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LAFOURCHE PARISH SHERIFF

PARISH OF LAFOURCHE
STATE OF LOUISIANA

FINANCIAL REPORT, INTERNAL CONTROL AND COMPLIANCE REPORT

JUNE 30, 1997

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 2/18/98



LAFOURCHE PARISH SHERIFF

**FINANCIAL REPORT, INTERNAL CONTROL
AND COMPLIANCE REPORT**

JUNE 30, 1997

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LAFOURCHE PARISH SHERIFF
FINANCIAL REPORT, INTERNAL CONTROL
AND COMPLIANCE REPORT

JUNE 30, 1997

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FINANCIAL SECTION





STAGNI & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS – CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Craig Webre,
Lafourche Parish Sheriff
Thibodaux, Louisiana

We have audited the accompanying general purpose financial statements of the Lafourche Parish Sheriff, State of Louisiana as of and for the year ended June 30, 1997 as listed in the table of contents. These general purpose financial statements are the responsibility of the Lafourche Parish Sheriff's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *GOVERNMENT AUDITING STANDARDS*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Lafourche Parish Sheriff as of June 30, 1997, and the results of its operations 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 accompanying financial information listed in the table of contents as other supplementary information is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Lafourche Parish Sheriff. This 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 such financial statements taken as a whole.

Honorable Craig Webre,
Lafourche Parish Sheriff
Page 2

In accordance with *GOVERNMENT AUDITING STANDARDS*, we have also issued a report dated October 7, 1997 on our consideration of the Lafourche Parish Sheriff's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Stagni & Company

Thibodaux, Louisiana
October 7, 1997



**LAFOURCHE PARISH SHERIFF, PARISH OF LAFOURCHE
STATE OF LOUISIANA**

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1997

	Governmental Fund Types		Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Fund Type	General Fixed Assets	General Long Term Debt	
ASSETS						
Cash	\$590,018	\$108,817	\$887,938			\$1,586,773
Investments	699,131					699,131
Receivables:						
Taxes	12,150					12,150
Other	110,611					110,611
Due from other governments	1,196,619					1,196,619
Due from other funds	13,001					13,001
Inventory		5,059				5,059
Fixed assets				\$2,907,629		2,907,629
Amount to be provided					\$920,394	920,394
Total Assets	<u>\$2,621,530</u>	<u>\$113,876</u>	<u>\$887,938</u>	<u>\$2,907,629</u>	<u>\$920,394</u>	<u>\$7,451,367</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
Accounts payable and accrued expenses	\$189,940					\$189,940
Salaries and benefits payable	153,766	\$ 11,241	\$1,760			153,766
Due from other funds						13,001
Insurance note payable	250,820		886,178			250,820
Due to taxing bodies and others						886,178
Insurance claims payable	152,190					152,190
Due to inmates		11,194				11,194
Total current liabilities	746,716	22,435	887,938			1,657,089
Compensated Absences Payable					\$397,289	397,289
Note payable					118,105	118,105
Certificate of Indebtedness					405,000	405,000
Total liabilities	<u>746,716</u>	<u>22,435</u>	<u>887,938</u>		<u>920,394</u>	<u>2,577,483</u>
FUND EQUITY:						
Investment in general fixed assets				\$2,907,629		2,907,629
Reserve for health insurance claims	103,607					103,607
Reserve for vehicles and equipment	235,102					235,102
Reserve for debt service	144,453					144,453
Reserve for drug interdiction		68,711				68,711
Fund balances - unreserved	1,391,652	22,730				1,414,382
Total fund equity	1,874,814	91,441		2,907,629		4,873,884
Total liabilities and fund equity	<u>\$2,621,530</u>	<u>\$113,876</u>	<u>\$ 887,938</u>	<u>\$2,907,629</u>	<u>\$920,394</u>	<u>\$7,451,367</u>

See notes to the financial statements.

**LAFOURCHE PARISH SHERIFF, PARISH OF LAFOURCHE
STATE OF LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES**

FOR THE YEAR ENDED JUNE 30, 1997

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total (Memorandum Only)</u>
REVENUES			
Ad valorem taxes	\$2,093,454		\$2,093,454
Sales taxes	3,456,977		3,456,977
Intergovernmental	1,116,316	\$77,481	1,193,797
Charges for services	1,160,465	132,021	1,292,486
Miscellaneous	124,514	1,891	126,405
Total revenues	<u>7,951,726</u>	<u>211,393</u>	<u>8,163,119</u>
EXPENDITURES - PUBLIC SAFETY			
CURRENT:			
Salaries and Benefits	4,546,467	23,086	4,569,553
Operating Expenditures	1,522,744	92,389	1,615,133
Law enforcement expenditures	421,941	114,659	536,600
Repairs and maintenance	543,771	244	544,015
Total current expenditures	<u>7,034,923</u>	<u>230,378</u>	<u>7,265,301</u>
CAPITAL EXPENDITURES	354,961	14,664	369,625
DEBT SERVICE	<u>163,068</u>		<u>163,068</u>
Total expenditures	<u>7,552,952</u>	<u>245,042</u>	<u>7,797,994</u>
Excess (Deficiency) of Revenue over Expenditures	398,774	(33,649)	365,125
OTHER FINANCING SOURCES (USES)			
Proceeds on the sale of assets	9,741		9,741
Loan Proceeds	695,000		695,000
Loan Payments	(695,000)		(695,000)
Total other financing sources (uses)	<u>9,741</u>		<u>9,741</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	408,515	(33,649)	374,866
FUND BALANCE			
Beginning of year	1,666,555	125,090	1,791,645
Prior Period Adjustment	(200,256)		(200,256)
Beginning of year as restated	<u>1,466,299</u>	<u>125,090</u>	<u>1,591,389</u>
End of year	<u>\$1,874,814</u>	<u>\$91,441</u>	<u>\$1,966,255</u>

See notes to the financial statements.

