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**NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 1999**

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

Release Date ~~SEP 22 1999~~

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
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JUNE 30, 1999

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GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Honorable Boyd Durr
Natchitoches Parish Sheriff
P. O. Box 266
Natchitoches, Louisiana 71457

We have audited the accompanying general purpose financial statements of the Natchitoches Parish Sheriff, Natchitoches, Louisiana, 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 Natchitoches Parish Sheriff and his 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 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 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Sheriff, Natchitoches, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds 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 August 27, 1999, on our consideration of the Natchitoches Parish Sheriff's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Natchitoches Parish Sheriff, Natchitoches, Louisiana, taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. 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 year ended June 30, 1998, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated October 30, 1998, on the general purpose financial statements of the Natchitoches Parish Sheriff.

Hines, Jackson & Hines
Natchitoches, Louisiana
August 27, 1999

COMBINED STATEMENTS - OVERVIEW

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	<u>Governmental</u> <u>Fund Types</u>	<u>Fiduciary</u> <u>Fund Type</u>	<u>Proprietary</u> <u>Fund Type</u>
	<u>General</u>	<u>Agency</u> <u>Funds</u>	<u>Enterprise</u>
ASSETS			
Cash	\$ 749,444	\$ 526,909	\$ 100,556
Investments	0	0	705,261
Receivables	56,996	0	277,427
Due from detention center	226,240	0	0
Prepaid leases	0	0	1,567
Property and equipment, net	0	0	2,847,857
Deferred debt expense, net	0	0	177,280
Amount to be provided for payment of debt	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 1,032,680</u>	<u>\$ 526,909</u>	<u>\$ 4,109,948</u>
 LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 24,119	\$ 0	\$ 116,837
Accrued liabilities	15,143	0	27,044
Due to general fund	0	0	226,240
Due to taxing bodies and others	0	526,909	0
Liability for compensated absences	0	0	0
Notes and lease obligations	<u>0</u>	<u>0</u>	<u>3,638,899</u>
Total Liabilities	39,262	526,909	4,009,020
Fund Equity			
Investment in general fixed assets	0	0	0
Retained earnings			
Unreserved	0	0	100,928
Fund balance			
Unreserved	<u>993,418</u>	<u>0</u>	<u>0</u>
Total Fund Equity	<u>993,418</u>	<u>0</u>	<u>100,928</u>
Total Liabilities and Fund Equity	<u>\$ 1,032,680</u>	<u>\$ 526,909</u>	<u>\$ 4,109,948</u>

EXHIBIT A

Account Groups		Total (Memorandum Only)	
General Fixed Assets	General Long-Term Debt	1999	1998
\$ 0	\$ 0	\$ 1,376,909	\$ 995,415
0	0	705,261	573,160
0	0	334,423	348,462
0	0	226,240	468,161
0	0	1,567	0
1,406,401	0	4,254,258	4,181,221
0	0	177,280	187,760
0	293,304	293,304	19,938
<u>\$ 1,406,401</u>	<u>\$ 293,304</u>	<u>\$ 7,369,242</u>	<u>\$ 6,774,117</u>
\$ 0	\$ 0	\$ 140,956	\$ 147,639
0	0	42,187	40,067
0	0	226,240	468,161
0	0	526,909	381,042
0	17,217	17,217	19,938
0	276,087	3,914,986	3,922,839
0	293,304	4,868,495	4,979,686
1,406,401	0	1,406,401	1,173,490
0	0	100,928	(424,511)
0	0	993,418	1,045,452
<u>1,406,401</u>	<u>0</u>	<u>2,500,747</u>	<u>1,794,431</u>
<u>\$ 1,406,401</u>	<u>\$ 293,304</u>	<u>\$ 7,369,242</u>	<u>\$ 6,774,117</u>

