENTS

During the year ended June 30, 1999 the Sheriff made payments to subrecipients out of funds it received under the 1996 Cops More Grant as follows:

Town of Abita Springs	\$ 1,395
City of Covington	87,369
Town of Folsom	125
City of Mandeville	7,507
Town of Pearl River	24,869
Town of Madisonville	12,212
City of Slidell	<u>66,141</u>
Total payments to subrecipients	<u>\$199,618</u>

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 1999

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE D - EQUITABLE SHARING/ASSETS FORFEITED

Monies received under this program derive from federal seizure of forfeited assets. The Department of Justice allots monies to the involved law enforcement agencies. Monies must be spent for various law enforcement uses and may be carried over to future years. Monies not spent must be accounted for in a separate bank account along with interest earned. As of June 30, 1999, the Sheriff has included these funds in the General Fund. The following is a recap of activity for the year ended June 30, 1999:

Balance July 1, 1998	\$241,114
Additions:	
Federal Sharing Funds Received	202,224
Interested earnings	11,508
Deductions:	
Federal Sharing Funds Expended	<u>(273,356)</u>
Balance June 30, 1999	<u>\$181,490</u>

Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

P.O. Box 3790

Covington, Louisiana 70434-3790

Samuel K. Smith, CPA
Patrick "Bryan" Huval, CPA

(504) 892-6633 - Covington
(504) 892-4666 - FAX

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

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

We have audited the financial statements of the St. Tammany Parish Sheriff as of and for the year ended June 30, 1999, and have issued our report thereon dated October 25, 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 St. Tammany Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which have been included in the accompanying schedule of findings and questioned costs as Item #99-1. We noted other immaterial instances of noncompliance that we have reported orally to management of the St. Tammany Parish Sheriff in an exit conference held on December 17, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Tammany 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 material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported orally to management of the St. Tammany Parish Sheriff in an exit conference held on December 17, 1999.

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

This report is intended for the information of the management, Louisiana Legislative Auditor, and the U.S. Department of Justice. However, this report is a matter of public record and its distribution is not limited.

Smith, Hural & Associates, L.L.C.

October 25, 1999

Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

P.O. Box 3790

Covington, Louisiana 70434-3790

Samuel K. Smith, CPA
Patrick "Bryan" Huval, CPA

(504) 892-6633 - Covington
(504) 892-4666 - FAX

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

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

COMPLIANCE

We have audited the compliance of the St. Tammany Parish Sheriff with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 1999. The St. Tammany Parish Sheriff's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Tammany Parish Sheriff. Our responsibility is to express an opinion on the St. Tammany Parish Sheriff's compliance based on our audit.

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

In our opinion, St. Tammany Parish Sheriff did comply with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 99-2 and 99-3.

INTERNAL CONTROL OVER COMPLIANCE

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

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff
St. Tammany Parish, Louisiana

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the U.S. Department of Justice, the Louisiana Legislative Auditor, and other federal awarding agencies and pass-through entities.

Smith, Heval & Associates, L.L.C.

October 25, 1999

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 1999

Section 1

Financial Statements

- | | |
|--|-------------|
| 1. Type of auditor's report | Unqualified |
| 2. Compliance and internal control over financial reporting | |
| a. Material weaknesses identified | None |
| b. Reportable conditions identified not considered to be material weaknesses | None |
| c. Noncompliance material to the financial statements noted. | Yes |

Federal Awards

- | | |
|--|--------------------------------------|
| 1. Internal control over major programs | |
| a. Material weaknesses identified | None |
| b. Reportable conditions identified not considered to be material weaknesses | None |
| 2. Type of auditor's report issued on compliance for major program | Unqualified |
| 3. Audit findings disclosed that are required in accordance with OMB A-133, Section 510a | Yes |
| 4. Identification of major programs | |
| 16.710 | Public Safety and Community Policing |
| 16.590 | Grants to Encourage Arrest Policies |
| 5. Dollar threshold used to distinguish between Type A and B programs. | \$300,000 |
| 6. Auditee qualified as a low - risk auditee under OMB A-133 Section 530. | No |

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 1999

Section 2

Financial Statement Findings

99-1 *Conditions and Criteria:* For the year ended June 30, 1999, the St. Tammany Parish Sheriff expended \$5,395,277 in its Special Revenue Funds which exceeded budget amounts of \$4,806,259 creating an unfavorable variance of 589,018. LSA RS 39:1304 requires that the Sheriff should amend the budget when actual expenditures and other uses exceed budgeted amounts by more than 5%.

