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TERREBONNE PARISH SHERIFF
HOUMA, LOUISIANA

Financial Report

Year Ended June 30, 1968

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 State Budget Office or the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 3 1969**

Bergeron & Lanoux

— Chartered Public Accountants —
HOUMA, LOUISIANA

A PROFESSIONAL CORPORATION

TERREBONNE PARISH SHERIFF
HOUMA, LOUISIANA

Year Ended June 30, 1999

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Jerry L. Leapester
Terrebonne Parish Sheriff
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Terrebonne Parish Sheriff, as of June 30, 1998, and for the year then ended. These general purpose financial statements are the responsibility of the Terrebonne Parish Sheriff. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Governmental Accounting Standards Board Technical Bulletin 99-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- Any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- A general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- The additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

The Terrebonne Parish Sheriff has omitted such disclosures. We do not provide assurance that the Terrebonne Parish Sheriff is or will be year 2000 ready, that the Sheriff's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Terrebonne Parish Sheriff does business will be ready 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Parish Sheriff, as June 30, 1988, and the results of its operations for the year ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 1988, on our consideration of the Terrebonne Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" 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 Terrebonne 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Bergman + Faraway

December 15, 1988

**TERRIBOARNE PARISH SHORFF
HOURS, Louisiana**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types**

Year Ended June 30, 1998

| | General Fund | Capital Projects Fund | Debt Service Fund | (Miscellaneous only) Total |
|--|----------------------|-----------------------------|-------------------------|----------------------------------|
| Revenues: | | | | |
| All revenue taxes | \$ 2,215,000 | \$ - | \$ - | \$ 2,215,000 |
| State bond | 8,321,625 | - | - | 8,321,625 |
| Inter-governmental revenues: | | | | |
| Federal grants | 80,420 | - | - | 80,420 |
| State (S.A.R.E.) grant | 81,571 | - | - | 81,571 |
| State training grant | 8,400 | - | - | 8,400 |
| State revenue sharing net | 203,545 | - | - | 203,545 |
| State educational pay | 443,800 | - | - | 443,800 |
| State gaming revenue | 571,837 | - | - | 571,837 |
| Local government | 103,900 | - | - | 103,900 |
| Fees, charges, and contributions for services: | | | | |
| Commissions and contract service | 338,000 | - | - | 338,000 |
| City and criminal fees | 880,470 | - | - | 880,470 |
| Court attendance | 18,800 | - | - | 18,800 |
| Costs/fees | 48,280 | - | - | 48,280 |
| Transportation/leases | 20,500 | - | - | 20,500 |
| Fees for testing/printers | 2,024,480 | - | - | 2,024,480 |
| Commodity sales | 172,000 | - | - | 172,000 |
| Other | 275,100 | - | - | 275,100 |
| Miscellaneous: | | | | |
| Interest | 41,111 | 80,442 | -4,855 | 76,698 |
| Other | 18,882 | - | - | 18,882 |
| Total revenues | <u>\$ 3,122,242</u> | <u>80,442</u> | <u>-4,855</u> | <u>\$ 3,197,829</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Personnel services and related benefits | 5,740,887 | - | - | 5,740,887 |
| Operating services | 1,488,871 | - | - | 1,488,871 |
| Operation and maintenance | 5,757,807 | 74,810 | - | 5,832,617 |
| Other services: | | | | |
| Principal | 3,287 | - | - | 3,287 |
| Interest | 28,817 | - | 84,885 | 56,072 |
| Capital outlay | 208,511 | 871,901 | - | 1,080,412 |
| Total expenditures | <u>\$ 13,227,783</u> | <u>956,711</u> | <u>84,885</u> | <u>\$ 14,269,379</u> |
| Excess (deficiency) of revenues and expenditures | 1,485,000 | (876,269) | (89,740) | 477,891 |
| Other financing sources/uses: | | | | |
| Proceeds from sale of investments | - | 1,500,000 | - | 1,500,000 |
| Transfers from other funds | - | - | 269,870 | 269,870 |
| Transfers to other funds | (280,170) | - | - | (280,170) |
| Total other financing sources/uses | <u>\$ (280,170)</u> | <u>\$ 1,500,000</u> | <u>\$ 269,870</u> | <u>\$ 1,489,600</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | 1,104,830 | 623,731 | 180,126 | 1,908,687 |
| Fund balance: | | | | |
| Beginning of year | 1,736,024 | - | - | 1,736,024 |
| End of year | <u>\$ 2,840,854</u> | <u>\$ 623,731</u> | <u>\$ 180,126</u> | <u>\$ 3,644,711</u> |