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>General Fund</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
		<u>1999</u>	<u>1998</u>
Revenues			
Taxes	\$ 1,753,132	\$ 1,753,132	\$ 1,747,768
Intergovernmental	553,095	553,095	497,362
Fees, charges, and commissions for services	466,679	466,679	711,374
Interest	33,584	33,584	32,523
Other	<u>31,985</u>	<u>31,985</u>	<u>49,100</u>
Total Revenues	2,838,475	2,838,475	3,038,127
Expenditures			
Public Safety			
Salaries and related benefits	2,060,539	2,060,539	2,092,633
Operating services	320,325	320,325	297,596
Materials and supplies	265,686	265,686	416,493
Travel and other charges	83,069	83,069	53,848
Debt service	423,699	423,699	509,123
Capital outlay	<u>43,936</u>	<u>43,936</u>	<u>55,934</u>
Total Expenditures	<u>3,197,254</u>	<u>3,197,254</u>	<u>3,425,627</u>
Excess of Revenues Over/(Under) Expenditures	(358,779)	(358,779)	(387,500)
Other Financing Sources/(Uses)			
Loan proceeds	270,000	270,000	500,000
Sale of equipment	17,035	17,035	250
Unclaimed bonds	<u>19,710</u>	<u>19,710</u>	<u>14,617</u>
Total Other Financing Sources/(Uses)	<u>306,745</u>	<u>306,745</u>	<u>514,867</u>
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(52,034)	(52,034)	127,367
FUND BALANCE, Beginning of year	<u>1,045,452</u>	<u>1,045,452</u>	<u>918,085</u>
FUND BALANCE, End of year	<u>\$ 993,418</u>	<u>\$ 993,418</u>	<u>\$ 1,045,452</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES- BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./Unfav.</u>
Revenues			
Taxes	\$ 1,722,500	\$ 1,753,132	\$ 30,632
Intergovernmental	511,316	553,095	41,779
Fees, charges, and commissions for services	485,974	466,679	(19,295)
Interest	25,000	33,584	8,584
Other	<u>30,000</u>	<u>31,985</u>	<u>1,985</u>
Total Revenues	2,774,790	2,838,475	63,685
Expenditures			
Public safety			
Salaries and related benefits	2,029,000	2,060,539	(31,539)
Operating services	299,975	320,325	(20,350)
Materials and supplies	290,000	265,686	24,314
Travel and other charges	65,700	83,069	(17,369)
Debit service	416,709	423,699	(6,990)
Capital outlay	<u>45,000</u>	<u>43,936</u>	<u>1,064</u>
Total Expenditures	<u>3,146,384</u>	<u>3,197,254</u>	<u>(50,870)</u>
Excess of Revenues Over/(Under) Expenditures	(371,594)	(358,779)	12,815
Other Financing Sources/(Uses)			
Loan proceeds	270,000	270,000	0
Sale of equipment	8,000	17,035	9,035
Unclaimed bonds	<u>18,000</u>	<u>19,710</u>	<u>1,710</u>
Total Other Financing Sources/(Uses)	<u>296,000</u>	<u>306,745</u>	<u>10,745</u>
Excess of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(75,594)	(52,034)	23,560
FUND BALANCE, Beginning of year	<u>1,045,452</u>	<u>1,045,452</u>	<u>0</u>
FUND BALANCE, End of year	<u>\$ 969,858</u>	<u>\$ 993,418</u>	<u>\$ 23,560</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
RETAINED EARNINGS- PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Enterprise</u>
Operating Revenues	
Charges for Services	
Department of corrections	\$ 3,167,467
Natchitoches parish police jury	239,398
City of Natchitoches	2,394
Inmate commissary	425,252
Farming	23,405
Vending machine	14,464
Other	<u>4,113</u>
 Total Operating Revenues	 3,876,493
 Operating Expenses	
Amortization	10,480
Bank charges	4,744
Contract labor	6,332
Depreciation	223,435
Farm expense	23,623
Food	454,192
Inmate clothing and linens	22,989
Inmate commissary	331,993
Insurance	129,371
Insurance - employees	278,341
Janitorial supplies	40,222
Lease expense	3,133
Maintenance and repairs	54,698
Medical	119,518
Office supplies	15,763
Oil and gas	7,772
Payroll expense	18,382
Professional services	32,417
Retirement	49,684
Salaries	1,061,231
Supplies and materials	46,863
Telephone	21,124
Training	8,318
Travel	4,192
Uniform	11,090
Utilities	136,850
Vending machine	<u>\$ 14,253</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
RETAINED EARNINGS- PROPRIETARY FUND TYPE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Enterprise</u>
Total Operating Expense	\$ 3,131,010
Operating Income	745,483
Nonoperating Revenues/(Expenses)	
Interest income	33,526
Interest expense	(253,570)
Total Nonoperating Revenues/(Expenses)	(220,044)
Net Income	525,439
Retained Earnings, Beginning of year	(424,511)
Retained Earnings, End of year	\$ 100,928

The accompanying notes are an integral part of this statement.

