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IBERIA PARISH SHERIFF  
New Iberia, Louisiana

FINANCIAL REPORT

JUNE 30, 1999

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

Release Date 2-9-2000

IBERIA PARISH SHERIFF  
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Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

The Honorable Sid Hebert  
Iberia Parish Sheriff  
New Iberia, Louisiana

We have audited the accompanying general purpose financial statements of Iberia Parish Sheriff, New Iberia, Louisiana as of and for the year ended June 30, 1999. These financial statements are the responsibility of the Iberia Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated January 18, 2000 on our consideration of Iberia 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 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 financial statements of Iberia 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.

*Broussard, Poché, Lewis & Dreyer, L.L.P.*  
New Iberia, Louisiana  
January 18, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

IBERIA PARISH SHERIFF  
New Iberia, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1999

	<u>Governmental Funds</u>		<u>Fiduciary Fund Type Agency Funds</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>							
Cash	\$ 171,934	\$ 11,612	\$ 721,165	\$ --	\$ --	\$ 904,711	\$ 872,623
Accounts receivable	32,363	5,264	--	--	--	37,627	50,458
Due from other funds	4,313	--	--	--	--	4,313	10,155
Due from other governmental agencies	365,609	--	--	--	--	365,609	306,731
Inventory	--	7,045	--	--	--	7,045	3,988
Fixed assets	--	--	--	1,463,047	--	1,463,047	1,226,430
Amount to be provided for retirement of general long-term debt	--	--	--	--	219,193	219,193	271,592
<b>Total assets</b>	<b>\$ 574,219</b>	<b>\$ 23,921</b>	<b>\$ 721,165</b>	<b>\$1,463,047</b>	<b>\$ 219,193</b>	<b>\$3,001,545</b>	<b>\$2,741,977</b>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Liabilities</b>							
Accounts payable	\$ 78,881	\$ 16,780	\$ --	\$ --	\$ --	\$ 95,661	\$ 153,116
Due to other funds	3,396	--	917	--	--	4,313	10,155
Insurance claims payable	28,486	--	--	--	--	28,486	9,656
Due to taxing bodies and others	--	--	720,248	--	--	720,248	589,746
Other accrued liabilities	229	1,214	--	--	--	1,443	2,144
Accrued compensated absences payable	--	--	--	--	103,555	103,555	119,469
Deputy liability claims payable	--	--	--	--	14,144	14,144	43,271
Capital leases payable	--	--	--	--	101,494	101,494	108,852
<b>Total liabilities</b>	<b>110,992</b>	<b>17,994</b>	<b>721,165</b>	<b>--</b>	<b>219,193</b>	<b>1,069,344</b>	<b>1,036,409</b>
<b>Fund Equity</b>							
Investment in general fixed assets	--	--	--	1,463,047	--	1,463,047	1,226,430
Reserved for inventory	--	7,045	--	--	--	7,045	3,988
Unreserved and undesignated	463,227	(1,118)	--	--	--	462,109	475,150
<b>Total fund equity</b>	<b>463,227</b>	<b>5,927</b>	<b>--</b>	<b>1,463,047</b>	<b>--</b>	<b>1,932,201</b>	<b>1,705,568</b>
<b>Total liabilities and fund equity</b>	<b>\$ 574,219</b>	<b>\$ 23,921</b>	<b>\$ 721,165</b>	<b>\$1,463,047</b>	<b>\$ 219,193</b>	<b>\$3,001,545</b>	<b>\$2,741,977</b>

See Notes to Financial Statements.

IBERIA PARISH SHERIFF  
New Iberia, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES  
Year Ended June 30, 1999

	Governmental Funds		Totals	
	General Fund	Special Revenue Fund	1999	1998
<b>REVENUES</b>				
Ad valorem taxes	\$1,955,500	\$ --	\$1,955,500	\$1,880,244
Intergovernmental revenues -				
Federal grants	238,094	--	238,094	140,327
State grants	24,440	--	24,440	24,039
State supplemental pay	212,822	--	212,822	179,154
Parish funds	45,800	--	45,800	41,123
Fees, charges and commissions for services -				
Commissions on state revenue sharing	210,984	--	210,984	204,212
License commissions	29,575	--	29,575	28,591
Garnishment commissions	20,742	--	20,742	21,714
Sheriff's sales	64,494	--	64,494	86,652
Fine commissions	111,006	--	111,006	101,381
Civil and criminal fees	157,911	--	157,911	139,392
Court attendance and security	25,333	--	25,333	20,873
Transporting prisoners	40,178	--	40,178	42,330
Feeding and keeping prisoners	1,992,098	--	1,992,098	1,651,466
Employment programs	114,928	--	114,928	140,601
Sales and commissions	--	221,823	221,823	195,990
Fines and forfeitures	75,295	--	75,295	61,120
Interest income	17,149	754	17,903	21,010
Miscellaneous	153,979	4,504	158,483	157,268
<b>Total revenues</b>	<b>5,490,328</b>	<b>227,081</b>	<b>5,717,409</b>	<b>5,137,487</b>
<b>EXPENDITURES</b>				
Current -				
Public safety:				
Personal services	3,823,611	--	3,823,611	3,550,459
Operating services	953,926	230,490	1,184,416	987,185
Materials and supplies	411,258	--	411,258	375,696
Travel and other charges	15,296	--	15,296	4,257
Miscellaneous	24,314	--	24,314	16,676
Debt service	119,217	--	119,217	90,510
Capital outlay	254,002	1,930	255,932	232,104
<b>Total expenditures</b>	<b>5,601,624</b>	<b>232,420</b>	<b>5,834,044</b>	<b>5,256,887</b>
(Deficiency) of revenues over expenditures	(111,296)	(5,339)	(116,635)	(119,400)
Other financing sources:				
Operating transfers in (out)	25,000	--	25,000	(33)
Proceeds from capital leases	81,651	--	81,651	99,725
<b>Total other financing sources</b>	<b>106,651</b>	<b>--</b>	<b>106,651</b>	<b>99,692</b>
(Deficiency) of revenues and other sources over expenditures	(4,645)	(5,339)	(9,984)	(19,708)
Fund balance, beginning	467,872	11,266	479,138	498,846
Fund balance, ending	\$ 463,227	\$ 5,927	\$ 469,154	\$ 479,138

See Notes to Financial Statements.