**LAFOURCHE PARISH SHERIFF, PARISH OF LAFOURCHE
STATE OF LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 1997

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Ad valorem taxes	\$2,107,500	\$2,093,454	(\$14,046)			
Sales taxes	3,125,000	3,456,977	331,977	\$60,946	\$77,481	\$16,535
Intergovernmental	737,591	1,116,316	378,725	40,581	132,021	91,440
Charges for services	1,293,050	1,160,465	(132,585)	910	1,891	981
Miscellaneous	100,644	124,514	23,870			
Total revenue	<u>7,363,785</u>	<u>7,951,726</u>	<u>587,941</u>	<u>102,437</u>	<u>211,393</u>	<u>108,956</u>
EXPENDITURES - PUBLIC SAFETY						
CURRENT:						
Salaries and Benefits	4,428,771	4,546,467	(117,696)	46,476	23,086	23,390
Operating expenditures	1,688,464	1,522,744	165,720	31,910	92,389	(60,479)
Law enforcement expenditures	358,694	421,941	(63,247)	32,679	114,659	(81,980)
Repairs and maintenance	543,346	543,771	(425)	0	244	(244)
Total current expenditures	<u>7,019,275</u>	<u>7,034,923</u>	<u>(15,648)</u>	<u>111,065</u>	<u>230,378</u>	<u>(119,313)</u>
CAPITAL EXPENDITURES	370,095	354,961	15,134	31,890	14,664	17,226
DEBT SERVICE	<u>155,684</u>	<u>163,068</u>	<u>(7,384)</u>			
Total expenditures	<u>7,545,054</u>	<u>7,552,952</u>	<u>(7,898)</u>	<u>142,955</u>	<u>245,042</u>	<u>(102,087)</u>
Excess (Deficiency) of Revenue over Expenditures	(181,269)	398,774	(580,043)	(40,518)	(33,649)	6,869
OTHER FINANCING SOURCES (USES)						
Proceeds on the sales of assets	10,000	9,741	(259)			
Loan Proceeds	0	695,000	(695,000)			
Loan Payments	0	(695,000)	695,000			
Total other financing sources	<u>10,000</u>	<u>9,741</u>	<u>(259)</u>			
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(171,269)	408,515	579,784	(40,518)	(33,649)	6,869
FUND BALANCES						
Beginning of year	1,666,555	1,666,555	0	125,090	125,090	0
Prior period adjustment	0	(200,256)	(200,256)	0	0	0
Beginning of year as restated	<u>1,666,555</u>	<u>1,466,299</u>	<u>(200,256)</u>	<u>125,090</u>	<u>125,090</u>	<u>0</u>
End of year	<u>\$1,495,286</u>	<u>\$1,874,914</u>	<u>\$379,628</u>	<u>\$84,572</u>	<u>\$91,441</u>	<u>\$6,869</u>

See notes to the financial statements.

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

INTRODUCTION

As provided by Article V, Section 27, of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the Chief Executive Officer of the Law Enforcement District and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financial accountability. The criteria used in determining whether financial accountability exists include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council.

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. REPORTING ENTITY, (Continued)

2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Management has determined that the Lafourche Parish Sheriff's Office is not considered a component unit of the parish if applying the criteria above. Instead the Sheriff is considered to be a "stand-alone" special purpose government. This decision is based on the following:

- 1) The Sheriff enjoys a separate legal standing from the Parish Council and other governmental entities. The Sheriff has the ability to sue or be sued in its own name.
- 2) The Parish Council does not appoint the Sheriff. The Sheriff's position was created by Article V, Section 27 of the Louisiana Constitution of 1974. The Sheriff is a separately elected official elected by the citizenry in a general, popular election.
- 3) The Parish Council does not have the ability to impose its will on the Sheriff. The Parish Council cannot remove the Sheriff from office. The Sheriff adopts its own budget separate and apart from the Parish Council and other local governmental entities. The day-to-day operations of the Sheriff's office are under the responsibility and control of no one other than the Sheriff.
- 4) The Sheriff does not provide a significant financial benefit or burden to the Parish Council. While the Parish Council does provide the Sheriff with a certain amount of its office space at no cost and pays a certain amount of operating expenses on behalf of the Sheriff, these transactions are not considered significant enough to make the Parish Council financially accountable for the Sheriff's Office.
- 5) The Sheriff is not fiscally dependent on the Parish. The primary sources of funding for the Sheriff include ad valorem taxes, sales tax revenue, and commissions earned from collecting taxes, licenses and

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. REPORTING ENTITY, (Continued)

fees on behalf of other governmental entities. The Parish Council does not have the authority to approve or modify the Sheriff's budget. The Law Enforcement District, of which the Sheriff serves as Chief Executive Officer, can levy taxes and issue debt without the approval of the Parish Council.