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Enterprise</u>
Cash Flows Provided By/(Used in) Operating Activities	
Net operating income	\$ 745,483
Adjustments to reconcile net operation income to net cash provided by/(used in) operating activities	
Depreciation	223,435
Amortization	10,480
(Increase)/decrease in operating assets	
Accounts Receivable	
Revenue	(6,116)
Other	(1,477)
Increase/(decrease) in operating liabilities	
Accounts Payable	26,046
Accrued liabilities	<u>(5,771)</u>
Net cash provided by/(used in) operating activities	992,080
Cash Flows Provided By/(Used in) Capital and Related Financing Activities	
Payment on borrowing-Natchitoches Parish Sheriff, general fund	(241,921)
Payment on note and lease obligations	(283,940)
Payment for capital acquisition-building	(18,403)
Payment for capital acquisition-equipment	(31,267)
Payment for capital acquisition-furniture and equipment	(10,221)
Payment for capital acquisition-vehicle	(3,760)
Interest paid	<u>(253,570)</u>
Net cash provided by/(used in) capital and related financing activities	(843,082)
Cash Flows Provided By/(Used in) Investing Activities	
Receipt of interest	33,526
Purchase of investments	<u>(132,101)</u>
Net cash provided by/(used in) investing activities	<u>(98,575)</u>
INCREASE IN CASH	50,423
CASH, Beginning of year	<u>50,133</u>
CASH, End of year	<u>\$ 100,556</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 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 also 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. (Note: Construction of the Detention Center, proprietary fund type, was completed and the first prisoner was received on June 18, 1996.)

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, 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 the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

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

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Natchitoches Parish Police Jury is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) 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. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and a) The ability of the primary government to impose its will on an organization and/or b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

The Natchitoches Parish Sheriff is an independent elected parish official. His office receives funding primarily through ad valorem taxes, fees, charges, and commissions for services. The office is independent and receives no financial benefit from the Natchitoches Parish Police Jury other than the provision of office space. The Natchitoches Parish Sheriff was determined not to be a component unit of the Natchitoches Parish Police Jury.

Based on the application of criteria established by GASB Statement No. 14, it was determined that the Natchitoches Parish Sheriff has no financial accountability and exercises no oversight responsibility for any other entity. Therefore, the accompanying financial statements present information only on the funds maintained by the Natchitoches Parish Sheriff.

B. FUND ACCOUNTING

The accounts of the sheriff are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Fund accounting is designed to demonstrate legal compliance with laws, regulations, or other restrictions. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund Types - These are funds through which most governmental functions typically are financed.

General Fund

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

Proprietary Fund Types - Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary for sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Sheriff applies all GASB pronouncements as well as the FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund

The enterprise fund is used to account for operations a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING (CONTINUED)

Fiduciary Fund Types - These funds account for assets held by the Sheriff as a trustee or agent for individuals or other units of governments.

Agency Funds

The agency funds are used as depositories for ad valorem taxes, civil suits, cash bonds, taxes and fees. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law.

The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the fund's measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Account Groups - is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes. Assets provided by the parish police jury are not recorded within the general fixed assets account group. Fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for long-term obligations expected to be financed by governmental funds.

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.

Property, plant, and equipment acquired for the proprietary funds is capitalized in the respective funds to which it applies.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity is included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. FIXED ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Depreciation of all exhaustible fixed assets used by the enterprise fund is charged as an expense against its operations. Accumulated depreciation is reported on the enterprise fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

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 governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The accompanying financial statements have been prepared using the modified accrual basis of accounting. All governmental fund types and agency funds use the modified accrual basis of accounting. Under this 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. The Sheriff considers ad valorem taxes as available if they are collected within 60 days after the fiscal year end. 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, February, and March of the fiscal year.

Those revenues susceptible to accrual include ad valorem taxes and the related state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues other than interest revenue are not susceptible to accrual because generally they are not measurable until received in cash.

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 debt is recognized when due.

E. BUDGETS AND BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Sheriff adopts annual operating budgets for the General Fund for each fiscal year and amends them as required.