IBERIA PARISH SHERIFF  
New Iberia, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES  
Year Ended June 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Ad valorem taxes	\$1,896,000	\$1,955,500	\$ 59,500	\$ --	\$ --	\$ --
Intergovernmental revenues -						
Federal grants	155,000	238,094	83,094	--	--	--
State grants	15,500	24,440	8,940	--	--	--
State supplemental pay	191,500	212,822	21,322	--	--	--
Parish funds	44,000	45,800	1,800	--	--	--
Fees charges and commissions for services -						
Commissions on state revenue sharing	211,000	210,984	(16)	--	--	--
License commissions	29,000	29,575	575	--	--	--
Garnishment commissions	20,000	20,742	742	--	--	--
Sheriff's sales	75,000	64,494	(10,506)	--	--	--
Fine commissions	90,000	111,006	21,006	--	--	--
Civil and criminal fees	160,000	157,911	(2,089)	--	--	--
Court attendance and security	25,800	25,333	(467)	--	--	--
Transporting prisoners	42,000	40,178	(1,822)	--	--	--
Feeding and keeping prisoners	1,916,100	1,992,098	75,998	--	--	--
Employment programs	110,000	114,928	4,928	--	--	--
Sales and commissions	--	--	--	150,000	221,823	71,823
Fines and forfeitures	75,000	75,295	295	--	--	--
Interest income	18,500	17,149	(1,351)	500	754	254
Miscellaneous	145,250	153,979	8,729	1,000	4,504	3,504
<b>Total revenues</b>	<u>5,219,650</u>	<u>5,490,328</u>	<u>270,678</u>	<u>151,500</u>	<u>227,081</u>	<u>75,581</u>
<b>EXPENDITURES</b>						
Current -						
Public safety:						
Personal services	3,710,673	3,823,611	(112,938)	--	--	--
Operating services	869,377	953,926	(84,549)	150,000	230,490	(80,490)
Materials and supplies	383,570	411,258	(27,688)	--	--	--
Travel and other charges	16,860	15,296	1,564	--	--	--
Miscellaneous	25,574	24,314	1,260	--	--	--
Debt service	134,000	119,217	14,783	--	--	--
Capital outlay	225,592	254,002	(28,410)	1,000	1,930	(930)
<b>Total expenditures</b>	<u>5,365,646</u>	<u>5,601,624</u>	<u>(235,978)</u>	<u>151,000</u>	<u>232,420</u>	<u>(81,420)</u>
Excess (deficiency) of revenues over expenditures	<u>(145,996)</u>	<u>(111,296)</u>	<u>34,700</u>	<u>500</u>	<u>(5,339)</u>	<u>(5,839)</u>
Other financing sources:						
Operating transfers in	--	25,000	25,000	--	--	--
Proceeds from capital leases	81,650	81,651	1	--	--	--
<b>Total other financing sources</b>	<u>81,650</u>	<u>106,651</u>	<u>25,001</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>(64,346)</u>	<u>(4,645)</u>	<u>59,701</u>	<u>500</u>	<u>(5,339)</u>	<u>(5,839)</u>
Fund balance, beginning	<u>64,346</u>	<u>467,872</u>	<u>403,526</u>	<u>--</u>	<u>11,266</u>	<u>11,266</u>
Fund balance, ending	<u>\$ --</u>	<u>\$ 463,227</u>	<u>\$ 463,227</u>	<u>\$ 500</u>	<u>\$ 5,927</u>	<u>\$ 5,427</u>

See Notes to Financial Statements.



IBERIA PARISH SHERIFF  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of Iberia Parish Sheriff have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Sheriff's accounting policies are described below.

Reporting entity:

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government:

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.

Iberia Parish Sheriff is the basic level of government which has oversight responsibility and control over all activities related to law enforcement in Iberia Parish. The Sheriff receives funding from local, state and Federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Sheriff is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the Sheriff is elected by the public and has decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, no entities meet the above criteria for inclusion as a component unit of Iberia Parish Sheriff.

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 related to certain government functions or activities.

## NOTES TO FINANCIAL STATEMENTS

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

Funds are classified into categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types.

Governmental funds are used to account for all or most of the Sheriff's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Sheriff. Agency funds generally are used to account for assets that the Sheriff holds on behalf of others as their agent.

### Basis of accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. The cash basis of accounting which approximates the modified accrual basis of accounting is used by the fiduciary - agency types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds. Investment income is recorded when earned. Substantially all other revenues are recorded when received. Expenditures are generally recognized when the related fund liability is incurred, except that principal and interest due on long-term debt are recognized when due. General fixed assets acquired through capital lease agreements are recognized as other financing sources and capital outlay expenditures at the time of the acquisition. Similarly, proceeds from long-term loans are recognized as other financing sources when received.

