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PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Financial Report

Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 DEC 22 1999

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA
Russell F. Champagne, CPA
Victor Slaven, CPA
Chris Rainey, CPA
Conrad O. Chapman, CPA
P. Troy Courville, CPA

P. O. BOX 250
113 E. BRIDGE ST.
BREAUX BRIDGE, LA 70517
PHONE (337) 332-4020
FAX (337) 332-2867

WEB SITE:
WWW.KCSRPCAS.COM

Allen J. LaBry, CPA
Penny Angelle Scruggins, CPA
Mary T. Thibodeaux, CPA
Gerald A. Thibodeaux, Jr., CPA
Kelly M. Doucet, CPA
Kenneth J. Rachel, CPA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

The Honorable Irvin F. Hingle, Jr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

During our audit of the general-purpose financial statements of the Plaquemines Parish Sheriff as of and for the year ended June 30, 1999, we noted certain areas in which improvements may be desirable. Items (1) through (3) are repeated items from the prior year.

- (1) Property taxes should be settled within the first ten days of the month following the month of collection in accordance with Louisiana Revised Statute 47:2060.
- (2) Regarding all agency funds, the following should be done:
 - a. All bank accounts should be reconciled monthly.
 - b. The subsidiaries for each fund should be maintained and reconciled to the cash balance monthly.
- (3) Regarding the General Fund, all cash accounts should be reconciled on a monthly basis.
- (4) Wildlife and Fisheries sporting license sheets should be better controlled in order to prevent misplacing them.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Lafayette, Louisiana
October 15, 1999

234 Rue Beauregard
Lafayette, Louisiana 70508
Phone (337) 232-4141
Fax (337) 232-8660

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (504) 384-2020
Fax (504) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abeville, LA 70511
Phone (337) 893-7944
Fax (337) 893-7946

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INDEPENDENT AUDITORS' REPORT

The Honorable Irvin F. Hingle, Jr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

We have audited the accompanying general purpose financial statements of the Plaquemines Parish Sheriff, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Plaquemines 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that *our audit provides a reasonable basis for our opinion.*

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Plaquemines 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 a report dated October 15, 1999, on our consideration of the Plaquemines Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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Lafayette, Louisiana 70508
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Marksville, LA 71351
Phone (318) 253-9252
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Fax (337) 893-7946

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplemental information on page 23 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Plaquemines Parish Sheriff is or will become year 2000 compliant, that the Sheriff's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Sheriff does business are or will become year 2000 compliant.

The other supplemental information (pp. 24-39), including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Plaquemines Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Sheriff.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Lafayette, Louisiana
October 15, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

PLAQUEMINES PARISH SHERIFF
 Pointe-A-La-Hache, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types		Fiduciary		Account Groups		Totals	
	General Fund	Capital Projects	Fund Type		General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
			Agency Funds					1999
ASSETS AND OTHER DEBITS								
Cash and interest-bearing deposits	\$ 411,808	\$ 4,566,594	\$ 408,041	\$ -	\$ -	\$ -	\$ 5,386,443	\$ 572,465
Investments	2,132,728	-	-	-	-	-	2,132,728	2,297,622
Receivables -								
Due from other governmental units and others	329,627	-	-	-	-	-	329,627	246,272
Other	52,205	-	-	-	-	-	52,205	56,038
Prepaid insurance	119,109	-	-	-	-	-	119,109	123,529
Office furniture, equipment and autos	-	-	-	-	12,126,623	-	12,126,623	11,631,775
Amount to be provided for retirement of general long-term debt obligation	-	-	-	-	-	10,319,545	10,319,545	5,866,788
Total assets and other debits	\$ 3,045,477	\$ 4,566,594	\$ 408,041	\$ -	\$ 12,126,623	\$ 10,319,545	\$ 30,466,280	\$ 20,794,489

(continued)

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups (continued)
June 30, 1999