TERREBONNE PARISH SHERIFF
Houma, Louisiana

**Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
General Fund**

Year Ended June 30, 1999

| | Budget | Actual | Variance - Favorable (Adverse) |
|--|-------------------|---------------------|--------------------------------------|
| Revenues: | | | |
| All welcome fees | \$ 2,218,000 | \$ 2,215,380 | \$ (2,620) |
| Salts fees | 5,275,000 | 6,325,600 | 1,050,600 |
| Intergovernmental revenues: | | | |
| Federal grants | - | 58,420 | 58,420 |
| State D.A.R.E. grant | 52,000 | 53,374 | 1,374 |
| State training grant | 8,000 | 8,483 | 483 |
| State revenue sharing, net | 305,317 | 305,318 | (1) |
| State supplemental pay | 448,000 | 443,652 | (4,348) |
| State gaming revenue | 458,000 | 521,657 | 71,657 |
| Local government | 128,000 | 155,000 | 27,000 |
| Fees, charges, and commissions for services: | | | |
| Commissions and contract service | 448,000 | 358,889 | (112,889) |
| Dial and criminal fees | 857,150 | 868,478 | 11,328 |
| Court attendance | 15,000 | 18,889 | 3,889 |
| Court travel | - | 48,350 | 48,350 |
| Transporting prisoners | 24,800 | 28,888 | 4,088 |
| Feeding keeping prisoners | 2,000,000 | 2,124,488 | 124,488 |
| Commodity sales | - | 172,000 | 172,000 |
| Other | 324,300 | 375,150 | 50,850 |
| Miscellaneous: | | | |
| Interest | 48,000 | 47,111 | (889) |
| Other | - | 18,000 | 18,000 |
| Total revenues | <u>12,218,300</u> | <u>13,700,348</u> | <u>1,482,048</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety: | | | |
| Personal services and related benefits | 5,793,250 | 5,342,987 | 29,993 |
| Operating services | 1,471,800 | 1,468,974 | 2,826 |
| Operation and maintenance | 3,868,631 | 3,557,607 | 311,024 |
| Debt service: | | | |
| Principal | - | 3,587 | (3,587) |
| Interest | 28,340 | 28,017 | 323 |
| Capital outlay | | | |
| | 58,877 | 258,511 | (199,634) |
| Total expenditures | <u>12,220,398</u> | <u>12,258,196</u> | <u>(37,798)</u> |
| Excess (deficiency) of revenues over expenditures | <u>97,902</u> | <u>1,442,152</u> | <u>1,389,412</u> |
| Other financing sources (uses): | | | |
| Transfers to other funds | 58,878 | 368,878 | (309,999) |
| Total other financing sources (uses) | <u>58,878</u> | <u>368,878</u> | <u>(309,999)</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ 22,487</u> | <u>1,112,910</u> | <u>\$ 1,086,413</u> |
| Fund balances: | | | |
| Beginning of year | | 1,728,024 | |
| End of year | | <u>\$ 2,818,984</u> | |

See notes to financial statements.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements

1) Summary of Significant Accounting Policies

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

As the chief law enforcement officer of the parish, the Sheriff is responsible 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 serves the residents of the parish through the establishment of neighborhood watch programs and anti-drug abuse programs. In addition, the Sheriff, when requested, provides assistance to other law-enforcement agencies within the parish.

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

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audit of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

a) Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, and activities, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and 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 consolidated government 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 consolidated government, 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 those of the parish Sheriff.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

b) Fund Accounting

The accounts of the Sheriff are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

General Fund

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

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of capital assets.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes and fees. Disbursements from these funds are made to various parish agencies, ligants in suits, or others, 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.

TERREBORNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

c) General Fixed Assets and General 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 consolidated government are not recorded within the Sheriff's general fixed assets account group. No depreciation has been provided on general fixed assets.

All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Automobiles awarded to the Terrebonne Parish Sheriff's office by court award are carried in fixed assets at their fair market value. Donated or awarded amounts are immaterial in relation to total fixed assets.

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

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 accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting, except for the Agency Funds which are 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

Ad valorem taxes and the related state revenue sharing are recorded in the year 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.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term obligations are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

General fixed assets acquired through capital lease agreements are recognized as other financing sources and capital outlay expenditures at the time of acquisition. Also, proceeds from long-term debt are recognized as other financing sources when received.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

4) **Budget and Budgetary Accounting**

The Sheriff follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff.

5) **Interest-Bearing Deposits**

Interest-bearing deposits are stated at cost, which approximates market.