Therefore, the accompanying financial statements of the Sheriff are separate and apart from the Parish Council and include all of the funds and account groups, as well as component units, for which the Sheriff, Chief Executive Officer of the Law Enforcement District of Lafourche, are, in substance, part of the Sheriff and are included (i.e. blended) within the Sheriff's financial report. Additionally, the collections and disbursements handled by the Sheriff in his capacity as the Ex-Officio Tax Collector of Lafourche Parish are reported within the Sheriff's financial report as an Agency Fund.

C. FUND ACCOUNTING

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

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

Funds of the Sheriff are classified into two categories: governmental and fiduciary. These funds are described as follows:

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. FUND ACCOUNTING, (Continued)

Governmental Funds

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the Law Enforcement District. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Funds

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

Account Groups

These two account groups are not "funds". They are concerned with only the measurement of financial position, not with the measurement of results of operations. The account groups presented in the accompanying financial statements are described as follows:

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. FUND ACCOUNTING, (Continued)

General Fixed Asset Account Group - This group of accounts is established to account for all fixed assets of the Lafourche Parish Sheriff.

General Long Term Debt Account Group - This group of accounts is established to account for all unmatured general long-term liabilities of the Lafourche Parish Sheriff.

D. BASIS OF ACCOUNTING

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

Revenues

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are considered "measurable" at the time of levy. Sales and use taxes are recorded when they become both measurable and available to finance expenditures of the fiscal period. Intergovernmental revenues (federal and state grants) are recorded as revenue when the Sheriff is entitled to the funds. Fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash by the Sheriff or an intermediary-collecting agency because they are generally not

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. BASIS OF ACCOUNTING (Continued)

measurable until actually received. Charges for services are recorded when earned since they are measurable and available.

Expenditures

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

Other Financing Sources (Uses)

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

E. BUDGET PRACTICES

As required by the Louisiana Revised Statutes 39:1304-1314, the Sheriff adopted a budget for the General Fund and Special Revenue Funds for the year ending June 30, 1997. The Sheriff, as required by state law, obtained public participation in the budget process. The budget was amended during the year in accordance with state law. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund and Special Revenue Funds budgets are adopted on a basis materially consistent with generally accepted accounting principles.

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments. Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana. The Sheriff may invest in United States bonds, treasury notes, or *certificates and time deposits of state banks organized under Louisiana law* and national banks having principal offices in Louisiana.

G. INVENTORY

Inventory is valued at cost. The cost is recorded as an expenditure at the time individual inventory items are used or sold utilizing the consumption method.

H. RESERVES AND DESIGNATIONS OF FUND BALANCE

Reserves on the governmental funds represent portions of fund balances that are not appropriate for expenditures or have been segregated for specific future uses, while designations of fund balances represent tentative plans for financial resource utilization in a future period.

I. GENERAL FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the Lafourche Parish Council are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

J. LONG-TERM DEBT

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

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. COMPENSATED ABSENCES

Accumulated vacation and sick leave are recorded as an expenditure of the period in which paid in all Governmental Funds. Employees of the Sheriff can earn 80 hours per year of sick leave and have no limit to accumulation. Sick leave is forfeited upon termination. Employees of the Sheriff can earn between 80 or 160 hours per year vacation leave, depending on their length of employment. Accumulated vacation leave is due to the employee at the time of termination. The vacation policy provides that employees are to take vacation within one year of being earned, with a carryover provision to sick leave if not taken.

Certain employees classified as non-law enforcement personnel, non-exempt law enforcement personnel, or supervisors who are exempt from the Fair Labor Standards Act may accumulate either compensatory time or overtime pay. Upon termination these employees may be paid for accumulated unused compensatory time at an "hour for hour" rate.

L. ENCUMBRANCES

The Sheriff does not utilize encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in the fund general ledgers.

M. TOTAL (MEMORANDUM ONLY) COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements - overview are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 2 EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the year ended June 30, 1997:

	Expenditures	Budget	Excess
General Fund	\$7,552,952	\$7,545,054	\$ 7,898
Special Revenue Funds:			
Drug Task Force	\$ 163,795	\$ 127,985	\$35,810
Commissary Fund	\$ 81,247	\$ 14,970	\$66,277

The expenditures exceeded appropriations in the General Fund and Drug Task Force Fund primarily in the law enforcement expenditures. The expenditures exceeded the appropriations in the Commissary Fund due to budgeting the net instead of gross revenue and expenditures. All of the excesses noted were absorbed by available fund balance.

NOTE 3 CASH AND INVESTMENTS

At fiscal year end, the carrying amount of the Sheriff's deposits was \$2,285,904 and the bank balance was \$2,730,004. The bank balance is categorized as follows:

Category	Bank Balance
Amount insured by FDIC, or collateralized with securities held by the Sheriff's agent in the Sheriff's name.	\$2,730,004
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.	\$0
Uncollateralized (includes balance that is collateralized with securities held by the pledging financial institution but not in the Sheriff's name).	\$0

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 3 CASH AND INVESTMENTS, (Continued)

The Sheriff's investments at year-end are categorized below to give an indication of the level of risk assumed by the Sheriff at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Sheriff or its agent in the Sheriff's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the sheriff's name.