	Governmental Fund Types		Fiduciary Fund Type	Account Groups		Totals	
	Capital	Projects		General Fixed Assets	General Long- Term Debt	1999	(Memorandum Only) 1998
	General Fund		Agency Funds				
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 307,053	\$ -	\$ -	\$ -	\$ 307,053	\$ 307,053	\$ 336,629
Claims payable	251,191	-	-	-	251,191	251,191	160,273
Deferred revenue	22,620	-	-	-	22,620	22,620	22,620
Due to employees	69,751	-	-	-	69,751	69,751	70,252
Due to inmates	-	-	28,681	-	28,681	28,681	29,011
Due to taxing bodies and others	-	-	379,360	-	379,360	379,360	347,703
Long-term debt							
Bonds payable	-	-	-	-	9,405,000	9,405,000	5,020,000
Capital lease obligation	-	-	-	-	914,545	914,545	846,788
Total liabilities	<u>650,615</u>	<u>-</u>	<u>408,041</u>	<u>-</u>	<u>10,319,545</u>	<u>11,378,201</u>	<u>6,833,276</u>
Fund equity:							
Investment in general fixed assets	-	-	-	12,126,623	-	12,126,623	11,631,775
Fund balance - reserved for debt service	217,209	-	-	-	-	217,209	172,204
Fund balance - reserved for prepaid insurance	119,109	-	-	-	-	119,109	123,529
Fund balance - unreserved, undesignated	2,058,544	4,566,594	-	-	-	6,625,138	2,033,705
Total fund equity	<u>2,394,862</u>	<u>4,566,594</u>	<u>-</u>	<u>12,126,623</u>	<u>-</u>	<u>19,088,079</u>	<u>13,961,213</u>
Total liabilities and fund equity	<u>\$ 3,045,477</u>	<u>\$ 4,566,594</u>	<u>\$ 408,041</u>	<u>\$ 12,126,623</u>	<u>\$ 10,319,545</u>	<u>\$ 30,466,280</u>	<u>\$ 20,794,489</u>

The accompanying notes are an integral part of this statement.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1999

	General	Capital Projects	Totals (Memorandum Only)	
			1999	1998
Revenues:				
Taxes	\$ 6,584,982	\$ -	\$ 6,584,982	\$ 6,629,330
Intergovernmental	1,642,252	-	1,642,252	1,344,711
Fees, charges, and commissions for services	2,302,371	-	2,302,371	1,775,344
Interest income	159,079	64,939	224,018	126,451
Miscellaneous	714,341	-	714,341	734,058
Total revenues	<u>11,403,025</u>	<u>64,939</u>	<u>11,467,964</u>	<u>10,609,894</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	6,043,268	-	6,043,268	5,495,008
Operating services	1,716,290	-	1,716,290	1,719,730
Operations and maintenance	2,470,871	-	2,470,871	2,349,719
Travel	761	-	761	11,023
Debt service	1,233,701	-	1,233,701	1,140,833
Capital outlay	467,124	76,466	543,590	1,043,472
Total expenditures	<u>11,932,015</u>	<u>76,466</u>	<u>12,008,481</u>	<u>11,759,785</u>
Deficiency of revenues over expenditures	<u>(528,990)</u>	<u>(11,527)</u>	<u>(540,517)</u>	<u>(1,149,891)</u>
Other financing sources and uses -				
Proceeds from capital lease	265,878	-	265,878	846,789
Operating transfers	26,674	(26,674)	-	-
Proceeds from bond issuance	5,321,862	4,604,795	9,926,657	-
Bond issuance reduction	(5,020,000)	-	(5,020,000)	-
Total other financing sources and uses	<u>594,414</u>	<u>4,578,121</u>	<u>5,172,535</u>	<u>846,789</u>
Excess (deficiency) of revenues and other financing sources over expenditures	65,424	4,566,594	4,632,018	(303,102)
Fund balances, beginning	<u>2,329,438</u>	<u>-</u>	<u>2,329,438</u>	<u>2,632,540</u>
Fund balances, ending	<u>\$ 2,394,862</u>	<u>\$ 4,566,594</u>	<u>\$ 6,961,456</u>	<u>\$ 2,329,438</u>

The accompanying notes are an integral part of this statement.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
General Fund
Year Ended June 30, 1999