6) **Inventory**

Inventory of the Sheriff's General Fund consists of food purchased by the Sheriff and commodities granted by the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenses when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture and Forestry.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

h) Vacation and Sick Leave

All employees of the Sheriff's office, with over one year of service, earn five days of sick leave. Office employees earn 10 days of vacation leave each year; all other employees earn 14 days of vacation leave each year.

Vacation and sick leave cannot be accumulated and must be used in the year earned. Payment is not made for unused leave upon retirement or termination of employment. Any liability the Sheriff might have in this regard at June 30, 1998 is considered immaterial; therefore, no liability has been recorded in the accounts.

i) 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 as an extension of formal budgetary integration in the funds.

j) Total Columns on Combined Statements - Overview

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, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

k) Fund Equity

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

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$3,378,185 as follows:

| | |
|----------------------------------|---------------------|
| Demand deposits and cash on hand | \$ 665,907 |
| Interest-bearing deposits | <u>2,712,278</u> |
| Total | <u>\$ 3,378,185</u> |

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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1998, are secured as follows:

| | |
|---|---------------------|
| Bank balances | <u>\$ 3,372,885</u> |
| Federal deposit insurance | \$ 909,549 |
| Pledged securities (Category 3) | <u>9,270,849</u> |
| Total secured deposits | <u>\$ 9,580,531</u> |
| Excess of secured deposits over bank balances | <u>\$ 5,907,646</u> |

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 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 by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

3) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish consolidated government in June and are actually billed to the taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following calendar year. The taxes are based on assessed values determined by the Tax Assessor of Terrebonne Parish Consolidated Government and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 1998, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 7.58 mills on property with assessed valuations totaling \$208,471,500.

Total law enforcement taxes levied during 1998 were \$2,224,514.

4) Due From Other Governmental Units

Amounts receivable at June 30, 1998, consist of the following:

| | <u>General Fund</u> |
|---|-------------------------|
| Sales taxes | \$ 637,195 |
| Maintenance of prisoners | 162,443 |
| Grants receivable | 21,013 |
| Ad valorem taxes | 2,341 |
| Commissions on video poker | 55,563 |
| Supplemental pay | 37,500 |
| Court attendance, civil and criminal fees | 90,673 |
| Other | 1,386 |
| | <u>\$ 1,007,513</u> |

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

5) Changes in General Fixed Assets

A summary of changes in general fixed assets (vehicles, office furniture and equipment) follows:

| | |
|--------------------------|---------------------|
| Balance at June 30, 1997 | \$ 2,269,627 |
| Additions: | |
| Purchases | 1,141,865 |
| Court awards | 21,929 |
| Reductions | <u>(268,633)</u> |
| Balance at June 30, 1998 | <u>\$ 3,163,788</u> |

6) Pension Plans

Substantially all employees of the Sheriff's office are members of the Sheriff's Pension and Relief Fund ("System"), a cost sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

Plan Description. The System provides retirement benefits as well as disability and survivor benefits. Twelve years of service credit is required to become vested for retirement benefits and ten years to become vested for disability benefits for a non-service related disability. There are no service requirements for service related disability or survivor benefits. Benefits are established and amended by state statute. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriff's Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71210-3163, or by calling (318) 362-3811.

Funding Policy. Plan members are required to contribute a percentage of their annual covered salary to the System. The Sheriff is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the System are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The Sheriff's employer contribution for the System, as provided by state law, is funded through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the Sheriff.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Contributions required and made to the System were as follows:

| Fiscal year ended June 30, | 1998 | 1997 | 1996 |
|-------------------------------|------------|------------|------------|
| Member contribution % | 8.70% | 8.70% | 8.70% |
| Employer contribution % | 5.00% | 5.00% | 6.00% |
| Member contribution \$ | \$ 454,907 | \$ 390,209 | \$ 380,363 |
| Employer contribution \$ | \$ 275,998 | \$ 275,407 | \$ 274,622 |

7) Deferred Compensation Plan

Employees of the Terrebonne Parish Sheriff may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The Plan is accounted for in an agency fund.

The deferred compensation plan is available to all employees of the Sheriff. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or an unforeseeable emergency.