Investment Type	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposits	\$ 73,464			\$ 73,464	\$ 73,464
Louisiana Asset Management Pool		625,667		625,667	625,667
	<u>\$ 699,131</u>			<u>\$ 699,131</u>	<u>\$ 699,131</u>

NOTE 4 RECEIVABLES

Receivables at June 30, 1997 in the general fund consisted of the following:

Ad Valorem taxes	\$12,150
Amounts due for commissions	18,968
Amounts due for restitution	24,273
Due from employees	5,396
Amounts due salary reimbursements	10,731
Other miscellaneous receivables	51,243
TOTAL	\$122,761

The Sheriff considers all receivables to be collectible, therefore, no allowance has been established for doubtful accounts.

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units in general fund at June 30, 1997 consisted of the following:

State of Louisiana:	
Video Poker Revenue	\$65,603
Grant funding	11,841
Department of Transportation	7,870
Parish of Lafourche:	
Jail Settlement	88,733
Maintenance of Prisoners	40,455
Lafourche Parish School Board:	
June Sales Tax Collections Remitted in July	970,423
Lafourche Parish Housing Authority	11,250
Other Governmental Units	444
TOTAL	\$1,196,619

NOTE 6 FIXED ASSETS

A summary of changes in general fixed assets during the fiscal year are as follows:

	BALANCE 06/30/96	ADDITIONS	DELETIONS	BALANCE 06/30/97
LAND, BUILDINGS, AND IMPROVEMENTS	\$227,186	\$22,360	\$0	\$249,546
EQUIPMENT	2,310,818	347,265	0	2,658,083
TOTALS	\$2,538,004	\$369,625	\$ 0	\$2,907,629

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 7 LINE OF CREDIT

The Sheriff had a line of credit with a bank in the amount of \$2,000,000 at an interest rate of 3.75%. During the year ending June 30, 1997, the Sheriff borrowed \$695,000 against the line of credit. The entire principal plus \$11,366 in interest was paid back prior to the end of the year.

NOTE 8 LONG TERM DEBT

The Sheriff had an outstanding loan for the purchase of a building to house its patrol division. The annual interest rate is 5.75% with monthly installments of \$2,000. The note matures April 2003.

The Sheriff issued \$500,000 Certificates of Indebtedness, Series 1996 for the purpose of paying a portion of the cost of acquiring patrol cars, specialty vehicles, upgrading computer and telephone equipment, and to pay the costs incurred in connection with the issuance of the Certificates. The Certificates are secured and payable by annual revenues of the Sheriff's Office at an interest rate of 5.05% with a maturity date of April 2003.

The following is a summary of changes in the long-term obligations of the Sheriff for the year ending June 30, 1997:

	PAYABLE 06/30/96	INCURRED	RETIRED	PAYABLE 06/30/97
Note Payable	\$134,789	\$0	\$16,684	\$118,105
Certificates of Indebtedness	500,000	0	95,000	405,000
Compensated Absences	312,286	88,001	2,998	397,289
TOTALS	\$947,075	\$ 88,001	\$114,682	\$920,394

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 8 LONG TERM DEBT (Continued)

The annual requirements to amortize all notes outstanding at June 30, 1997 are as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
1998	\$117,669	\$26,784	\$144,453
1999	118,712	30,155	148,867
2000	129,806	14,587	144,393
2001	50,986	7,812	58,798
2002	52,225	5,058	57,283
2003	53,707	2,250	55,957
TOTALS	\$523,105	\$ 86,646	\$609,751

NOTE 9 RISK MANAGEMENT

AUTOMOBILE, GENERAL LIABILITY, BUILDING AND PROPERTY, AND PROFESSIONAL LIABILITY

The Sheriff is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and to the public; and natural disasters. To protect against these risks, the Sheriff has purchased commercial or other insurance for the losses to which it is exposed.

GROUP HEALTH INSURANCE

Under a program administered by a service agent, the Sheriff is self-insured for the first \$50,000 of each claim relating to employee group health insurance. The Sheriff is covered under an insurance contract for the excess liability up to \$1,000,000 per each full-time employee. The group insurance claims liability for claims filed but not paid at year end and an estimate of claims incurred but not yet reported is reported as a reserve of fund balance and a liability in the general fund.

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 9 RISK MANAGEMENT (Continued)

Changes in the balances of claims and judgments payable during the past two fiscal years is as follows:

Fiscal Year	Claims Payable at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
1995-96	\$ 0	\$717,942	\$634,480	\$ 83,462
1996-97	\$83,462	\$389,429	\$369,284	\$103,607

NOTE 10 DEFERRED COMPENSATION PLAN

Employees of the Lafourche Parish Sheriff have the option to participate in a deferred compensation program. The maximum compensation that may be deferred under the plan for the participant's taxable year shall not exceed the amount as defined by Internal Revenue Code Section 457. Additional deferrals are allowed in certain years prior to retirement.

The Sheriff has the responsibility for withholding and remitting contributions from participants to the plan. Great-West Life, who serves as administrator, has the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specification and reporting annually to the participant on the status of the plan. All assets of the plan, including all deferred amounts and all income attributable to such deferred amounts, are the assets of the State of Louisiana and are subject to all the claims of creditors of the State of Louisiana. Legally, the amounts deferred are the property of the State of Louisiana, even though the funds have been earned by the employee and represent a portion of the employee's gross salary. Legal ownership of the plan assets does not vest with the employee until those amounts become due and payable to the employee under the terms of the plan. A participant who become eligible to receive distributions from the plan but chooses instead to receive the deferred amounts over a period of time remains a general creditor the same as those participants who are still active or otherwise ineligible. If the deferred amounts and related earnings are placed in a legal trust for the participants or are otherwise beyond the reach of the government or its general creditors at any time before actual payment, these amounts become taxable income to the

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 10 DEFERRED COMPENSATION PLAN (Continued)

participants.