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Ad valorem taxes	\$ 6,700,000	\$ 6,584,982	\$ (115,018)
Intergovernmental revenues -			
Federal grants	365,000	765,315	400,315
Payments in lieu of taxes	220,000	137,574	(82,426)
State revenue sharing (net)	230,000	233,285	3,285
State supplemental pay	450,000	422,010	(27,990)
State grants	45,000	84,068	39,068
Fees, charges, and commissions for services -			
Civil and criminal fees	978,000	818,747	(159,253)
Court attendance	6,000	5,525	(475)
Feeding and keeping prisoners	1,644,000	1,433,227	(210,773)
Witness fees	60,000	44,872	(15,128)
Interest income	120,000	159,079	39,079
Miscellaneous -			
Contraband	20,000	91,935	71,935
Video poker	120,000	144,663	24,663
Other	308,450	477,743	169,293
Total revenues	<u>11,266,450</u>	<u>11,403,025</u>	<u>136,575</u>
Expenditures:			
Current -			
Public safety:			
Personal services and related benefits	5,741,700	6,043,268	(301,568)
Operating services	1,766,500	1,716,290	50,210
Operations and maintenance	1,892,850	2,470,871	(578,021)
Travel	9,300	761	8,539
Debt service	1,174,210	1,233,701	(59,491)
Capital outlay	521,000	467,124	53,876
Total expenditures	<u>11,105,560</u>	<u>11,932,015</u>	<u>(826,455)</u>
Excess (deficiency) of revenues over expenditures	<u>160,890</u>	<u>(528,990)</u>	<u>(689,880)</u>
Other financing sources -			
Proceeds from capital lease	-	265,878	265,878
Operating transfers	-	26,674	26,674
Proceeds from bond issuance	5,121,987	5,321,862	199,875
Bond issuance reduction	(5,020,000)	(5,020,000)	-
Total other financing sources and uses	<u>101,987</u>	<u>594,414</u>	<u>492,427</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>262,877</u>	<u>65,424</u>	<u>(197,453)</u>
Fund balances, beginning	<u>2,329,438</u>	<u>2,329,438</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,592,315</u>	<u>\$ 2,394,862</u>	<u>\$ (197,453)</u>

The accompanying notes are an integral part of this statement.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

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

As the chief law enforcement officer of the parish, the Sheriff 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, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. 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, fines, costs, and bond forfeitures imposed by the district court.

The accounting and reporting policies of the Plaquemines Parish Sheriff (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, Audits 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, activities, et cetera, 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 council 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 council, 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.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, 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 comprises 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 source of revenue is an ad valorem 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 was established during fiscal year ended June 30, 1999. This fund is used to account for improvements to the jail facility as well as other lawful expenses and operations of the Sheriff's Office.

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The individual agency funds used by the Sheriff for the year ended June 30, 1999 are as follows:

Civil 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.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

Installment Fines Fund - To account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

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.

Prison Inmate Fund - To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

C. General Fixed Assets and Long-Term Obligations

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the parish council are not recorded within the 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. Estimated amounts are immaterial in relation to total fixed assets. Infrastructure (streets, sidewalks, etc.) expenditures are not incurred by the Sheriff. Interest costs are not capitalized as they relate to fixed assets.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the General Fund.

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. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, 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. The General Fund uses the following practices in recording revenues and expenditures:

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

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.

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 recorded 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 loans are recognized as other financing sources when received.

E. Adoption of GASB Statement No. 31

Governmental Accounting Standards Board (GASB) issued Statement No. 31 entitled Accounting and Financial Reporting for Certain Investments and for External Investment Pools which became effective for periods beginning after June 15, 1997. The Sheriff first implemented this statement for the year ended June 30, 1998. This statement requires that certain investments be reported at fair value or amortized cost, if applicable definitions are met.

F. Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the 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.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

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. Such amendments were not material in relation to the original appropriations.

G. Cash, Interest-Bearing Deposits and Investments

Cash, interest-bearing deposits and investments include amounts in demand deposits, time deposits, and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP) which are stated at cost. An investment in the amount of \$2,132,728 at June 30, 1999 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

H. 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.

I. Revenue Anticipation Note

The Sheriff borrowed funds during the year ending June 30, 1999 in anticipation of ad valorem tax revenues. The Sheriff borrowed \$1,500,000 at 3.85% interest on October 15, 1998. This loan and the related interest of approximately \$38,289 was repaid in June of 1999; therefore, there is no liability at June 30, 1999.

J. Vacation and Sick Leave

Employees of the Sheriff's office earn from 5 to 10 days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Additional sick leave is allowed at the discretion of the Sheriff. At June 30, 1999, the Sheriff has no leave benefits required to be reported in accordance with generally accepted accounting principles.

K. Fund Equity

Reserved fund balances represent portions of fund equity not appropriable for expenditures (reserved for debt service and prepaid expenses).

L. 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.

M. 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.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

N. 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.

(2) Cash and Interest-Bearing Deposits

At June 30, 1999, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$5,386,443.