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

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

1. Prior to May 31, a proposed operating budget for the fiscal year commencing the following July 1 is prepared. The operating budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for inspection. 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 the hearing.
4. Prior to June 30, the proposed budget is legally enacted by the Sheriff.
5. The chief civil deputy is authorized to transfer budgeted amounts between departments within the general fund. However, any revisions that alter the total expenditures of the general fund must be approved by the Sheriff.
6. All budgetary appropriations lapse at the end of the fiscal year.
7. Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Sheriff's procedures with respect to its budget are designed to meet the requirements of the Louisiana Local Government Budget Act (LSA- R.S. 1301-1314). The adopted budgets, as amended, for the fiscal year ended June 30, 1999 is presented in the accompanying financial statements.

F. CASH

Cash includes not only cash on hand but also demand deposits with financial institutions or other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively withdraw funds at any time without prior notice or penalty. State law authorizes the sheriff to deposit funds in, interest bearing accounts, certificates of deposit or other investments as permitted by law with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. RECEIVABLES

All receivables are reported at their gross value and, where applicable are reduced by the estimated portion that is expected to be uncollectible.

H. DUE TO AND DUE FROM OTHER FUNDS

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. As June 30, 1999, the enterprise fund, Detention Center, owed the general fund \$226,240.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. DEFERRED DEBT EXPENSE

Bond issue costs and bond discounts are capitalized and amortized over the terms of the respective bonds using a method which approximates the effective interest method. Total bond issue costs and bond discounts (deferred debt expense) paid by the enterprise fund, Detention Center, was \$209,592. The amortization expense related to deferred debt expense was \$10,480 for the year ended June 30, 1999.

J. COMPENSATED ABSENCES

Employees that have been employed one year or more earn two weeks of vacation leave per year. Vacation leave is prorated for employees having less than a year of service. Although vacation does not carryover or accumulate from one year to the next, employees do vest with respect to vacation in that upon retirement or termination, they may be paid for vacation earned. The sheriff's office accrues a liability for compensated absences which meet the following criteria:

1. The Sheriff's office obligation relating to employees' rights to compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the general fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group. In accordance with the above criteria, the sheriff's office has accrued a liability for vacation pay which has been earned but not taken by the sheriff's office employees. For the general fund, the liability for compensated absences at June 30, 1999, in the amount of \$17,217 has been recorded within the general long-term debt account group.

K. FUND EQUITY

The unreserved fund balances of governmental funds represent amounts available for budgeting future operations.

L. 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 office financial position and 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 from prior year financial statements have been reclassified to conform with current classifications.

NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

The total column on the combined statements - overview is captioned "(Memorandum Only)" to indicate that it is presented only to facilitate analysis. The data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

N. ESTIMATES

The presentation 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 expenses during the reporting period. Actual results could differ from those estimates.

O. 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 Natchitoches Parish Sheriff.

NOTE 2 CASH

As of June 30, 1999, the sheriff had cash totaling \$1,376,909, as follows:

	<u>General Fund</u>	<u>Agency Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Petty cash	\$ 300	\$ 0	\$ 100	\$ 400
Interest bearing demand deposits	736,666	161,407	45,668	943,741
Demand deposits	<u>12,478</u>	<u>365,502</u>	<u>54,788</u>	<u>432,768</u>
Totals	<u>\$ 749,444</u>	<u>\$ 526,909</u>	<u>\$ 100,556</u>	<u>\$ 1,376,909</u>

Under state law, these deposits 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. As of June 30, 1999, the sheriff had \$1,429,358 in bank deposits. These deposits were secured from risk by \$369,611 of federal deposit insurance and \$2,129,951 (market value) of pledged securities held by the custodial banks in the name of the fiscal agent (GASB category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 3 INVESTMENTS

Investments, money market accounts which only invest in government backed securities, are stated at cost which approximates market value. At June 30, 1999, the enterprise fund, Detention Center, had \$705,261 in money market accounts.

NOTE 4 RECEIVABLES

Accounts receivable in the amount of \$334,423 and \$348,462 at June 30, 1999 and 1998, as shown on Exhibit A, are shown below. All receivables at June 30, 1999 and 1998, were determined to be fully collectible.