## NOTES TO FINANCIAL STATEMENTS

### Budgetary practices:

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

1. The accounting director 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 holding the public hearing and completing 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.

### 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.

### Cash and cash equivalents:

Cash includes amounts in demand deposits as well as time deposits with a maturity date within three months of the date acquired by the government.

### Short-term interfund receivables/payables:

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

### Inventory:

Inventory consists of goods purchased for resale in the Inmate Welfare Fund. Inventories are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market.

## NOTES TO FINANCIAL STATEMENTS

### Fixed assets:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed asset account group. All purchased fixed assets are valued at cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the general fixed asset account group are not depreciated.

### Compensated absences:

Each employee of the Sheriff's office is granted 10 to 20 days of annual leave and sick leave each year after one year of service. Accrued sick leave is not limited and not payable upon termination. Unused annual leave is converted to sick leave on the employee's anniversary date. Prior to that time, it is payable upon termination.

Compensatory time is granted at the rate of 1.5 times the amount of time by which an employee's work hours exceed his/her maximum allowable work hours. Certain personnel are exempt from earning compensatory time. Compensatory time is payable upon termination.

### Long-term obligations:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

### Fund equity:

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

### Interfund transactions:

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

## NOTES TO FINANCIAL STATEMENTS

### Comparative data:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Sheriff's financial position and results of operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Certain amounts in the 1998 financial statements have been reclassified to the 1999 presentation. Such reclassifications had no material effect on fund equity as previously reported.

### Memorandum only - total columns:

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations 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.

### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### Note 2. Deposits and Investments

Under state law, the Sheriff may deposit funds with 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 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.

Under state law, the 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.

At June 30, 1999, the carrying value of cash was \$904,711. At June 30, 1999, the bank balance was \$1,148,952. Of the bank balance, \$342,187 was covered by federal depository insurance and \$806,765 was covered by collateral held the Sheriff's fiscal agent in the Sheriff's name.

NOTES TO FINANCIAL STATEMENTS

Note 3. Receivables

Accounts receivable at June 30, 1999 consist of the following:

Ad valorem taxes	\$12,765
Fines and forfeitures	10,071
Wildlife and fisheries commissions	5,965
Telephone commissions	5,264
Advances to employees	<u>3,562</u>
	<u>\$37,627</u>

Note 4. Interfund Receivables and Payables

	Interfund Receivables	Interfund Payables
General Fund	\$ 4,313	\$ 3,396
Agency Fund - Bond Fund	<u>--</u>	<u>917</u>
	<u>\$ 4,313</u>	<u>\$ 4,313</u>

Note 5. Due from Other Governmental Agencies

Amounts due from other governmental agencies at June 30, 1999 consist of the following:

General Fund:	
United States Treasury	\$ 69,506
Department of Justice	54,859
Department of Public Safety and Corrections	124,234
Iberia Parish Council	23,212
Iberia Parish School Board	7,970
City of New Iberia	2,030
Louisiana Department of Treasury	38,811
Louisiana Commission on Law Enforcement	15,963
16th Judicial District	14,396
St. Mary Parish Sheriff	<u>14,628</u>
	<u>\$365,609</u>

Note 6. Changes in General Fixed Assets

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

	General Fund	Special Revenue Fund	Total
Balance, beginning	\$1,156,369	\$ 70,061	\$1,226,430
Additions	234,687	1,930	236,617
Deductions	<u>--</u>	<u>--</u>	<u>--</u>
Balance, ending	<u>\$1,391,056</u>	<u>\$ 71,991</u>	<u>\$1,463,047</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Changes in General Long-Term Debt

The following is a summary of long-term debt transactions of the Iberia Parish Sheriff for the year ended June 30, 1999:

	Accrued Compensated Absences Payable	Deputy Liability Claims Payable	Capital Leases Payable	Total
Balance, beginning	\$ 119,469	\$ 43,271	\$ 108,852	\$ 271,592
Additions	--	19,737	81,651	101,388
Payments	<u>(15,914)</u>	<u>(48,864)</u>	<u>(89,009)</u>	<u>(153,787)</u>
Balance, ending	<u>\$ 103,555</u>	<u>\$ 14,144</u>	<u>\$ 101,494</u>	<u>\$ 219,193</u>

Note 8. Capital Leases

The Sheriff has entered into three lease agreements as lessee for financing the acquisition of vehicles totaling \$261,394. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the dates of inception.

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 1999:

2000	\$106,000
Less amount representing interest	<u>(4,506)</u>
Present value of future minimum lease payments	<u>\$101,494</u>

Note 9. Operating Leases

The Sheriff is obligated under an operating lease agreement for a parking lot. The lease expense for 1999 and 1998 was \$1,650 and \$1,800, respectively.

The Sheriff is also obligated under an operating lease agreement for a vehicle. The lease expense for 1999 and 1998 was \$4,804 and \$-0-, respectively.

Minimum lease payments for the next five years consist of the following.

2000	\$ 7,041
2001	1,800
2002	1,800
2003	1,800
2004	<u>1,800</u>
Total	<u>\$14,241</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Ad Valorem Taxes

The Sheriff is 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 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 year. The taxes are based on assessed values determined by the Tax Assessor of Iberia Parish 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, 1999, law enforcement taxes applicable to the Sheriff's General Fund were levied at the rate of 10.02 mills on property with assessed valuations totaling \$275,558,863.

### Note 11. Pension Plan

#### Plan Description

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees who are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of the final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.50% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3.00% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.