The Plan is sponsored by the National Association of Counties and is administered by an unrelated third party administrator, the Public Employees Benefits Services Corporation (PEBSCO). Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by PEBSCO, until paid or made available to the employees or beneficiaries, are the property of the Sheriff subject only to the claims of the Sheriff's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Sheriff, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Sheriff believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise. The Plan had investments with a market value of \$235,327 at June 30, 1998.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

6) Changes in Agency Fund Balances

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

| | Sheriff's Fund | Tax Collector | Bond and Fines | Inmate Deposit |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Balances at June 30, 1997 | \$ 89,268 | \$ 478,057 | \$ 259,705 | \$ 34,474 |
| Additions | 1,085,449 | 32,100,438 | 1,379,160 | 436,166 |
| Reductions | (1,079,187) | (32,038,133) | (1,430,599) | (433,747) |
| Balances at June 30, 1998 | <u>\$ 95,530</u> | <u>\$ 140,362</u> | <u>\$ 229,266</u> | <u>\$ 36,893</u> |

| (cont.) | Community Service | Narcotic Seizure Account | Deferred Compensation | Total |
|---------------------------|----------------------|--------------------------------|--------------------------|-------------------|
| Balances at June 30, 1997 | \$ 2,301 | \$ 15,821 | \$ 173,838 | \$ 1,951,244 |
| Additions | 45,779 | 279 | 63,317 | 35,203,611 |
| Reductions | (45,326) | - | (11,828) | (35,536,636) |
| Balances at June 30, 1998 | <u>\$ 2,754</u> | <u>\$ 16,100</u> | <u>\$ 225,327</u> | <u>\$ 728,225</u> |

7) Long-Term Obligations

a) Certificates of Indebtedness:

On December 8, 1997, the Sheriff issued Certificates of Indebtedness in the amount of \$1,500,000 for the purpose of acquiring equipment and making capital improvements. The Certificates will mature over a five year period ending December 1, 2002 and bear interest at 4.73%, payable semi-annually. The Certificates are secured by the general revenues of the Sheriff.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Debt Service requirements for the Certificates of Indebtedness payable subsequent to June 30, 1998 follow:

| <u>Year Ending</u> <u>June 30,</u> | <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|-------------|---------------------|-------------------|---------------------|
| 1999 | 12/1/99 | 300,000 | 36,475 | 336,475 |
| | 6/1/99 | - | 28,390 | 28,390 |
| | | <u>300,000</u> | <u>63,855</u> | <u>363,855</u> |
| 2000 | 12/1/99 | 275,000 | 39,380 | 314,380 |
| | 6/1/00 | - | 21,879 | 21,879 |
| | | <u>275,000</u> | <u>60,259</u> | <u>335,259</u> |
| 2001 | 12/1/00 | 290,000 | 21,879 | 311,879 |
| | 6/1/01 | - | 15,018 | 15,018 |
| | | <u>290,000</u> | <u>36,894</u> | <u>326,894</u> |
| 2002 | 12/1/01 | 310,000 | 15,018 | 325,018 |
| | 6/1/02 | - | 7,693 | 7,693 |
| | | <u>310,000</u> | <u>22,704</u> | <u>332,704</u> |
| 2003 | 12/1/02 | <u>325,000</u> | <u>7,693</u> | <u>332,693</u> |
| | | <u>\$ 1,500,000</u> | <u>\$ 181,295</u> | <u>\$ 1,681,295</u> |

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

b) Summary of changes in General Long-term Obligations:

The following is a summary of general long-term obligation transactions for the year ended June 30, 1998:

| | <u>Bonded Debt</u> | <u>Capital Leases</u> | <u>Judgements Payable</u> | <u>Total</u> |
|--|------------------------|---------------------------|-------------------------------|---------------------|
| Long-term obligations payable, June 30, 1997 | \$ - | \$ 5,662 | \$ 103,000 | \$ 108,662 |
| Additions | 1,500,000 | - | 30,496 | 1,530,496 |
| Reductions | <u>-</u> | <u>(3,357)</u> | <u>-</u> | <u>(3,357)</u> |
| Total long-term obligations payable, June 30, 1998 | <u>\$ 1,500,000</u> | <u>\$ 2,305</u> | <u>\$ 133,496</u> | <u>\$ 1,635,801</u> |

10) Risk Management and Self-Insurance Program

The Sheriff's Office is exposed to various risks of losses related to general liability, auto liability, property and group health benefits. For the year ending June 30, 1998, these risks are managed as follows:

The Sheriff's Office is insured for general liability claims by participation in the Louisiana Sheriff's Risk Management Program (a self-insurance fund). For the year ended June 30, 1998, liability claims paid exceeded insurance coverage by \$807,776.

The Sheriff's Office is insured for automobile liability, comprehensive, and collision coverages through the Louisiana Sheriff's Automobile Risk Program (a self-insurance fund). Historically, claims filed against the Program have not exceeded the level of coverage afforded.