Effect: Noncompliance with state laws regarding budgeting.

Cause: Late in the year, the Sheriff reimbursed the St. Tammany Parish Police Jury for an expenditure made on behalf of the Sheriff. This expenditure was not foreseen in the initial budgeting process.

Auditor's Recommendation: In the future, the Sheriff should amend the budget when actual expenditures are expected to exceed budgeted amounts by more than 5%.

Management Response: In the budget process for the Jail Fund, we failed to consider amounts that were recorded as accrued liabilities as of our year end.. Also, in the prior fiscal year, the Commissary Account was reclassified to a special revenue fund. This reclassification was not considered in the budget process. Both incidents caused the Special Revenue Funds' expenditures to exceed budgeted amounts. In the future, the Sheriff will comply with LSA 39:1304.

Section 3

Federal Awards Findings and Questioned Costs

99-2 Cops More Grant - CFDA # 16.710

Conditions and Criteria: The Sheriff purchased software from a single source vendor at a cost in excess of \$100,000. The Cops More Grant Handbook requires that a written justification a non-competitive procurement be submitted to and approved by the US Department of Justice.

Effects: Noncompliance with the requirement outlined in the Grant Handbook.

Cause: The Sheriff was not aware of this requirement. However, the US Department of Justice approved the expenditure of grant funds after the issue was raised during the audit.

Auditor's Recommendation: All future purchases from single source vendors should receive prior approval from the US Department of Justice.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 1999

Grantee Response: All such future purchases will receive prior approval from US Department of Justice. It is our understanding that no further action is required of the above finding.

99-3 Cops More Grant - CFDA #16.710

Condition and Criteria: The Sheriff filed two quarterly financial status reports 35 and 74 days past the due date as described in the Cops More Grant Handbook.

Effect: Noncompliance with the Grant Handbook. Note that the Cops Office of the Department of Justice accepted both reports and paid the funds requested.

Cause: Additional time was necessary to complete report.

Auditor's Recommendation: The Sheriff should file all future quarterly financial status reports on or before the due date prescribed in the Grant Handbook.

Grantee Response: The Sheriff did not file timely reports because we were waiting for subgrantees to submit information. We have established new procedures to insure that reports are filed timely.

ST. TAMMANY PARISH SHERIFF
St. Tammany Parish, Louisiana

STATUS OF PRIOR YEAR AUDIT FINDINGS

Year Ended June 30, 1999

- 98-1 Finding: The Sheriff did not timely submit an acceptable Equal Employment Opportunity Plan to the U.S. Office of Civil Rights.

Current Status: The Equal Employment Opportunity Plan was received by the Office of Civil Rights and approved after amendments as of March 31, 1999. No further action on the part of the Sheriff is necessary.

- 98-2 Finding: The Sheriff received its first quarter 1998 drawdown of funds on June 18, 1998. Funds due to subrecipients were not paid until August 3, 1998. This delay in disbursing federal funds was not in accordance with the cash management requirements of 31 CFR Part 205.

Current Status: During our audit for the year ended June 30, 1999, we noted that funds were disbursed to subrecipients in a timely manner.

- 98-3 Finding: The Sheriff did not timely submit a progress report for the grant year December 31, 1997.

Current Status: This report was filed subsequently. The Sheriff has been notified by the U.S. Department of Justice that a progress report was not required to be filed for the 1998 grant year.

- 98-4 Finding: The Sheriff has not adequately monitored the activities of subrecipients and has paid grant requests that were not properly supported. In one instance, a subrecipient submitted invoices that did not reconcile to request submitted, which resulted in an overpayment to the subrecipient.

Current Status: The Sheriff has improved its monitoring of subrecipient activities. For the year ended June 30, 1999, all tested grant requests submitted by subrecipients were adequately supported by copies of invoices. The error noted above has been corrected through deducting overpayment from subsequent disbursements.