NOTES TO FINANCIAL STATEMENTS

Funding Policy

Plan members are required to contribute 8.70% of their annual covered salary and the Iberia Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.00% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and Iberia Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior year. Iberia Parish Sheriff's contributions to the Retirement System for the years ended June 30, 1999, 1998 and 1997 were \$148,895, \$138,429 and \$104,298, respectively, which is 1% greater than the actuarially determined rate.

Note 12. Deferred Compensation Plan

During fiscal year 1992, a portion of the Sheriff's employees began participation in the Louisiana Public Employee's Deferred Compensation Plan. This deferred compensation plan is organized under Internal Revenue Code Section 457 and is in the name of the State of Louisiana.

Note 13. Changes in Agency Fund Balances

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

	Tax Collector Fund	Sheriff's Fund	Bond Fund	Inmate Trust Fund
Balances, beginning	\$ 281,473	\$ 2,501	\$ 280,804	\$ 28,630
Additions	16,230,050	720,340	1,360,189	268,112
Reductions	<u>(16,134,120)</u>	<u>(720,460)</u>	<u>(1,316,976)</u>	<u>(279,378)</u>
Balances, ending	<u>\$ 377,403</u>	<u>\$ 2,381</u>	<u>\$ 324,017</u>	<u>\$ 17,364</u>

Note 14. Risk Management

Iberia Parish Sheriff has established a Group Health Insurance Self-Insurance Program for the purpose of providing medical payments to employees and their dependents. The plan is administered by Gulf South Administrators. Under the program, an insurance company has agreed to reimburse the Sheriff for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the Sheriff of \$25,000. Estimated losses on claims are charged to expense in the period the loss is determinable.

Iberia Parish Sheriff has established a Deputy Liability Self-Insurance Program. The Sheriff has contracts with Gallagher Bassett Services, Inc. and Cost Management Services for plan administration and claims processing. The retention for the policy for fiscal year ended June 30, 1999 is \$50,000 per occurrence.

NOTES TO FINANCIAL STATEMENTS

The Sheriff accounts for and reports risk management activities in the general fund within the constraints of the modified accrual basis of accounting. Claims paid under the self-insurance risk activities are recorded as expenditures against the General Fund insurance and claims expense appropriations. Long-term obligations that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have incurred but not reported.

According to the plan administrator, it is unlikely that group health insurance claims will be paid on cases that are over a year old. Therefore, the liability for estimated claims incurred but not paid is a liability of the General Fund. The estimated liability based on available information at June 30, 1999 was \$28,486 which is included in the accompanying financial statements.

At June 30, 1999, the amount of the deputy liability claims liability was \$14,144. This liability is the Sheriff's best estimate based on available information. Changes in the reported liability during the year resulted from the following:

<u>Contract Period</u>	<u>Liability, Beginning</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability, Ending</u>
11/01/1996 - 12/31/1997	\$ 39,771	\$ (4,786)	\$ 31,448	\$ 3,537
01/01/1998 - 06/30/1999	<u>3,500</u>	<u>24,523</u>	<u>17,416</u>	<u>10,607</u>
	<u>\$ 43,271</u>	<u>\$ 19,737</u>	<u>\$ 48,864</u>	<u>\$ 14,144</u>

Note 15. Litigation and Claims

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

Note 16. Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's administrative office and jail is located in buildings owned by the Iberia Parish Council. The cost of maintaining and operating these buildings, as required by statute, is paid by the Iberia Parish Council. These expenditures are not included in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 17. Summary of Grants Funding

Iberia Parish Sheriff was funded through the following grants for the period July 1, 1998 to June 30, 1999:

<u>Funding Source</u>	<u>Award Number</u>	<u>Total Grant</u>	<u>Recognized Support</u>
FEDERAL:			
Universal Hiring	95CFWX1068	\$221,845	\$ 42,707
Law Enforcement Training	97-M4-M.01-0461	29,700	6,925
COPS MORE 98	1999CMWX2160	82,333	6,498
Multi-Jurisdictional Task Force	98-B4-B.02-0H25	30,303	30,303
Local Law Enforcement Block Grant - FY 1998	98LBVX5041	21,252	--
COPS MORE 96	97CMWX0803	68,666	68,666
Problem Solving	97PRWX0320	150,000	82,995
STATE:			
D.A.R.E.	E99-4-013	24,440	<u>24,440</u>
			<u>\$ 262,534</u>

SUPPLEMENTAL INFORMATION

GENERAL FUND

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

IBERIA PARISH SHERIFF  
New Iberia, Louisiana  
GENERAL FUND

BALANCE SHEETS  
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash	\$ 171,934	\$ 268,213
Accounts receivable	32,363	45,452
Due from other governmental agencies	365,609	306,731
Due from other funds	<u>4,313</u>	<u>4,295</u>
<b>Total assets</b>	<b><u>\$ 574,219</u></b>	<b><u>\$ 624,691</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 78,881	\$ 139,450
Due to other funds	3,396	6,493
Insurance claims payable	28,486	9,656
Other accrued liabilities	<u>229</u>	<u>1,220</u>
<b>Total liabilities</b>	<b><u>110,992</u></b>	<b><u>156,819</u></b>
Fund balance		
Unreserved and undesignated	<u>463,227</u>	<u>467,872</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 574,219</u></b>	<b><u>\$ 624,691</u></b>