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, 1999, are secured as follows:

Bank balances	<u>\$5,590,639</u>
Federal deposit insurance	\$ 201,615
Pledged securities (category 3)	<u>5,389,024</u>
Total federal insurance and pledged securities	<u>\$5,590,639</u>

Pledged securities in Category 3 includes 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) Investment

The Sheriff had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At June 30, 1999, the Sheriff's investment, at cost, is \$2,132,728. The amortized cost of this investment at June 30, 1999 is \$2,136,231. Because cost approximates amortized cost, the carrying value was not adjusted.

(4) 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 government in October and are actually billed to the taxpayers by the Sheriff in November. 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 Plaquemines 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 15.82 mills on property with assessed valuations totaling \$458,180,615.

Total law enforcement taxes levied during 1999 were \$6,813,652. Taxes receivable in the General Fund at June 30, 1999 was \$18,460, and is included in due from governmental units and others.

(5) Due From Other Governmental Units and Others

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

Maintenance of prisoners - parish and state	\$159,854
Ad valorem taxes	18,460
Federal Grants	48,322
Parish reimbursements for jail expenditures	36,513
Commissions on video poker	21,787
Commissions on fines	11,995
Contraband	27,421
State grants	<u>5,275</u>
	<u>\$329,627</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

(6) Changes in General Fixed Assets

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

Balance, June 30, 1998	\$11,631,775
Additions	543,590
Reductions	<u>(48,742)</u>
Balance, June 30, 1999	<u>\$12,126,623</u>

Included in the balance at June 30, 1999 are assets purchased under capital lease in the amount of \$914,545.

(7) Changes in Long-Term Debt

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

Long-term debt, June 30, 1998	\$ 5,866,788
Debt assumed	10,192,535
Debt retired	<u>(5,739,778)</u>
Long-term debt, June 30, 1999	<u>\$10,319,545</u>

Long-term debt at June 30, 1999 is comprised of the following:

\$9,900,000 1999 Certificate of Indebtedness due in annual installments of \$495,000 to \$1,220,000 ; interest rates of 3.20 percent to 4.00 percent; full maturity at March, 2008.	\$ 9,405,000
\$914,545 Lease Purchase Agreement due in semi-annual installments of \$154,041, including interest; interest rate of 4.86 percent; full maturity at October, 2001; collateralized by vehicles included in the lease agreement.	<u>914,545</u>
Total	\$10,319,545
Less: current portion	<u>(1,166,551)</u>
Total long-term portion	<u>\$ 9,152,994</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$1,822,580 are as follows:

2000	\$ 1,566,097
2001	1,569,947
2002	1,416,681
2003	1,260,200
2004	1,265,400
2005-2008	<u>5,063,800</u>
Total	<u>\$12,142,125</u>

(8) Pension Plan

Plan Description: The Plaquemines Parish Sheriff contributes to the Sheriff's Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriff's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriff's Pension and Relief Fund, P.O. Box 3163, Monroe, LA 71210-3136.

Funding Policy: Plan members are required to contribute 8.7% of their annual covered salary and the Plaquemines Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0% of annual covered payroll. The contribution requirements of plan members and the Plaquemines Parish Sheriff are estimated and may be amended by the Sheriff's Pension and Relief Fund. The Plaquemines Parish Sheriff's contributions to the Retirement System for the years ended June 30, 1999, 1998 and 1997 were \$683,016, \$619,137, and \$452,582, respectively.

(9) 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. These benefits for the seven retirees and similar benefits for 237 active employees are provided through a self insurance plan. The Sheriff recognizes the cost of providing the benefits for retirees as an expenditure when the monthly premiums are due. For the year ended June 30, 1999 the amount of retiree benefit expenditures (net of participant contributions of \$29,794) approximated \$40,596.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

(10) Risk Management

The Sheriff is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. Health care risk, general and auto liability and property hazards are handled by a self-insurance health plan which is explained in the following paragraphs. Workers' compensation risk is handled by purchasing commercial insurance. There have been no significant reductions in this insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

A. Health Care Liability

The Sheriff established a limited risk management program for group hospitalization insurance. The Sheriff hired Risk Management, Inc. as administrator for this program. This plan provides employee health benefits up to a maximum of \$1,000,000 per employee in a lifetime. The Sheriff purchases commercial insurance for individual claims in excess of \$50,000.

The General Fund of the Sheriff recognizes the assets, liabilities, revenues and expenditures of the group hospitalization insurance plan. The claims liability of \$220,297 reported in the fund at June 30, 1999, is based on the loss that is probable to have existed at the date of the financial statements and the amount of the loss that can be reasonably estimated. The Sheriff currently does not discount its claims liabilities.