	1999	1998
General Fund		
Taxes	\$ 110	0
Intergovernmental	42,070	33,956
Fees, charges, and commissions for services	10,351	41,710
Interest	2,942	30
Other	1,523	1,455
Total general fund receivables	56,996	77,151
Proprietary Fund Type		
Charges for services	277,427	271,311
Total proprietary fund receivables	277,427	271,311
Total Receivables	\$ 334,423	\$ 348,462

NOTE 5 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Automobiles	\$ 589,693	\$ 435,185	\$ 229,511	\$ 795,367
Office equipment	145,254	13,232	2,644	155,842
Radio equipment	211,495	12,899	0	224,394
Law enforcement equipment	61,060	3,750	0	64,810
Rescue equipment	19,738	0	0	19,738
Land and buildings	146,250	0	0	146,250
Total	\$ 1,173,490	\$ 465,066	\$ 232,155	\$ 1,406,401

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 6 PLANT AND EQUIPMENT - ENTERPRISE FUND

A summary of the enterprise fund's plant and equipment at June 30, 1999 follows:

	<u>Straight-Line</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Land		\$ 146,089	\$ 0	\$ 146,089	\$ 0
Buildings	20 years	2,884,725	444,388	2,440,337	145,456
Equipment	3-7 years	135,071	61,609	73,462	19,598
Furniture & fixtures	7 years	300,624	139,543	161,081	44,785
Vehicles	5 years	<u>70,715</u>	<u>43,827</u>	<u>26,888</u>	<u>13,596</u>
Total		<u>\$ 3,537,224</u>	<u>\$ 689,367</u>	<u>\$ 2,847,857</u>	<u>\$ 223,435</u>
Changes during the year:					
Balance, beginning of year		\$ 3,473,573	\$ (465,932)	\$ 3,007,641	
Additions:					
Land		0	0	0	
Buildings		18,403	0	18,403	
Equipment		31,267	0	31,267	
Furniture & fixtures		10,221	0	10,221	
Vehicles		3,760	0	3,760	
Depreciation		<u>0</u>	<u>(223,435)</u>	<u>(223,435)</u>	
Balance, end of year		<u>\$ 3,537,224</u>	<u>\$ (689,367)</u>	<u>\$ 2,847,857</u>	

NOTE 7 PENSION PLAN

Substantially all employees of the sheriff's office are members of the Sheriff's Pension and Relief Fund ("System"), a multiple-employer, cost-sharing public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month and who are between the ages of 18 and 50 at the time of original employment are required to participate in the system. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent if total service is at least 12 but less than 15 years, 2.75 percent if total service is at least 15 but less than 20 years, and 3 percent if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of the 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 who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefits accrued to their date of termination. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The system also provides death and disability benefits. Benefits are established by state statute.

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 7 PENSION PLAN (CONTINUED)

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 Sheriffs Pension & Relief Fund, Monroe, Louisiana, 71210-3163 or by calling (318) 362-3188.

Contributions to the system include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. State statute requires covered employees to contribute 8.7 percent of their salary to the system and requires an employer contribution equal to 5.0 percent of each covered employee's salary. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Natchitoches Parish Sheriff's contributions to the System, which includes the enterprise fund (Detention Center), for the years ending June 30, 1999 and 1998, were \$111,930 and \$105,331, respectively, equal to the required contributions for each year.

NOTE 8 CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligations transactions during the year:

	<u>Compensated Absences</u>
Long-term obligations payable at July 1, 1998	\$ 19,938
Increase/(decrease)	<u>(2,721)</u>
Long-term obligations payable at June 30, 1999	<u>\$ 17,217</u>

NOTE 9 OBLIGATIONS UNDER CAPITAL AND OPERATING LEASES

The Natchitoches Parish Sheriff general fund and enterprise fund are obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights of lease obligations, and therefore, the results of the lease agreements are not reflected in the General Fixed Assets account group.