IBERIA PARISH SHERIFF  
New Iberia, Louisiana  
GENERAL FUND

DETAIL OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Current:				
Public safety -				
Personal services:				
Salaries	\$3,031,931	\$3,064,506	\$ (32,575)	\$2,873,952
Employee benefits	<u>678,742</u>	<u>759,105</u>	<u>(80,363)</u>	<u>676,507</u>
Total personal services	<u>3,710,673</u>	<u>3,823,611</u>	<u>(112,938)</u>	<u>3,550,459</u>
Operating services:				
Dues and subscriptions	6,634	6,261	373	7,213
Publication and printing	66,685	63,320	3,365	44,139
Utilities	690	741	(51)	849
Telephone	58,062	67,149	(9,087)	51,063
Beeper/tower	14,681	19,170	(4,489)	14,356
Rents and leases	26,235	25,587	648	18,733
Maintenance of property and equipment:				
Fuel and oil	88,207	100,481	(12,274)	75,775
Radio maintenance	17,561	16,860	701	15,857
Boat maintenance	8,771	8,168	603	5,826
Dog maintenance	6,220	6,082	138	7,834
Computer maintenance	15,459	14,133	1,326	13,728
Repairs and maintenance	113,960	128,448	(14,488)	104,256
Professional services:				
Contracted service	31,107	45,636	(14,529)	38,592
Legal	39,611	64,760	(25,149)	53,887
Accounting	30,148	34,255	(4,107)	22,303
Cleaning service	16,240	17,070	(830)	15,399
Payroll processing	11,438	12,454	(1,016)	8,780
Insurance:				
Auto liability	103,444	88,666	14,778	72,468
Deputy liability	73,964	75,948	(1,984)	107,319
General insurance	3,719	3,188	531	1,696
Boat liability	2,042	1,750	292	2,141
Surety bond	--	--	--	200
Tax costs	6,175	5,719	456	2,052
Investigation	2,938	2,827	111	250
Other:				
Drug education expense	14,400	20,049	(5,649)	12,014
Reservist expense	15,003	12,860	2,143	3,997
Training	23,628	23,579	49	32,711
Firing range	5,346	5,337	9	2,166
Rescue expense	--	210	(210)	1,576
Prisoner maintenance	<u>67,009</u>	<u>83,218</u>	<u>(16,209)</u>	<u>57,439</u>
Total operating services	<u>869,377</u>	<u>953,926</u>	<u>(84,549)</u>	<u>794,619</u>
Materials and supplies:				
Office supplies	26,655	28,282	(1,627)	30,978
Shipping/postage	10,927	18,223	(7,296)	22,142
Supplies	57,467	58,125	(658)	79,705
Transport	376	322	54	390
Food	282,826	301,014	(18,188)	235,762
Film and developing	<u>5,319</u>	<u>5,292</u>	<u>27</u>	<u>6,719</u>
Total materials and supplies	<u>383,570</u>	<u>411,258</u>	<u>(27,688)</u>	<u>375,696</u>
Travel and other charges	<u>16,860</u>	<u>15,296</u>	<u>1,564</u>	<u>4,257</u>
Miscellaneous	<u>25,574</u>	<u>24,314</u>	<u>1,260</u>	<u>16,676</u>
Debt service:				
Principal	94,000	89,009	4,991	54,333
Interest	<u>40,000</u>	<u>30,208</u>	<u>9,792</u>	<u>36,177</u>
Total debt service	<u>134,000</u>	<u>119,217</u>	<u>14,783</u>	<u>90,510</u>
Capital outlay	<u>225,592</u>	<u>254,002</u>	<u>(28,410)</u>	<u>232,104</u>
Total expenditures	<u>\$5,365,646</u>	<u>\$5,601,624</u>	<u>\$ (235,978)</u>	<u>\$5,064,321</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

Tax Collector Fund	Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.
Sheriff's Fund	To account for funds held in civil suits, sheriff's sales and garnishments.
Bond Fund	To account for the collection of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.
Inmate Trust Fund	To account for the deposit, use, and refund of prisoner monies deposited by the prisoner on the date of booking or by family at any time.



IBERIA PARISH SHERIFF  
New Iberia, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

COMBINING BALANCE SHEET  
June 30, 1999  
With Comparative Totals for June 30, 1998

	<u>Tax Collector Fund</u>	<u>Sheriff's Fund</u>	<u>Bond Fund</u>	<u>Inmate Trust Fund</u>	<u>Totals</u>	
					<u>1999</u>	<u>1998</u>
<b>ASSETS</b>						
Cash	\$ 377,403	\$ 2,381	\$ 324,017	\$ 17,364	\$ 721,165	\$ 593,408
Total assets	<u>\$ 377,403</u>	<u>\$ 2,381</u>	<u>\$ 324,017</u>	<u>\$ 17,364</u>	<u>\$ 721,165</u>	<u>\$ 593,408</u>
<b>LIABILITIES</b>						
Due to other funds	\$ --	\$ --	\$ 917	\$ --	\$ 917	\$ 3,662
Due to taxing bodies and others	<u>377,403</u>	<u>2,381</u>	<u>323,100</u>	<u>17,364</u>	<u>720,248</u>	<u>589,746</u>
Total liabilities	<u>\$ 377,403</u>	<u>\$ 2,381</u>	<u>\$ 324,017</u>	<u>\$ 17,364</u>	<u>\$ 721,165</u>	<u>\$ 593,408</u>

IBERIA PARISH SHERIFF  
New Iberia, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
Year Ended June 30, 1999  
With Comparative Totals For the Year Ended June 30, 1998