Assets of the plan are reported as an Agency Fund in the financial statements of the State of Louisiana. Records for individual funds are not being maintained.

NOTE 11 POST RETIREMENT BENEFITS

The Lafourche Parish Sheriff provides certain continuing health care and life insurance 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 are provided through an insurance company whose monthly premiums are paid jointly by the employee and the Sheriff who each pay 50% of the premium. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as an expenditure when the monthly premiums are due. The Sheriff's cost of benefits provided to retirees totaled \$5,398 for 1997.

Future liabilities under the Sheriff's plan for potentially eligible employees are dependent upon the age and length of service of those employees. The average employee age and service years are not available. At June 30, 1997 the average hospitalization and life insurance costs per retired employee was \$64 per month and the average number retired employees was 7.

NOTE 12 PENSION PLAN

Plan Description

The Louisiana Sheriffs Pension and Relief Fund (System), a cost-sharing, multiple-employer public employee retirement system, is controlled and administered by a separate Board of Trustees.

All Sheriffs and all Deputies who are found to be physically fit are required to participate in the System. Employees are eligible to retire at

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 12 PENSION PLAN (Continued)

or after age 55 with a least 12 years of credited service and receive a benefit, payable monthly for life equal to the appropriate retirement accrual rate multiplied by the number of years of creditable service multiplied by average monthly salary for the 36 highest successive months of employment. The service credit accrual is 2.5% for employees with less than 15 years of service, 2.75% for employees with 15 or more but less than 20 years of service and 3.0% for employees with 20 or more years of service. The retirement benefit may not exceed 100% of average final compensation. Employees with 20 or more years of service may retire with an actuarially reduced retirement at the age of 50. Employees, who had 12 or more years of service credit and were at least age 45 on September 1, 1985, are also eligible for an actuarially reduced early retirement. The System provides death and disability benefits. Benefits are established by state statute.

The System issued an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriffs Pension & Relief Fund, P.O. Box 3163, Monroe, LA 71210-3163, or by calling (318) 362-3162.

Funding Policy

Plan members are required by state statute to contribute 8.7% of their annual covered salary and the Lafourche Parish Sheriff's Office is required to contribute at an actuarially determined rate. The current rate is 5.99% of annual covered payroll. The contribution requirements of plan members and the Lafourche Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute, 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 Lafourche Parish Sheriff's contributions to the System equal the required contributions for each of the following years:

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 12 PENSION PLAN, (Continued)

Year ending	Contribution	Required
June 30, 1995	\$156,439	\$156,439
June 30, 1996	\$197,245	\$197,245
June 30, 1997	\$230,429	\$230,429

NOTE 13 TAXES AND COMMISSIONS

SALES TAXES

The total sales tax levied in Lafourche Parish during the fiscal year ended June 30, 1997 was 7.2% until April 1, 1997. Beginning April 1, 1997 the Sheriff's Office began collecting an additional ½% sales tax to fund salary increases. Of the 7.7% , 4% is levied by the State, 2% is levied by the Lafourche Parish School System, .7% is levied by the Parish of Lafourche for solid waste disposal, and 1% is levied by the Sheriff to finance the operations and additional salaries of the Law Enforcement District.

COMMISSIONS

As Ex-Officio Tax Collector of the Parish of Lafourche, the Sheriff is responsible for the collection and distribution of ad valorem taxes, state revenue sharing funds, sportsmen licenses, fines, costs, and forfeitures imposed by the district courts. On all collections (other than ad valorem taxes), the Sheriff charges a commission on the amount collected.

AD VALOREM TAXES

Ad valorem taxes are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all real property is required to be completed no less than every four years. The

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 13 TAXES AND COMMISSIONS (Continued)

last revaluation was compiled for the list of January 1, 1996. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have been paid are sold for the amount of the taxes. The tax rate for the year ended June 30, 1997 was \$10.37 per \$1,000 of assessed valuation on property within the Parish for the purpose of maintaining and operating the Sheriff's office.

NOTE 14 UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS IN THE TAX COLLECTOR FUND

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of the intention to file suit of recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within this 30 day period, the funds are held pending the outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due with interest at the rate of 2% per annum from the date the funds were received by the tax collector.

At June 30, 1997 the unsettled balances included:

Protest Taxes	\$386,351
Licenses Account	75,007
Car Dealer Account	35,076
Taxes Account	87,736
TOTAL	\$ 584,170

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

As of and for the Year Ended
June 30, 1997

NOTE 14 UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS IN THE TAX COLLECTOR FUND, (Continued)

The following is a summary, by year of protest taxes due at June 30, 1997:

YEAR	TOTAL
1985	\$131,422
1988	23,315
1989	59,141
1990	5,862
1991	95,008
1993	1,711
1994	43,083
1995	16,613
1996	10,196
TOTAL	\$386,351

NOTE 15 STATE REVENUE FUNDS

The revenue sharing funds provided by Louisiana Law were distributed as follows:

Lafourche Parish Council	\$1,009,300
Lafourche Parish School Board	400,278
Greater Lafourche Port Commission	35,072
Assessor	58,123
South Lafourche Levee District	48,573
Bayou Lafourche Freshwater District	46,433
Special Education District No. 1	48,776
Commissions - Sheriff's General Fund	187,515
Pension Funds	39,047
TOTAL	\$1,873,117

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 16 RESERVATIONS AND DESIGNATIONS OF FUND BALANCES

Explanations of the nature and purpose of the reserves and designations of fund balances are as follows:

Reserve for health insurance claims - represents the amount estimated for possible liability for claims incurred but not recorded.