Following is a schedule of future minimum rental payments required under leases that have initial or remaining noncancellable lease items as of June 30, 1999:

<u>Year Ending June 30,</u> 2000	<u>Radio Tower</u> \$ 7,200	<u>Land</u> \$ 4,700	<u>Total</u> \$ 11,900
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The Natchitoches Parish Sheriff general fund leases cars through arrangements classified as capital lease obligations. At June 30, 1999, the total present value of minimum payments required under the fund's leases are \$276,087.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 9 OBLIGATIONS UNDER CAPITAL AND OPERATING LEASES (CONTINUED)

The present value of capital leases and the minimum lease payments under noncancellable leases are as follows:

Year Ending <u>June 30,</u>		
2000	\$	150,588
2001		<u>150,588</u>
Total		301,176
Less amount representing interest		<u>(25,089)</u>
Present value of future minimum lease payments	\$	<u><u>276,087</u></u>

NOTE 10 LONG-TERM DEBT

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

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Revenue Bonds	5.2%-7.2%	06/01/15	\$ 3,695,000	\$ 3,360,000
Certificate of indebtednesses	5.37%	03/01/06	300,000	226,000
Construction note	9.00%	07/31/01	<u>129,710</u>	<u>52,899</u>
Total			<u><u>\$ 4,124,710</u></u>	<u><u>\$ 3,638,899</u></u>

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

<u>Year Ended June 30,</u>	<u>Revenue Bonds</u>	<u>Certificate of Indebtnesses</u>	<u>Construction Note</u>	<u>Total</u>
2000	\$ 358,555	\$ 38,411	\$ 32,304	\$ 429,270
2001	356,180	38,908	20,595	415,683
2002	358,380	38,323	0	396,703
2003	359,700	38,659	0	398,359
2004	355,250	38,887	0	394,137
Thereafter	<u>3,938,250</u>	<u>78,030</u>	<u>0</u>	<u>4,016,280</u>
Total	<u><u>\$ 5,726,315</u></u>	<u><u>\$ 271,218</u></u>	<u><u>\$ 52,899</u></u>	<u><u>\$ 6,050,432</u></u>

NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1999

NOTE 11 LITIGATION

The Sheriff is a defendant in various litigations as of the close of business on June 30, 1999. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff's legal counsel, resolution of these matters would not create a liability in excess of insurance coverage, and therefore would not have a material adverse effect on the financial condition of the Sheriff.

NOTE 12 AD VALOREM TAXES

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 1. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation - 3 and GASB Codification P70 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

For the 1998 tax year, taxes of 18.52 mills were levied on property with assessed valuation of \$130,100,950 and a taxable value of \$94,938,910 and were dedicated to the law enforcement district. Total taxes levied were \$1,758,269. Taxes receivable at June 30, 1999 totaled zero. The Sheriff did not collect total taxes levied due to Louisiana Tax Commission reductions in the tax roll.

NOTE 13 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE 14 EXPENSES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Natchitoches Parish Police Jury provided office space and paid the utilities related to the office space for the Natchitoches Parish Sheriff for the year ended June 30, 1999.

AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and other funds.

Bond Fund - The Bond Fund is used as a depository for the collection of cash bonds. Upon order of the district court, these funds are either refunded to the litigants or transferred to the Tax Collector Fund for distribution to the appropriate recipient, in accordance with applicable laws.

Civil Fund - The Civil Fund is used to account for funds held for disposition in connection with civil suits, sheriff's sales, garnishments, and cash bonds collected for other parishes.

Delayed Fines Fund - The Delayed Fines Fund is used to account for fines and costs paid on an installment basis. These partial payments are held in the Delayed Fines Fund until all installments are paid. The payments are then transferred to the Tax Collector Fund for settlement to the appropriate agency.