	Tax Collector Fund	Sheriff's Fund	Bond Fund	Inmate Trust Fund	Totals	
					1999	1998
Unsettled balances, beginning of year	\$ 281,473	\$ 2,501	\$ 280,804	\$ 28,630	\$ 593,408	\$ 767,405
Additions:						
Deposits -						
Sheriff's sales	--	386,372	--	--	386,372	412,990
Bonds	--	--	1,042,098	--	1,042,098	971,012
Fines and costs	--	--	310,887	--	310,887	250,984
Garnishments	--	333,431	--	--	333,431	369,200
Inmates	--	--	--	266,967	266,967	219,291
Taxes, fees paid to tax collector	16,230,050	--	--	--	16,230,050	15,366,365
Interest on accounts	--	537	7,204	1,145	8,886	9,333
Total additions	<u>16,230,050</u>	<u>720,340</u>	<u>1,360,189</u>	<u>268,112</u>	<u>18,578,691</u>	<u>17,599,175</u>
	<u>16,511,523</u>	<u>722,841</u>	<u>1,640,993</u>	<u>296,742</u>	<u>19,172,099</u>	<u>18,366,580</u>
Reductions:						
Taxes, fees distributed to taxing bodies and others	16,134,120	--	--	255,208	16,389,328	15,616,761
Deposits settled to -						
Sheriff's General Fund	--	95,789	115,049	--	210,838	240,233
Parish Council	--	29,592	118,003	--	147,595	171,896
District attorney	--	--	523,041	--	523,041	564,398
Clerk of court	--	--	61,042	--	61,042	111,816
Indigent defender board	--	--	163,218	--	163,218	175,388
Litigants & attorneys	--	533,474	178,024	--	711,498	556,157
Appraisers & keepers	--	20,643	--	--	20,643	27,021
Other settlements	--	40,962	158,599	24,170	223,731	309,502
Total reductions	<u>16,134,120</u>	<u>720,460</u>	<u>1,316,976</u>	<u>279,378</u>	<u>18,450,934</u>	<u>17,773,172</u>
Unsettled balances, end of year	\$ <u>377,403</u>	\$ <u>2,381</u>	\$ <u>324,017</u>	\$ <u>17,364</u>	\$ <u>721,165</u>	\$ <u>593,408</u>

INTERNAL CONTROL AND  
COMPLIANCE INFORMATION



# BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.

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INDEPENDENT AUDITOR'S 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 Sid Hebert  
Iberia Parish Sheriff  
New Iberia, Louisiana

We have audited the general purpose financial statements of Iberia Parish Sheriff as of and for the year ended June 30, 1999, and have issued our report thereon dated January 18, 2000. 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 Iberia 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 1999-1 and 1999-2.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Iberia 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Iberia Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 1999-3 through 1999-8.

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. However, of the reportable conditions described above, we consider items 1999-3 through 1999-8 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.

*Broussard, Poche, Lewis & Breaux, L.L.P.*  
New Iberia, Louisiana  
January 18, 2000

IBERIA PARISH SHERIFF  
New Iberia, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 1999

We have audited the financial statements of Iberia Parish Sheriff as of and for the year ended June 30, 1999, and have issued our report thereon dated January 18, 2000. 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. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No  
Reportable Conditions  Yes  None reported

Compliance

Compliance Material to Financial Statements  Yes  No

Section II - Financial Statement Findings

1999-1 - Timeliness of report

Finding: Under the provisions of state law, audit reports are required to be submitted to the Legislative Auditor within six months of the close of the fiscal year. The June 30, 1999 audit report was not completed by the six month deadline.

Recommendation: The Sheriff should close its books and prepare all information needed for the audit as soon as possible after the fiscal year ends in order to allow for sufficient time for the audit process.

1999-2 - Line of Credit

Finding: The Sheriff obtained approval from State Bond Commission to borrow funds at an interest rate not to exceed 5% per annum. The Sheriff borrowed at a rate in excess of 5% which is a violation of the approval that had been obtained.

Recommendation: The Sheriff should obtain financing in accordance with State Bond Commission approval.

1999-3 - Grant Reimbursements

Finding:

Universal Hiring Grant: Reimbursement requests were not clerically accurate. Amounts requested were requested in the wrong periods. Supporting documentation did not agree with the amounts requested for reimbursement.

Law Enforcement Training Grant: Amounts requested for reimbursement exceeded the amounts paid.

COPS More 98 Grant: Amounts requested were requested in the wrong periods. Supporting documentation did not agree with the amounts requested for reimbursement.

COPS More 96 Grant: Reimbursement requests indicated that the Sheriff's match of expenditures was met by June 30, 1999. However, the Sheriff's match of expenditures was not met until after June 30, 1999.

Problem Solving Grant: Reimbursement requests indicated that \$116,000 was spent as of June 30, 1999. However, expenditures on the Sheriff's books for this grant totaled approximately \$105,000.

DARE Grant: Supporting documentation did not agree with the amounts requested for reimbursement. The Sheriff could not provide supporting documentation on the travel and supplies reimbursed under the grant agreement.

Recommendation: The Sheriff should implement procedures which would require appropriate supporting documentation to support the amounts requested for reimbursement. Reimbursement requests should reflect amounts actually incurred by the Sheriff in the appropriate periods. Monies should be drawn down as spent.

#### 1999-4 - General Fixed Asset Inventory

Finding: Assets purchased by Iberia Parish Sheriff during the fiscal year were not added to the General Fixed Asset Account Group. Likewise, assets retired during the fiscal year were not removed from the General Fixed Asset Account Group. A physical inventory of all assets owned was not conducted by the Sheriff. Additionally, we were informed that the computer system the Sheriff had been using to track fixed assets is no longer operable.