Other real and personal property is insured through coverage from commercial insurance companies.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

The Terrebonne Parish Sheriff's Office Group Health Plan was established by the Sheriff during the June, 1996 fiscal year. The partially self-insured plan was established to provide group medical indemnity coverage to qualifying employees and retirees of the Sheriff's Office. Gilbar, Inc. is the benefit services manager and is responsible for administering and claims processing. Resources to pay claims are derived from employer and employee contributions. Monthly contributions, based on a conservative estimate of claims to be paid, are deposited into a separate cash account to insure funds will be available to pay claims as they are filed. Accordingly, \$48,737 in this account is included in cash at June 30, 1998. A reserve for outstanding claims of \$48,737 has also been established under the general fund at June 30, 1998. Liabilities are limited by the purchase of commercial insurance covering specific claims in excess of \$50,000 and aggregate claims in excess of approximately \$722,000. An analysis of claims activities for the current year and the two preceding years follows:

| (In Thousands) | Current Year | | | |
|----------------|---------------------|--|-----------------------|------------------|
| Year Ended | Beginning Liability | Current Year Claims and Changes in Estimates | Actual Claim Payments | Ending Liability |
| June 30, 1996 | \$ - | \$ 277 | \$ 163 | \$ 114 |
| June 30, 1997 | \$ 114 | \$ 509 | \$ 642 | \$ 61 |
| June 30, 1998 | \$ 61 | \$ 695 | \$ 667 | \$ 49 |

11) Postretirement Health Care and Life Insurance Benefits

The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for those benefits if they reach normal retirement age while working for the Sheriff. Those benefits for retirees and similar benefits for active employees are provided through an insurance company and the Terrebonne Parish Sheriff's Office Group Health Plan whose monthly premiums are paid jointly by the employee and the Sheriff. The Sheriff's costs of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 1998, the costs of retiree benefits totaled \$69,835. There were nine-hundred eligible participants at year end receiving benefits.

TERREBORNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

12) Sales Tax Revenue

The citizens of Terrebonne Parish approved a one-quarter percent sales tax on September 26, 1995 to be used for operations of the Sheriff, and on July 19, 1997, an additional one-quarter percent sales tax was approved to be used for law enforcement. Sales tax revenue collected was \$6,305,625 for the year ended June 30, 1998.

13) Operating Leases

The Sheriff leases buildings, land and equipment under operating leases expiring in various years through 2000. During the year ended June 30, 1998, rental expenses under all operating leases totaled \$52,465. Certain operating leases provide for renewal options for periods of four years at their fair rental value at the time of the renewal. In the normal course of business, operating leases are generally renewed or replaced by other leases.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 1998 for each of the next two years and in the aggregate follow:

| <u>Year Ended</u> <u>June 30,</u> | <u>Amount</u> |
|--------------------------------------|-------------------|
| 1999 | \$ 54,000 |
| 2000 | 55,600 |
| Total minimum future rental payments | <u>\$ 110,400</u> |

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

14) Litigation and Claims

At June 30, 1998, the Sheriff is involved in several lawsuits claiming damages. Some of these suits are for substantial amounts. The Sheriff plans to vigorously oppose these suits and does not believe their ultimate disposition will materially affect the accompanying general purpose financial statements, except as follows:

On October 21, 1996, the district court rendered a judgment against the Sheriff of approximately \$719,000 including court costs and interest as a result of a lawsuit filed by a former Sheriff's Office deputy. The lawsuit asked for reimbursement of legal fees incurred by the former deputy in defending himself from criminal charges. During 1998, the Sheriff exhausted all appeals and the judgment became final. As of June 30, 1999, the total amount due to the plaintiff was \$133,486 including legal interest that is currently accruing at the rate of \$20 per day. The Sheriff does not have insurance coverage for this claim. Accordingly, \$133,486 is recorded as a liability in the General Long-Term Debt Account Group. In October 1998, the Sheriff agreed to pay \$10,000 per month until the judgment and all costs and accrued interest are paid in full.

In December 1997, the Sheriff entered into an agreement to settle all claims arising from a series of incidents in which a deputy allegedly committed several crimes, including kidnapping, rape and murder. Under this agreement, the Sheriff and its insurer paid \$1,600,000 in exchange for complete discharge of all claims arising from these incidents. Of the total settlement amount, \$882,000 was paid by the Sheriff's insurer and the balance of \$717,131 was paid by the Sheriff and is recorded as litigation and claims expense in the general fund. At June 30, 1999, all amounts due under the settlement agreement had been paid.