A reconciliation of changes in liabilities as they relate to the group health insurance plan is as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
<i>Group hospitalization</i>				
1997-1998	\$112,336	835,615	(816,991)	130,960
1998-1999	\$130,960	868,783	(779,446)	220,297

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

Claims payable for group hospitalization of \$220,297 at June 30, 1999 was determined as follows:

1.	Claims incurred prior to June 30, 1999 and paid subsequently	
	a. June 30, 1999 claims payment checks held as of June 30, 1999	\$ -
	b. Paid as of August 31, 1999	-
2.	Claims incurred prior to June 30, 1999 but unpaid as of August 31, 1999	230,326
3.	Provision for claims incurred but not reported	2,500
4.	Specific reinsurance due to the Sheriff	<u>(12,529)</u>
	Total claims payable	<u>\$220,297</u> =====

The provision for claims incurred but not reported of \$2,500 was calculated utilizing historical information.

Claims payable has other components as described in part B of this note as well as in Note (13).

B. Auto Liability and Professional Liability

Effective November 1, 1996, the Sheriff established a self-insurance plan to account for and finance its uninsured risk of loss which is administered by Gallagher Basset Services. Under this plan, the Sheriff has a claims made policy with Coregis Insurance Company. The Sheriff is liable for claims up to \$25,000 per covered employee or dependent. The aggregate maximum that the Sheriff is liable for is \$80,000. The amount of liability recorded at June 30, 1999 is \$50,884, which is included in claims payable on the balance sheet. Also, the Sheriff has recorded a receivable for amounts paid in excess of \$80,000 on the November, 1998 - October, 1999 policy. The receivable recorded at June 30, 1999 is \$34,990 and is reflected as a component of claims payable on the balance sheet.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

(11) Changes in Agency Fund Balances

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

	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Installment Fines Fund</u>	<u>Bonds and Fines Fund</u>	<u>Prison Inmate Fund</u>
Balances, June 30, 1998	\$ 60,082	\$ 67,731	\$105,514	\$ 114,376	\$ 29,011
Additions	344,514	24,561,320	95,950	772,256	198,274
Reductions	<u>(355,146)</u>	<u>(24,531,680)</u>	<u>(91,630)</u>	<u>(763,927)</u>	<u>(198,604)</u>
Balances, June 30, 1999	<u>\$ 49,450</u>	<u>\$ 97,371</u>	<u>\$109,834</u>	<u>\$ 122,705</u>	<u>\$ 28,681</u>

(12) Operating Lease

On January 1, 1999, the Sheriff entered into a lease for detective office space. The initial term of the lease is five (5) years expiring on December 31, 2003. The monthly rental payments are \$755. The Sheriff has the option to renew the lease for an additional sixty months at a monthly rental rate to be decided then. Rental expense for the year ended June 30, 1999, was \$4,530.

The minimum future payments are as follows:

<u>June 30,</u>	
2000	\$ 9,060
2001	9,060
2002	9,060
2003	9,060
2004	<u>4,530</u>
Total	<u>\$40,770</u>

(13) Litigation and Claims

At June 30, 1999, the Sheriff is involved in several lawsuits claiming damages. All claims are covered by the self insured plan and are addressed in Note (10), part B, with the exception of one lawsuit, which is not covered by insurance.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Financial Statements (Continued)

An accrual of \$15,000 has been recorded for the uninsured lawsuit that was referred to above. The \$15,000 is reflected as a component of claims payable on the balance sheet.

(14) Noncompliance With Louisiana Local Government Budget Act

The following individual fund's actual expenditures were in excess of budgeted expenditures by more than five (5) percent as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
General Fund: Expenditures	\$11,105,560	\$11,932,015	\$(826,455)	7.44%

(15) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse, as required by statute, is paid by the Plaquemines Parish Council. These expenditures are not included in the accompanying financial statements.

SUPPLEMENTAL INFORMATION

PLAQUEMINES PARISH SHERIFF
Pointe-A-La Hache, Louisiana

Year 2000 Issue (unaudited)
Year Ended June 30, 1999

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Sheriff's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including among other things, a temporary inability to process transactions or engage in similar normal business activities.

The Sheriff has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Sheriff operations and have identified such systems as being fixed assets, property taxes, deeds and redemptions, game licenses, payroll, accounts payable, fund accounting, bank reconciliations, purchase orders, occupational licenses, budget preparation, and the civil and criminal systems.