Reserve for vehicles and equipment - represents the amount not yet spent on the certificate of indebtedness reserved for purchases of vehicles and equipment.

Reserve for debt service - represents monies set aside to fund future debt service payments.

Reserve for drug interdiction - represents the amount of fund balance in the drug task force to be used solely for drug interdiction.

NOTE 17 COMMITMENTS AND CONTINGENCIES

There is existing and threatened litigation pending against the Sheriff and its insurers. As advised by the Sheriff's attorney, all matters are covered by insurance.

NOTE 18 EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

The Lafourche Parish Council (a separate entity) provides the Sheriff with certain amount of office space at no cost. In addition, the Parish is required by State statutes to pay a certain amount of the Sheriff's Office operating expenses. During the fiscal year ended June 30, 1997, the Parish paid operating expenditures on behalf of the Sheriff. These expenditures are not recorded on the books of the Sheriff.

LAFOURCHE PARISH SHERIFF

Notes to the Financial Statements (Continued)

**As of and for the Year Ended
June 30, 1997**

NOTE 19 - PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the general fund was adjusted for a correction of an error in recording sales tax revenue in the prior year. The effect of the correction of the error was to increase sales tax revenue recognized in the current year by \$200,256, and decrease the beginning fund balance by the same amount.

***OTHER SUPPLEMENTARY
INFORMATION SECTION***



SPECIAL REVENUE FUNDS

DRUG TASK FORCE FUND - Monies in this fund are received from the U. S. Department of Justice through the State of Louisiana, Commission on Law Enforcement and Administration of Criminal Justice. The overall objective is to cause a major disruption of the drug distribution process in the Lafourche Parish area, as well as make a lesser impact on the geographical region.

COMMISSARY FUND - Monies in this fund are received from inmates when taken into custody and during their stay at the detention center. The Commissary is stocked with inventory that the inmates are allowed to purchase with the funds held in trust. When the inmate is released, the balance of their funds are refunded.



**LAFOURCHE PARISH SHERIFF, PARISH OF LAFOURCHE
STATE OF LOUISIANA**

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

JUNE 30, 1997

	<u>DRUG TASK FORCE FUND</u>	<u>COMMISSARY FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$79,952	\$28,865	\$108,817
Inventory - at cost	<u> </u>	<u>5,059</u>	<u>5,059</u>
Total assets	<u><u>\$79,952</u></u>	<u><u>\$33,924</u></u>	<u><u>\$113,876</u></u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Due to other funds	\$11,241		\$11,241
Due to inmates	<u> </u>	<u>\$11,194</u>	<u>11,194</u>
Total liabilities	<u>11,241</u>	<u>11,194</u>	<u>22,435</u>
FUND EQUITY:			
Reserve for drug interdiction	68,711		68,711
Fund balance - unreserved	<u> </u>	<u>22,730</u>	<u>22,730</u>
Total fund equity	<u>68,711</u>	<u>22,730</u>	<u>91,441</u>
Total liabilities and fund balance	<u><u>\$79,952</u></u>	<u><u>\$33,924</u></u>	<u><u>\$113,876</u></u>

**LAFOURCHE PARISH SHERIFF, PARISH OF LAFOURCHE
STATE OF LOUISIANA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUNDS
JUNE 30, 1997

	<u>DRUG TASK FORCE FUND</u>	<u>COMMISSARY FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Intergovernmental -			
Federal grant	\$77,481		\$77,481
Charges for services:			
Commissary		\$83,062	83,062
Fines and forfeitures	48,959		48,959
Miscellaneous	1,891		1,891
Total revenues	<u>128,331</u>	<u>83,062</u>	<u>211,393</u>
<u>EXPENDITURES</u>			
CURRENT:			
Salaries & benefits	23,086		23,086
Operating expenditures	20,603	71,786	92,389
Law Enforcement	114,659		114,659
Repairs and Maintenance	244		244
Total current expenditures	<u>158,592</u>	<u>71,786</u>	<u>230,378</u>
CAPITAL EXPENDITURES	<u>5,203</u>	<u>9,461</u>	<u>14,664</u>
Total expenditures	<u>163,795</u>	<u>81,247</u>	<u>245,042</u>
Excess (deficiency) of revenues over expenditures	(35,464)	1,815	(33,649)
<u>FUND BALANCES</u>			
Beginning of year	<u>104,175</u>	<u>20,915</u>	<u>125,090</u>
End of year	<u><u>\$68,711</u></u>	<u><u>\$22,730</u></u>	<u><u>\$91,441</u></u>

AGENCY FUNDS

BOND FUND - This fund accounts for the collections of bonds taken to secure the appearance of an individual before the district court. If, at the time appointed, such person fails to appear and answer when called, the judge, on motion of the district attorney, can enter a judgement decreeing the forfeiture of the bond. Deduction and distributions are made in the manner prescribed by order of the court.