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION
TERREBONNE PARISH SHERIFF

GENERAL FUND

June 30, 1998

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SUPPLEMENTAL INFORMATION
 TERREBONNE PARISH SHERIFF
 Houma, Louisiana
 General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual

Year Ended June 30, 1999

| | Budget | Actual | Variance Favorable (Adverse) |
|---|----------------------|----------------------|------------------------------------|
| Current | | | |
| Public safety: | | | |
| Personnel services and related benefits: | | | |
| Benefit salary | \$ 71,000 | \$ 71,000 | \$ - |
| Deputies salaries | 6,250,000 | 6,243,235 | 6,765 |
| Fission and payroll taxes | 400,750 | 401,841 | (1,091) |
| Travel and training | 41,000 | 20,421 | 20,579 |
| Total personnel services and related benefits | <u>6,763,750</u> | <u>6,747,887</u> | <u>15,863</u> |
| Operating services: | | | |
| Hospitalization insurance | 850,000 | 817,548 | 32,452 |
| Auto and vehicle insurance | 271,500 | 227,177 | 44,323 |
| Other liability insurance | 280,000 | 231,888 | 48,112 |
| Total operating services | <u>1,401,500</u> | <u>1,276,613</u> | <u>124,887</u> |
| Operations and maintenance: | | | |
| Auto fuel and oil | 210,000 | 207,004 | 2,996 |
| Auto and vehicle maintenance | 201,000 | 512,036 | (311,036) |
| Deputy uniforms, supplies, etc. | 177,000 | 172,000 | 5,000 |
| Office supplies and expenses | 262,000 | 268,942 | (6,942) |
| Computer expenses | 20,000 | 20,000 | - |
| Telephone | 24,000 | 77,037 | (53,037) |
| Books | 24,000 | 41,000 | (17,000) |
| Prisoner feeding and maintenance | 480,000 | 488,350 | (8,350) |
| Prisoner transport | 7,000 | 15,405 | (8,405) |
| Jail operations | 871,000 | 808,792 | 62,208 |
| Other professional fees | 155,000 | 132,591 | 22,409 |
| Criminal investigation expenses | 153,000 | 106,058 | 46,942 |
| Lenses | 14,000 | 59,427 | (45,427) |
| Commissary expenditures | - | 158,438 | (158,438) |
| Litigator claims, & settlements | 1,717,121 | 807,778 | 909,343 |
| Other | 22,000 | 208,430 | (186,430) |
| Total operations and maintenance | <u>5,858,621</u> | <u>5,757,207</u> | <u>101,414</u> |
| Debt service: | | | |
| Principal | - | 2,267 | (2,267) |
| Interest | 28,342 | 28,517 | (175) |
| Total debt service | <u>28,342</u> | <u>30,784</u> | <u>(2,442)</u> |
| Capital outlay: | | | |
| Auto and vehicles | 4,000 | 20,888 | (16,888) |
| Books | 10,000 | 25,000 | (15,000) |
| Deputy equipment | 10,000 | 108,191 | (98,191) |
| Office equipment | 25,000 | 24,001 | (999) |
| Computer | 1,215 | 1,215 | - |
| Master printers | 22,447 | 48,128 | (25,681) |
| Total capital outlay | <u>75,102</u> | <u>335,523</u> | <u>(260,421)</u> |
| Total expenditures | <u>\$ 12,327,388</u> | <u>\$ 12,238,790</u> | <u>\$ 88,598</u> |

SUPPLEMENTAL INFORMATION
TERREBORNE PARISH SHERIFF

FIDUCIARY FUND TYPE - AGENCY FUNDS

June 30, 1995

Sheriff's Fund

To account for funds held in connection with civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

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 is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bonds and Fines Fund

To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Inmate Deposit Fund

To account for funds belonging to individuals incarcerated in the parish prison. The funds are used by prisoners to purchase personal items while incarcerated, and any remaining balances are returned to prisoners upon their release.

Community Service Fund

The Community Service Fund, created on September 15, 1985, accounts for court assessed fees collected from individuals on probation. These fees are used to defray the costs of probation supervision and are paid to the Sheriff's General Fund and the City of Houma.

Moines Seizure Account

To account for Moines obtained during drug operations and arrest. Disposition of the money is determined by court order.

Deferred Compensation Fund

To account for the contributions and withdrawals by government employees who participate in the deferred compensation plan created and organized in accordance with Internal Revenue Code Section 457. The plan is administered by a third party, Public Employees' Benefits Services Corporation. The plan is available to all employees and permits employees to defer the income tax on a portion of their salaries until future years.