Recommendation: The Sheriff should implement procedures to ensure that all equipment purchases and dispositions are recorded in the proper period. A physical inventory of all assets owned by the Sheriff should be conducted annually. The physical inventory should be reconciled back to the records of the General Fixed Asset Account Group. The Sheriff should consider implementing a new system to track its fixed assets.

#### 1999-5 - Purchasing

Finding: During our audit of the Sheriff, we selected forty disbursements randomly of all disbursements for the year. The following exceptions were noted:

- Three instances where purchase orders had not been issued.
- Two instances where there was no supporting documentation.
- Two instances where purchase orders had not been completely filled out as to description, quantity and amount.
- One instance where the purchase order did not include a description of the goods purchased or services rendered.
- Two instances where invoices and/or other supporting documentation were coded incorrectly.

In addition, the Sheriff does not have policies in place requiring documentation of approval for payment, receipt of goods and clerical accuracy of the invoice.

Recommendation: The Sheriff should implement procedures whereby all aspects of purchasing and invoice processing are verified. Purchase orders should be issued and completely filled out at the time of purchase. Receipt of goods should be documented. Invoices should be checked for clerical accuracy and coded correctly. Also, invoices should be examined to ensure that payments are appropriate. Once checks are written, proper supporting documentation should be attached to the copy and filed.

The Sheriff should develop a formal written purchasing policy to provide all employees with guidance as to how items should be purchased from inception of the requisition to the receipt of goods to the payment of the invoice.

#### 1999-6 - Accrued Compensated Absences Payable

Finding: During our audit, we randomly selected six employees to test accrued annual leave calculations. Client calculations of hours remaining as of June 30, 1999 understated liability amounts in two instances. Additionally, we were unable to agree with the compensatory hours reported by the Sheriff for the employees tested. Employees are apparently taking off time which they have not earned.

Recommendation: The Sheriff should establish procedures to ensure that employees are credited with the correct amount of hours for leave. For hours used, records should be maintained after each pay period detailing annual, sick and compensatory hours available for use by the employee. Records should be consulted when employees request time off to ensure that employees have hours to take off. This would eliminate employees generating liabilities to the Sheriff.

#### 1999-7 - Segregation of Duties

Finding: The Sheriff does not have an adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Sheriff may not be large enough to permit such procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Sheriff should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

#### 1999-8 - Test of Payroll

Finding: During our audit of the Sheriff, we selected forty payroll transactions randomly of all payroll transactions for the year. The following exceptions were noted:

One instance where the hours reported on the timesheet did not agree with the hours paid to the employee.

One instance where a timesheet could not be located.

One instance where the overtime rate paid exceeded one and a half times the hourly rate paid.

Fifteen instances where personnel/payroll files did not include hourly/salary rate documentation.

One instance where social security was not withheld from a parttime employee.

Three instances where hourly rate documentation included in the personnel/payroll files did not agree to the hourly rate paid to the employee.

One instance where a timesheet was not approved.



Recommendation: The Sheriff should implement procedures whereby all aspects of payroll would be verified. When employees are hired, personnel/payroll files should include appropriate documentation regarding hourly/salary rates. These rates should be forwarded to the payroll clerk for processing in the computer. At this time, deductions for social security, pension or deferred comp should be set up depending on the employee's classification. Raises should be documented accordingly in employee files. Timesheets should be approved, verified and entered into the computer system.

IBERIA PARISH SHERIFF  
New Iberia, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended June 30, 1999

I. Internal Control and Compliance Material to the Financial Statements

1998 Finding No. 1998-1 Grants

Recommendation: The Sheriff should implement procedures which would require that the reimbursement requests report the amount expended in the correct periods. Additionally, procedures should be instituted that would provide appropriate supporting documentation to the amounts requested for reimbursement. Monies should be drawn down as spent.

Current status: This same finding is included in the current year's schedule of findings and questioned costs as Finding No. 1999-3.

1998 Finding No. 1998-2 Billings

Recommendation: The Sheriff should take measures to ensure that invoices mailed are followed up on timely. Also, procedures should be implemented whereby all receipts of money would be logged and forwarded to the appropriate person or agency. Deposits should be made daily.

Current status: The Sheriff has implemented procedures to ensure that invoices are prepared timely. Invoices are followed up on. Discrepancies are being investigated to determine the cause of the adjustment and if appropriate. The Sheriff's accounting package now includes an Accounts Receivable module with which the Sheriff is better able to track the payment of invoices sent.

1998 Finding No. 1998-3 Purchasing

Recommendation: The Sheriff should implement procedures whereby all aspects of purchasing and invoice processing are verified. Purchase orders should be issued and completely filled out at the time the purchase is made. Receipt of goods should be documented. Invoices should be checked for clerical accuracy and coded correctly. Also, invoices should be examined to ensure that payments are appropriate. Sales taxes should not be paid. Once checks are written, proper supporting documentation should be attached to the copy and filed. The Sheriff should develop a formal written purchasing policy whereby guidance is provided to all employees as to how items should be purchased from inception of the requisition to the receipt of goods to the payment of the invoice.

Current status: This same finding is included in the current year's schedule of findings and questioned costs as Finding No. 1999-5.

II. Internal Control and Compliance Material to Federal Awards

Not applicable.

III. Management Letter

General Fixed Asset Inventory

Recommendation: The Sheriff should implement procedures to ensure that all equipment purchases and dispositions are recorded in the proper period.

Current status: This same finding is included in the current year's schedule of findings and questioned costs as Finding No. 1999-4.