- All applications have been assessed, remediated, tested, and validated.

Remaining contracted amounts of \$0 are committed to this project as of June 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Sheriff is or will be Year 2000 ready, that the Sheriff's remediation efforts will be successful in whole or in part, or that parties with whom the Sheriff does business will be Year 2000 ready. The Sheriff is utilizing external resources to identify and test the systems for Year 2000 compliance.

GENERAL FUND

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

PLAQUEMINES PARISH SHERIFF
 Pointe-A-La-Hache, Louisiana
 General Fund

Comparative Balance Sheet
 June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and interest-bearing deposits	\$ 411,808	\$ 195,751
Investments	2,132,728	2,297,622
Receivables:		
Due from other governmental units and others	329,627	246,272
Other	52,205	56,038
Prepaid insurance	<u>119,109</u>	<u>123,529</u>
 Total assets	 <u><u>\$3,045,477</u></u>	 <u><u>\$2,919,212</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 307,053	\$ 336,629
Claims payable	251,191	160,273
Deferred revenue	22,620	22,620
Due to employees	<u>69,751</u>	<u>70,252</u>
Total liabilities	<u>650,615</u>	<u>589,774</u>
 Fund balance:		
Fund balance - reserved	336,318	295,733
Unreserved, undesignated	<u>2,058,544</u>	<u>2,033,705</u>
Total fund balance	<u>2,394,862</u>	<u>2,329,438</u>
 Total liabilities and fund balance	 <u><u>\$3,045,477</u></u>	 <u><u>\$2,919,212</u></u>

PLAQUEMINES PARISH Sheriff
Pointe-A-La-Hache, Louisiana
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Current:				
Public safety -				
Personal services and related benefits:				
Sheriff's salary	\$ 65,000	\$ 65,000	\$ -	\$ 65,000
Deputies' salaries	4,950,000	5,211,914	(261,914)	4,734,000
Pension and payroll taxes	720,200	759,854	(39,654)	689,508
Sheriff's expense allowance	6,500	6,500	-	6,500
Total personnel service and related benefits	<u>5,741,700</u>	<u>6,043,268</u>	<u>(301,568)</u>	<u>5,495,008</u>
Operating services:				
Hospitalization insurance	950,000	716,086	233,914	682,941
Hospitalization reinsurance/admin. fee	-	212,323	(212,323)	203,296
Life insurance	115,000	113,927	1,073	110,070
Auto insurance	260,000	156,180	103,820	221,956
Deputy liability insurance	350,000	323,394	26,606	295,658
Other liability insurance	91,500	194,380	(102,880)	205,809
Total operating services	<u>1,766,500</u>	<u>1,716,290</u>	<u>50,210</u>	<u>1,719,730</u>
Operations and maintenance:				
Auto fuel and oil	315,000	241,371	73,629	302,351
Auto maintenance	220,000	292,852	(72,852)	259,616
Deputy uniforms, supplies, etc.	114,200	130,481	(16,281)	175,120
Office supplies and expenses	102,600	80,809	21,791	80,738
Recordation expenses	2,000	26,947	(24,947)	19,343
Tax research expenses	5,000	4,484	516	4,493
Title transfer	-	11	(11)	1,129
Beeper expense	6,165	7,516	(1,351)	6,504
Community services	5,000	3,989	1,011	5,470
Leases, rentals and utilities	41,602	59,428	(17,826)	81,490
Utilities	166,500	162,197	4,303	154,817
Commissary	-	117,590	(117,590)	92,779
Advertising	10,000	14,290	(4,290)	14,215
Jury feeding expense	3,633	5,063	(1,430)	4,756
Telephone	80,500	78,311	2,189	77,204
Radio	-	-	-	79
Prisoner feeding and maintenance	522,000	582,803	(60,803)	478,134
Legal fees	30,000	42,738	(12,738)	35,707
Other professional fees	110,000	109,840	160	206,940
Criminal investigation expense	20,000	35,437	(15,437)	45,386
Equipment maintenance	40,000	258,156	(218,156)	135,939
Boat and computer maintenance	41,000	21,196	19,804	63,806
Witness fees	10,000	4,450	5,550	41,775
Membership dues	14,000	13,886	114	14,303
Insurance settlement	-	22,500	(22,500)	868
Other	33,650	154,526	(120,876)	46,757
Total operations and maintenance	<u>1,892,850</u>	<u>2,470,871</u>	<u>(578,021)</u>	<u>2,349,719</u>
Travel	9,300	761	8,539	11,023