TERREBORNE PARISH SHERIFFS
Houma, Louisiana

Fiduciary Fund Type - Agency Funds

Combined Balance Sheet
June 30, 2008

| | Swartz Fund | Tax Collector Fund | Smith & Peem Fund | Investe Deposit Fund | Community Equities Fund | Revenue System Account Fund | Debtors Compensation Fund | Total |
|---------------------------------|------------------|--------------------|-------------------|----------------------|-------------------------|-----------------------------|---------------------------|-------------------|
| ASSETS | | | | | | | | |
| Interest-bearing deposits | \$ 81,524 | \$ 142,342 | \$ 208,338 | \$ 36,832 | \$ 2,453 | \$ 18,182 | \$ - | \$ 589,629 |
| Property and other held under | | | | | | | | |
| other's compensation plan | | | | | | | | |
| Total assets | <u>\$ 81,524</u> | <u>\$ 142,342</u> | <u>\$ 208,338</u> | <u>\$ 36,832</u> | <u>\$ 2,453</u> | <u>\$ 18,182</u> | <u>\$ 228,627</u> | <u>\$ 618,302</u> |
| LIABILITIES | | | | | | | | |
| Due to taxing bodies and others | \$ 81,524 | \$ 142,342 | \$ 208,338 | \$ - | \$ 2,453 | \$ 18,182 | \$ - | \$ 653,639 |
| obligations to employees under | | | | | | | | |
| other's compensation plan | - | - | - | - | - | - | \$ 228,627 | \$ 228,627 |
| Due to jobbers | | | | \$ 28,802 | | | | \$ 28,802 |
| Total liabilities | <u>\$ 81,524</u> | <u>\$ 142,342</u> | <u>\$ 208,338</u> | <u>\$ 28,802</u> | <u>\$ 2,453</u> | <u>\$ 18,182</u> | <u>\$ 228,627</u> | <u>\$ 618,302</u> |

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Biweekly Fund Type - Agency Funds
Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 1998

| | Benefit Fund | Tax Collector Fund | Boats & Fees Fund | Initial Deposit Fund | Community Service Fund | Narcotics Involvement Account Fund | Deferred Compensation Fund | Totals |
|---|--------------|--------------------|-------------------|----------------------|------------------------|------------------------------------|----------------------------|--------------|
| Balance, beginning of year | \$ 18,268 | \$ 479,067 | \$ 258,793 | \$ 35,424 | \$ 2,204 | \$ 13,821 | \$ 177,628 | \$ 1,051,244 |
| Adjustments: | | | | | | | | |
| Deposits: | | | | | | | | |
| Entrants | - | - | - | - | - | - | - | - |
| Suits, sales, and penalties | 1,053,413 | - | - | - | - | - | - | 1,053,413 |
| Rents | - | - | 252,858 | - | - | - | - | 252,858 |
| Fees and cost | - | - | 1,124,104 | - | 45,485 | - | - | 1,169,589 |
| Prisoner deposits | - | - | - | 436,165 | - | - | - | 436,165 |
| Fines, fees, etc., paid to tax collector | - | 32,168,867 | - | - | - | - | 32,168,867 | 32,168,867 |
| Deferred compensation contributions | - | - | - | - | - | - | 35,568 | 35,568 |
| Investment income | - | - | - | - | - | - | 27,749 | 27,749 |
| Interest | - | 34,621 | 4,152 | - | - | 278 | - | 39,051 |
| Total additions | 1,053,413 | 32,168,867 | 1,377,110 | 436,165 | 45,485 | 278 | 62,217 | 34,073,615 |
| Total | 1,053,413 | 32,168,867 | 1,381,262 | 436,165 | 47,689 | 16,156 | 278,653 | 34,073,615 |
| Disbursements: | | | | | | | | |
| Fines, fees, etc., distributed to "suing bodies and others" | - | 31,852,151 | - | - | - | - | - | 31,852,151 |
| Deposits referred to - | | | | | | | | |
| Benefit General Fund | 157,658 | 873,602 | 28,129 | - | 64,987 | - | - | 824,376 |
| Clerk of Court | 54,919 | - | 600,487 | - | - | - | - | 655,406 |
| Jugans | 647,142 | - | - | - | - | - | - | 647,142 |
| Other settlements | 20,522 | - | 587,590 | 423,247 | 342 | - | - | 1,032,261 |
| Amateur withdrawals | - | - | - | - | - | - | 40,189 | 40,189 |
| Other | - | - | - | - | - | - | 1,428 | 1,428 |
| Total disbursements | 1,039,141 | 32,525,752 | 1,413,606 | 423,247 | 65,329 | - | 41,617 | 34,408,682 |
| Balance, end of year | \$ 18,268 | \$ 479,067 | \$ 258,793 | \$ 35,424 | \$ 2,204 | \$ 13,821 | \$ 177,628 | \$ 1,051,244 |

SUPPLEMENTARY FINANCIAL REPORTS

Bergeron & Lanaux

— CERTIFIED PUBLIC ACCOUNTANTS —

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 Jerry J. Larperter
Terrebonne Parish Sheriff
Houma, Louisiana

We have audited the financial statements of the Terrebonne Parish Sheriff as of and for the year ended June 30, 1998, and have issued our report thereon dated December 15, 1998 which was qualified due to the omission of the year 2000 disclosures that are required by governmental accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues. 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 Terrebonne 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Terrebonne 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.