#### Accrued Compensated Absences Payable

Recommendation: The Sheriff should establish procedures to ensure that employees are credited with the correct amount of hours for annual and compensatory time. Also, employees should not be allowed to take off time they do not have.

Current status: This same finding is included in the current year's schedule of findings and questioned costs as Finding No. 1999-6.

#### Inmate Trust Fund Cash Account

Recommendation: The Sheriff should implement procedures whereby the Open-End Balance Report would be reconciled monthly to the balance in the Inmate Trust Fund.

Current status: The Sheriff has implemented procedures to reconcile the Open-End Balance Report to the balance in the Inmate Trust Fund monthly.

1999-6            Accrued Compensated Absences Payable

Recommendation: The Sheriff should establish procedures to ensure that employees are credited with the correct amount of hours for leave. For hours used, records should be maintained after each pay period detailing annual, sick and compensatory hours available for use by the employee. Records should be consulted when employees request time off to ensure that employees have hours to take off. This would eliminate employees generating liabilities to the Sheriff.

Action taken: We will set up procedures and guidelines as requested by our auditors. The accounting supervisor will furnish a report indicating annual, sick and compensatory hours available for use by the employee at the end of each month.

1999-7            Segregation of Duties

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Sheriff should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Action taken: Due to the small size of the accounting staff, complete segregation of duties is not possible. However, the Sheriff will continue to monitor the situation.

1999-8            Test of Payroll

Recommendation: The Sheriff should implement procedures whereby all aspects of payroll would be verified. When employees are hired, personnel/payroll files should include appropriate documentation regarding hourly/salary rates. These rates should be forwarded to the payroll clerk for processing in the computer. At this time, deductions for social security, pension or deferred comp should be set up depending on the employee's classification. Raises should be documented accordingly in the employee files. Timesheets should be approved, verified and entered into the computer system.

Action taken: When employees are hired, we will complete supporting documentation which will include position, date of hire and hourly/salary rate. This form will be forwarded to the payroll clerk for processing. At that time, the employee's record in the computer system will be completed. When raises are given, supporting documentation will be filed in the employee's personnel file. Personnel will ensure that timesheets are approved. Before entering into the computer system, timesheets will be verified. Employees will be paid according to approved timesheets.

Sincerely,

Iberia Parish Sheriff



Sid Hebert  
Sheriff



SID HEBERT  
SHERIFF  
EX-OFFICIO  
TAX COLLECTOR  
IBERIA PARISH

300 IBERIA STREET, SUITE 120  
NEW IBERIA, LOUISIANA  
70560-4584  
318.369.3714  
FAX: 318.364.8406

February 2, 2000

Dr. Daniel Kyle  
Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Iberia Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 1999.

Name and address of independent public accounting firm:

Broussard, Poche', Lewis & Breaux, L.L.P.  
Certified Public Accountants  
P. O. Box 9631  
New Iberia, Louisiana 70562-9631

Audit period: July 1, 1998 through June 30, 1999

The findings from the 1999 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditor's Reports, does not include findings and is not addressed.

#### Section II - Financial Statement Findings

##### 1999-1 Timeliness of report

Recommendation: The Sheriff should close its books and prepare all information needed for the audit as soon as possible after the fiscal year ends in order to allow for sufficient time for the audit process.

Action taken: In the future, all information needed for the audit will be given to our auditors in a timely manner.

##### 1999-2 Line of credit

Recommendation: The Sheriff should obtain financing in accordance with State Bond Commission approval.

Action taken: An error was made by the bank. They are in the process of computing the amount of interest overpaid. The amount overpaid will be reimbursed to us. In the future, we will double check all dealings we have with the bank.

1999-3 Grant Reimbursements

Recommendation: The Sheriff should implement procedures which would require appropriate supporting documentation to support the amounts requested for reimbursement. Reimbursement requests should reflect amounts actually incurred by the Sheriff in the appropriate periods. Monies should be drawn down as spent.

Action taken: We are in the process of entering all our grants on the computer. This will enable us to better track all future transactions. Procedures are being implemented which require supporting documentation for amounts requested. Procedures will also include timely and accurate preparation of reimbursement requests. Monies will be drawn as spent.

1999-4 General Fixed Asset Inventory

Recommendation: The Sheriff should implement procedures to ensure that all equipment purchases and dispositions are recorded in the proper period. A physical inventory of all assets owned by the Sheriff should be conducted annually. The physical inventory should be reconciled back to the records of the General Fixed Asset Account Group. The Sheriff should consider implementing a new system to track its fixed assets.

Action taken: Presently, the Sheriff is in the process of installing a new computer system to track its general fixed assets. A physical inventory will be conducted of all assets owned to ensure agreement with the records. The system will be updated on a monthly basis.

1999-5 Purchasing

Recommendation: The Sheriff should implement procedures whereby all aspects of purchasing and invoice processing are verified. Purchase orders should be issued and completely filled out at the time of purchase. Receipt of goods should be documented. Invoices should be checked for clerical accuracy and coded correctly. Also, invoices should be examined to ensure payments are appropriate. Once checks are written, proper supporting documentation should be attached to the copy and filed.

The Sheriff should develop a formal written purchasing policy to provide all employees with guidance as to how items should be purchased from inception of the requisition to the receipt of goods to the payment of the invoice.

Action taken: In January, 1999, the Sheriff hired a purchasing agent. Purchase orders are being issued and completely filled out. Receipt of goods is being documented. Invoices are being checked for clerical accuracy and coded correctly. Once invoices are paid, supporting documentation is attached to the check copy and filed.