(continued)

PLAQUEMINES PARISH Sheriff
Point-A-La-Hache, Louisiana
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Debt service:				
Principal	\$ 905,000	\$ 495,000	\$ 410,000	\$ 865,000
Interest	269,210	340,705	(71,495)	275,833
Capital lease payments	-	198,121	(198,121)	-
Bond issue costs	-	199,875	(199,875)	-
Total debt service	<u>1,174,210</u>	<u>1,233,701</u>	<u>(59,491)</u>	<u>1,140,833</u>
Capital outlay:				
Automobiles	330,000	265,878	64,122	879,963
Equipment	191,000	201,246	(10,246)	163,509
Total capital outlay	<u>521,000</u>	<u>467,124</u>	<u>53,876</u>	<u>1,043,472</u>
 Total expenditures	 <u>\$11,105,560</u>	 <u>\$11,932,015</u>	 <u>\$ (826,455)</u>	 <u>\$ 11,759,785</u>

INTERNAL CONTROL, COMPLIANCE,
AND
OTHER GRANT INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA
Russell F. Champagne, CPA
Victor Slaven, CPA
Chris Rainey, CPA
Conrad O. Chapman, CPA
P. Troy Courville, CPA

P. O. BOX 250
113 E. BRIDGE ST.
BREAUX BRIDGE, LA 70517
PHONE (337) 332-4020
FAX (337) 332-2867

WEB SITE:
WWW.KSRCPAS.COM

Allen J. LaBry, CPA
Penny Angelle Scruggins, CPA
Mary T. Thibodeaux, CPA
Gerald A. Thibodeaux, Jr., CPA
Kelly M. Doucet, CPA
Kenneth J. Rachel, CPA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
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 Irvin F. Hingle, Jr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

We have audited the general purpose financial statements of Plaquemines Parish Sheriff, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 15, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Plaquemines Parish Sheriff's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings, questioned costs and management's corrective action plan as item 99-1. We also noted a certain immaterial instance of noncompliance that we have reported to management of Plaquemines Parish Sheriff in a separate letter dated October 15, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Plaquemines Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 the Plaquemines Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition noted is described in the accompanying schedule of findings, questioned costs and management's corrective action plan as item 99-2.

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control 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. We consider the reportable condition described in the accompanying schedule of findings, questioned costs and management's corrective action plan as item 99-2 to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to the management of Plaquemines Parish Sheriff in a separate letter dated October 15, 1999.

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Lafayette, Louisiana
October 15, 1999

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA
Russell F. Champagne, CPA
Victor Slaven, CPA
Chris Rainey, CPA
Conrad O. Chapman, CPA
P. Troy Courville, CPA

P. O. BOX 250
113 E. BRIDGE ST.
BREAUX BRIDGE, LA 70517
PHONE (337) 332-4020
FAX (337) 332-2867

WEB SITE:
WWW.KCSRCPAS.COM

Allon J. LaBry, CPA
Penny Angelle Scruggins, CPA
Mary T. Thibodeaux, CPA
Gerald A. Thibodeaux, Jr., CPA
Kelly M. Doucet, CPA
Kenneth J. Rachel, CPA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Irvin F. Hingle, Jr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Compliance

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

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

In our opinion, the Plaquemines Parish Sheriff complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the Plaquemines Parish Sheriff's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings, questioned costs, and management's corrective action plan as item 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance 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, we consider the reportable condition described as item 99-2 in the accompanying schedule of findings, questioned costs, and management's corrective action plan, to be a material weakness.

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Lafayette, Louisiana
October 15, 1999

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 1999

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	State Pass-through Entity Identifying Number	Receipts or Revenue Recognized	Expended This Year
United States Department of Justice - Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:				
Universal Hiring (Community Policing)*	16.710	95CFWX2402	\$ 445,134	\$ 445,134
COPS More	16.726	96CMWX0995	18,483	18,483
Local Law Enforcement Block Grant	16.592	97CBVX4145	29,048	29,048
Federal Emergency Management Administration/LA Military Department/ Office of Emergency Preparedness; Public Assistance				
	83.544	-	262,650	260,722
United States Department of Education - Passed through Louisiana Department of Education				
Governor's Safe and Drug Free	84.186A	289876L4D	<u>10,000</u>	<u>10,000</u>
Total			<u>\$ 765,315</u>	<u>\$ 763,387</u>

*Denotes major federal program.