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

December 15, 1998



TERREBONE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1998

We have audited the financial statements of the Terrebonne Parish Sheriff as of and for the year ended June 30, 1998, and have issued our report therein dated December 15, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1998 resulted in a qualified opinion. We issued a separate management letter as a result of this engagement.

Section I Summary of Auditor's Reports

a. **Report on Internal Control and Compliance Material to the Financial Statements:**

| | | |
|---|---------|--------------|
| Internal Control | | |
| Material Weakness | ___ Yes | <u>XX</u> No |
| Reportable Conditions | ___ Yes | <u>XX</u> No |
| Compliance | | |
| Compliance Material to Financial Statements | ___ Yes | <u>XX</u> No |

b. **Federal Awards - (Not applicable)**

c. **Identification of Major Programs:**

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| Not applicable | |

Section II Financial Statement Findings

There were none.

Section III Federal Award Findings and Questioned Costs

Not Applicable.

TERREBONNE PARISH SHERIFF
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1999

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were none.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.

SECTION III MANAGEMENT LETTER

No management letter was issued.

TERREBONNE PARISH SHERIFF

Management Letter

June 30, 1998

December 15, 1999

To the Honorable Jerry J. Larperier
Houma, Louisiana

In planning and performing our audit of the general purpose financial statements of the Terrebonne Parish Sheriff for the year ended June 30, 1999, we considered the Sheriff's internal control to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control. As a result of our audit, we offer the following comment for the Sheriff's consideration.

YEAR 2000

On January 1, 2000, information technology experts believe that many application systems will fail as a result of erroneous calculations and data integrity problems. The situation, commonly known as the year 2000 issue, will occur because many computers cannot process date information beyond December 31, 1999. That is because many application software products (both commercial and in-house-developed legacy systems) were originally designed to accommodate only a two-digit date position to represent the year (for example, 99 for the year 1999).

The systems most critical to the operations of the Sheriff's Office are owned by the Terrebonne Parish Consolidated Government (TPCG). The Sheriff's Office uses the TPCG computer system to process cash receipts and disbursements and payroll transactions. The Sheriff's Office personnel operate the parish jail, but TPCG owns the buildings and equipment, including computers, alarm systems, and automated cell doors. A failure of these systems could have a significant adverse impact on the operations of the Sheriff's Office. While TPCG has primary responsibility for assessment, remediation and testing of these systems, the Sheriff's Office should monitor TPCG's remediation efforts and develop contingency plans in the event that TPCG's efforts to remediate these systems are not successful or are not completed timely.

In addition to the systems owned by TPCG, computer systems and other electronic equipment owned by the Sheriff may be affected. Radio-dispatch and other communications equipment, computer workstations and software, alarm

systems and other equipment critical to the operations of the Sheriff's office should be assessed for year 2000 readiness. Any necessary remediation of those systems should be completed and tested as soon as possible.

Also, the Sheriff should consider implementing additional verification procedures to test the accuracy of information received from its vendors, bankers, grantor agencies and other third party organizations with whom you exchange data-dependent information because those organizations also must become year 2000 compliant. The Sheriff should satisfy itself that those organizations will not experience problems relating to the year 2000 issue that could affect the Sheriff's operations.

We have issued a separate report dated December 15, 1998, on the Sheriff's internal control. This letter does not affect our report dated December 15, 1998, on the general purpose financial statements. We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would like to express our appreciation for the courtesy and assistance extended to us during our audit.

Sincerely,



BERGERON & LAMAJX

**TERREBONNE PARISH SHERIFF
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 1998**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

No findings were reported which require a response from management.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.

SECTION III MANAGEMENT LETTER

In response to the Management Letter issued by our auditors dated December 15, 1998, we intend to take the following actions:

- We will monitor the remediation efforts of the Terrebonne Parish Consolidated Government with respect to the accounting and payroll software used to process transactions of our office and with respect to the computers and mechanical equipment used in the operations of the parish jail.
- We will identify and assess other computer systems and electronic equipment critical to our operations and remediate these systems as necessary.
- We will contact vendors and other third party organizations critical to our operations and request representations concerning their year 2000 readiness.
- We will develop contingency plans as necessary in the event that our year 2000 remediation efforts are not successful.

We believe that the foregoing plans adequately address the concerns of our auditors.