CRIMINAL FINES FUND - This fund accounts for the collection of guilty pleas for traffic violations and for the collection of various other non-traffic violations and criminal offenses. In addition, the fund also collects all fines assessed by the district court. Deductions and distributions of these collections are made in the manner prescribed by law.

SHERIFF'S FUND - This fund accounts for funds held in civil suits, sheriff's sales, and garnishments. Deductions and distributions are made in the manner prescribed by 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.



Honorable Craig Webre
Lafourche Parish Sheriff
Page 2

reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended for the information of, management. However, this report is a matter of public record and its distribution is not limited.

Stagni & Company

October 7, 1997
Thibodaux, Louisiana



**LAFOURCHE PARISH SHERIFF
SCHEDULE OF FINDINGS
JUNE 30, 1997**

We have issued our unqualified report on the financial statements of the Lafourche Parish Sheriff's as of and for the year ended June 30, 1997, dated October 7, 1997.

The following is the finding required to be reported under *Government Auditing Standards*:

97-1 According to state laws the Lafourche Parish Sheriff is required to make a complete physical inventory of the property of his agency once each fiscal year. He is also required to establish and maintain a master file of the agency inventory of movable property containing certain information such as a description of the property, serial numbers if applicable, a description and original cost of the property. We noted that the Lafourche Parish Sheriff's office has not conducted a physical inventory as required by state laws.

Management's Corrective Action Plan:

The Lafourche Parish Sheriff's Office (LPSO) has initiated a Corrective Action Plan to establish a method to establish a master inventory file of tangible movable property. The plan encompasses the tasks necessary to provide the Sheriff's Office with a comprehensive inventory of machinery, equipment, furniture and fixtures. The results of which will enhance the requirements of internal accountability and fiscal responsibility necessary for financial reporting as well as addressing the need for capital expenditure planning and for insurance replacement.

The LPSO recognizing it does not have the capacity to accomplish this task in-house has sought an outside expert in the field of property management. The LPSO on April 23, 1997 released a Request for Proposals for Property Control Record Services with the intent that the property control inventory would be completed for the fiscal year end June 30, 1997. However, understanding different methodologies and services within the selection process took longer than anticipated.



**LAFOURCHE PARISH SHERIFF
SCHEDULE OF FINDINGS
JUNE 30, 1997**

Management's Corrective Action Plan: (Continued)

Valuation Resource Management, Inc., 2675 Paces Ferry Road NW, Suite 215, Atlanta, GA 30339 (1-800-876-6607) was selected by the LPSO to assist in accomplishing this task. In doing so, the following criteria was established:

- 1) Establish a property control inventory program and implement a bar code tagging system,
- 2) Inventory those assets with an original cost of \$100 or greater,
- 3) Provide a listing of the inventoried items on magnetic media and hard copy,
- 4) Establish a method to provide an on-going inventory maintenance service each year to record transfers, additions, retirements and disposals.

The physical property inventory was conducted November 10-13, 1997 in which 90% of the fixed assets were inventoried. The remaining 10% are those items that are in possession of patrol officers and due to incimate weather were not inventoried during the aforementioned period. These officers are currently being contacted to complete the physical inventory task for the fiscal year ending June 30, 1998.



AGENCY FUNDS

BOND FUND - This fund accounts for the collections of bonds taken to secure the appearance of an individual before the district court. If, at the time appointed, such person fails to appear and answer when called, the judge, on motion of the district attorney, can enter a judgement decreeing the forfeiture of the bond. Deduction and distributions are made in the manner prescribed by order of the court.

CRIMINAL FINES FUND - This fund accounts for the collection of guilty pleas for traffic violations and for the collection of various other non-traffic violations and criminal offenses. In addition, the fund also collects all fines assessed by the district court. Deductions and distributions of these collections are made in the manner prescribed by law.

SHERIFF'S FUND - This fund accounts for funds held in civil suits, sheriff's sales, and garnishments. Deductions and distributions are made in the manner prescribed by 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.



**LAFOURCHE PARISH SHERIFF, PARISH OF LAFOURCHE
STATE OF LOUISIANA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

FOR THE YEAR ENDING JUNE 30, 1997

	<u>Bond Fund</u>	<u>Criminal Fines Fund</u>	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
Balances at June 30, 1996	\$133,786	\$100,843	\$24,961	\$1,030,926	\$1,290,516
ADDITIONS					
Suits, sales, etc.			453,489		453,489
Garnishments collected			257,459		257,459
Fines and tickets	222,780	1,173,784			1,396,564
Taxes, fees, etc. paid to tax collector		1,413		26,665,430	26,666,843
Total additions	<u>222,780</u>	<u>1,175,197</u>	<u>710,948</u>	<u>26,665,430</u>	<u>28,774,355</u>
Totals	356,566	1,276,040	735,909	27,696,356	30,064,871
DEDUCTIONS					
Taxes, fees, etc. distributed to taxing bodies and others	294			27,113,946	27,114,240
Deposits settled to:					
Lafourche Parish:					
Sheriff		184,824	66,597		251,421
Council		409,783			409,783
District Attorney	3,605	145,468			149,073
Indigent defenders fund		190,777			190,777
Clerk of Court		69,456	25,041		94,497
La Commission on Law Enforcement		31,068			31,068
Attorneys and litigants			296,499		296,499
Refunds	213,760				213,760
Garnishments			233,670		233,670
Appraisers, helpers, etc.			33,339		33,339
'17th Judicial District Court		76,448			76,448
Other	676	52,036	31,406		84,118
Total deductions	<u>218,335</u>	<u>1,159,860</u>	<u>686,552</u>	<u>27,113,946</u>	<u>29,178,693</u>
Balances at June 30, 1997	<u>\$138,231</u>	<u>\$116,180</u>	<u>\$49,357</u>	<u>\$582,410</u>	<u>\$886,178</u>