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.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Bond Fund</u>	<u>Civil Fund</u>	<u>Delayed Fines Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ 242,088	\$ 4,143	\$ 119,271	\$ 161,407	\$ 526,909
Total Assets	<u>\$ 242,088</u>	<u>\$ 4,143</u>	<u>\$ 119,271</u>	<u>\$ 161,407</u>	<u>\$ 526,909</u>
LIABILITIES					
Due to taxing bodies and others	\$ 242,088	\$ 4,143	\$ 119,271	\$ 161,407	\$ 526,909
Total Liabilities	<u>\$ 242,088</u>	<u>\$ 4,143</u>	<u>\$ 119,271</u>	<u>\$ 161,407</u>	<u>\$ 526,909</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
<u>BOND FUND</u>				
ASSETS				
Cash	\$ <u>175,245</u>	\$ <u>744,288</u>	\$ <u>677,445</u>	\$ <u>242,088</u>
LIABILITIES				
Due to Taxing Bodies and Others	\$ <u>175,245</u>	\$ <u>744,288</u>	\$ <u>677,445</u>	\$ <u>242,088</u>
 <u>CIVIL FUND</u>				
ASSETS				
Cash	\$ <u>7,307</u>	\$ <u>803,133</u>	\$ <u>806,297</u>	\$ <u>4,143</u>
LIABILITIES				
Due to Taxing Bodies and Others	\$ <u>7,307</u>	\$ <u>803,133</u>	\$ <u>806,297</u>	\$ <u>4,143</u>
 <u>DELAYED FINES FUNDS</u>				
ASSETS				
Cash	\$ <u>138,964</u>	\$ <u>88,689</u>	\$ <u>108,382</u>	\$ <u>119,271</u>
LIABILITIES				
Due to Taxing Bodies and Others	\$ <u>138,964</u>	\$ <u>88,689</u>	\$ <u>108,382</u>	\$ <u>119,271</u>
 <u>TAX COLLECTOR FUND</u>				
ASSETS				
Cash	\$ <u>59,526</u>	\$ <u>11,914,901</u>	\$ <u>11,813,020</u>	\$ <u>161,407</u>
LIABILITIES				
Due to Taxing Bodies and Others	\$ <u>59,526</u>	\$ <u>11,914,901</u>	\$ <u>11,813,020</u>	\$ <u>161,407</u>
 <u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ <u>381,042</u>	\$ <u>13,551,011</u>	\$ <u>13,405,144</u>	\$ <u>526,909</u>
LIABILITIES				
Due to Taxing Bodies and Others	\$ <u>381,042</u>	\$ <u>13,551,011</u>	\$ <u>13,405,144</u>	\$ <u>526,909</u>

The accompanying notes are an integral part of this statement.

SCHEDULE 3

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND
COMPARATIVE SCHEDULE OF EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
Salaries and related benefits		
Sheriff and deputies salaries	\$ 1,614,537	\$ 1,548,911
Other employees salaries	23,910	22,496
Employer's contributions to pensions	62,246	61,505
Group life and health insurance	300,066	411,293
Unemployment insurance cost	19,288	18,211
Other employee benefits	40,492	30,217
	2,060,539	2,092,633
Operating services		
Dues to associations	10,809	8,409
Tax notice costs	17,245	15,297
Sub-station utilities	8,685	10,785
Telephone expense	17,911	16,972
Lease and rent expense	28,472	28,102
Auto maintenance and repair	65,552	56,959
Radio and office equipment maintenance	49,860	31,639
Audit and legal expenses	12,161	11,500
Insurance and bond premiums	109,630	117,933
	320,325	297,596
Materials and supplies		
Office supplies and expense	49,002	37,650
Keeping and feeding prisoners	70,167	231,765
Uniform expense	36,724	35,875
Gasoline and oil	66,097	65,812
Law enforcement supplies	43,696	45,391
	265,686	416,493
Travel and other charges		
Travel and convention expense	14,219	20,747
Youth program	6,418	5,942
Law enforcement expense	49,620	26,828
Transporting prisoners and interdicts	1,511	314
Miscellaneous	11,301	17
	83,069	53,848
Debit service		
Principal retirement	415,043	500,000
Interest	8,656	9,123
	423,699	509,123
Capital outlay		
Automobiles	14,055	49,054
Equipment	29,881	6,880
	43,936	55,934
Total Expenditures	\$ 3,197,254	\$ 3,425,627

The accompanying notes are an integral part of this statement.

HINES, JACKSON & HINES

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1926-1999

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

Honorable Boyd Durr
Natchitoches Parish Sheriff
P. O. Box 266
Natchitoches, Louisiana 71457

We have audited the general purpose financial statements of Natchitoches Parish Sheriff, Natchitoches, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 27, 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 the Natchitoches 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 statements 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Natchitoches Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Natchitoches Parish Sheriff and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines

Natchitoches, Louisiana

August 27, 1999

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
1	06/30/98	We noted that actual intergovernmental revenues were \$60,680 (10.87 percent) less than budgeted amounts in 1998. Likewise, total actual expenditures were \$195,340 (7.15 percent) more than budgeted amounts in 1998.	Yes	This finding has been resolved.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.