The accounting policies used in preparing this schedule are the same as those used in preparing the audited financial statements. See Note (1) on page 8.

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan
Year Ended June 30, 1999

Part I: Summary of Auditor's Results:

1. An unqualified report was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements, and it was considered to be a material weakness.
3. *Material noncompliance was disclosed.*
4. A reportable condition in internal control over the major program was disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed a reportable condition over the Universal Hiring major program required to be reported under Section 510(a) of Circular A-133.
7. The major program was:
 - United States Department of Justice - Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:
 - Universal Hiring (Community Policing)
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

(continued)

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

99-1 Noncompliance with Louisiana Local Government Budget

Finding:

The Plaquemines Parish Sheriff did not comply with certain budget requirements set forth in Louisiana law relating to amended budgets. Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, contain various budget requirements for political subdivisions of the state. The Sheriff was not in compliance with the following requirement.

The budget must be amended when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more. {LSA-R.S. 39:1310 (A)(2)}. The following fund had an unfavorable variance in expenditures of five percent or more:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent</u>
General Fund Expenditures	\$11,105,560	\$11,932,015	\$(826,455)	7.44%

Management's Corrective Action Plan:

The Sheriff intends to ensure that budgets are amended in accordance with the Local Government Budget Act in the future.

99-2 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the Sheriff did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

(Continued)

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

Finding 99-2 described above applies to the U.S. Department of Justice: Universal Hiring Program. There are no questioned costs related to this finding.

Part IV: Management Letter Items:

99-3 Property Taxes

Finding:

Property taxes should be settled within the first ten days of the month following the month of collection in accordance with Louisiana Revised Statute 47:2060.

Management's Corrective Action Plan:

Efforts will be increased to ensure that property taxes are settled timely.

99-4 General Fund

Finding:

All cash accounts should be reconciled on a monthly basis.

Management's Corrective Action Plan:

Assistance to staff and redistribution of workloads will be done in order to prevent this from reoccurring.

(Continued)

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999

99-5 Agency funds

Finding:

All bank accounts should be reconciled monthly. Also, the subsidiaries for each agency fund should be maintained and reconciled to the cash balance on a monthly basis.

Management's Corrective Action Plan:

Continued efforts are being made to improve this situation. I acknowledge that we are still holding funds that cannot be assigned to a specific docket or person, however that amount is decreasing.

99-6 Sporting Licenses

Finding:

Sheets of Wildlife and Fisheries sporting licenses were misplaced.

Management's Corrective Action Plan:

Wildlife and Fisheries sporting license sheets will be controlled better to avoid misplacing them.

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended June 30, 1999

The audit findings at June 30, 1998 were as follows:

Section I: Internal control and compliance material to the financial statements:

98-1 Noncompliance with Louisiana Local Government Budget

Finding:

The Plaquemines Parish Sheriff did not comply with certain budget requirements set forth in Louisiana law relating to amended budgets. Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, contain various budget requirements for political subdivisions of the state. The Sheriff was not in compliance with the following requirement.

The budget must be amended when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more. (LSA-R.S. 39:1310 (a)(2)). The following fund had an unfavorable variance in expenditures of five percent or more:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent</u>
General Fund Expenditures	\$10,529,633	\$11,759,785	\$(1,230,152)	11.69%

Status:

Unresolved. See Item 99-1.

98-2 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See Item 99-2.

Section II: Internal control and compliance material to Federal Awards:

Finding 98-2 described above applies to the U.S. Department of Justice: Universal Hiring Program. There were no questioned costs related to this finding. Unresolved. See Item 99-2.

(Continued)

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Summary Schedule of Prior Audit Findings (Continued)
Year Ended June 30, 1999

Section III: Management Letter Items:

98-3 Property Taxes

Finding:

Property taxes should be settled within the first ten days of the month following the month of collection in accordance with Louisiana Revised Statute 47:2060.

Status:

Unresolved. See Item 99-3.

98-4 General Fund

Finding:

All cash accounts should be reconciled on a monthly basis.

Status:

Unresolved. See Item 99-4.

98-5 Agency funds

Finding:

All bank accounts should be reconciled monthly. Also, the subsidiaries for each agency fund should be maintained and reconciled to the cash balance on a monthly basis.

Status:

Unresolved. See Item 99-5