LAFOURCHE PARISH SHERIFF

TAX COLLECTOR AGENCY FUND

STATEMENT OF COLLECTIONS, DISTRIBUTIONS, AND UNSETTLED BALANCES

FOR THE PERIOD JULY 1, 1996 TO JUNE 30, 1997

<u>UNSETTLED BALANCES AT JULY 1, 1996</u>	\$1,030,926
<u>COLLECTIONS</u>	
Ad valorem taxes	23,582,260
Beer & Liquor permits	47,140
Angling, hunting, and trapping licenses	669,171
Prior year ad valorem taxes	310,801
Protest tax collections	128,540
Interest	17,089
State revenue sharing	1,873,117
Redemptions and refunds	37,313
Total collections	<u>26,665,430</u>
Total	<u>27,696,356</u>
<u>DISTRIBUTIONS</u>	
State of Louisiana:	
Department of Wildlife and Fisheries	574,350
Forestry Commission	4,878
Tax Commission	13,539
Levee Districts	1,152,443
Lafourche Parish School Board	8,867,878
Special Education District No. 1	614,672
Bayou Lafourche Fresh Water District	349,425
Lafourche Parish:	
Council	5,785,884
Sheriff	2,487,700
Hospital Service Districts	1,246,247
Fire Protection Districts	1,265,283
Water Districts	712,429
Greater Lafourche Port Commission	696,595
Assessor	557,954
Ambulance Service Districts	286,636
Drainage Districts	277,100
Recreation Districts	450,634
Juvenile Justice Commission	649,970
Pension Funds	694,180
Protest tax settlements/refunds	354,715
Redemptions	71,435
Total distributions	<u>27,113,947</u>
<u>UNSETTLED BALANCES AT JUNE 30, 1997</u>	
<u>DUE TO TAXING BODIES AND OTHERS</u>	<u>\$582,410</u>

***INTERNAL CONTROL AND
COMPLIANCE REPORT***





STAGNI & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS – CONSULTANTS

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

Honorable Craig Webre
Lafourche Parish Sheriff
Thibodaux, Louisiana 70301

We have audited the financial statements of the Lafourche Parish Sheriff as of and for the year ended June 30, 1997, and have issued our report thereon dated October 7, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lafourche 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 a single instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 97-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafourche 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

Honorable Craig Webre
Lafourche Parish Sheriff
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reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended for the information of, management. However, this report is a matter of public record and its distribution is not limited.

Stagni & Company

October 7, 1997
Thibodaux, Louisiana



**LAFOURCHE PARISH SHERIFF
SCHEDULE OF FINDINGS
JUNE 30, 1997**

We have issued our unqualified report on the financial statements of the Lafourche Parish Sheriff's as of and for the year ended June 30, 1997, dated October 7, 1997.

The following is the finding required to be reported under *Government Auditing Standards*:

97-1 According to state laws the Lafourche Parish Sheriff is required to make a complete physical inventory of the property of his agency once each fiscal year. He is also required to establish and maintain a master file of the agency inventory of movable property containing certain information such as a description of the property, serial numbers if applicable, a description and original cost of the property. We noted that the Lafourche Parish Sheriff's office has not conducted a physical inventory as required by state laws.

Management's Corrective Action Plan:

The Lafourche Parish Sheriff's Office (LPSO) has initiated a Corrective Action Plan to establish a method to establish a master inventory file of tangible movable property. The plan encompasses the tasks necessary to provide the Sheriff's Office with a comprehensive inventory of machinery, equipment, furniture and fixtures. The results of which will enhance the requirements of internal accountability and fiscal responsibility necessary for financial reporting as well as addressing the need for capital expenditure planning and for insurance replacement.

The LPSO recognizing it does not have the capacity to accomplish this task in-house has sought an outside expert in the field of property management. The LPSO on April 23, 1997 released a Request for Proposals for Property Control Record Services with the intent that the property control inventory would be completed for the fiscal year end June 30, 1997. However, understanding different methodologies and services within the selection process took longer than anticipated.



**LAFOURCHE PARISH SHERIFF
SCHEDULE OF FINDINGS
JUNE 30, 1997**

Management's Corrective Action Plan: (Continued)

Valuation Resource Management, Inc., 2675 Paces Ferry Road NW, Suite 215, Atlanta, GA 30339 (1-800-876-6607) was selected by the LPSO to assist in accomplishing this task. In doing so, the following criteria was established:

- 1) Establish a property control inventory program and implement a bar code tagging system,
- 2) Inventory those assets with an original cost of \$100 or greater,
- 3) Provide a listing of the inventoried items on magnetic media and hard copy,
- 4) Establish a method to provide an on-going inventory maintenance service each year to record transfers, additions, retirements and disposals.

The physical property inventory was conducted November 10-13, 1997 in which 90% of the fixed assets were inventoried. The remaining 10% are those items that are in possession of patrol officers and due to incimate weather were not inventoried during the aforementioned period. These officers are currently being contacted to complete the physical inventory task for the fiscal year ending June 30, 1998.

