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TERREBONNE PARISH SHERIFF
HOUMA, LOUISIANA

Financial Report

Year Ended June 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 JAN 9 2002

TERREBONNE PARISH SHERIFF
HOUMA, LOUISIANA

Year Ended June 30, 2001

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Jerry J. Larpenter
Terrebonne Parish Sheriff
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Terrebonne Parish Sheriff, as of June 30, 2001, and for the year then ended. These general purpose financial statements are the responsibility of the Terrebonne Parish Sheriff. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance auditing standards generally accepted in the United States of America 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 Terrebonne Parish Sheriff, as June 30, 2001, and the results of its operations for the year ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 4, 2001, on our consideration of the Terrebonne Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Terrebonne Parish Sheriff. Also, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "Audits

of States, Local Governments, and Non-Profit Organizations," and is 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.

December 4, 2001

Bergson & Lanang

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types				Fiduciary		Account Groups			(Memorandum only) Total
	General	Capital Projects		Debt Service Fund	Fund Type	Agency Funds	General		Long-Term Debt	
		Fund	Fund				Asset	Debt		
ASSETS AND OTHER DEBITS										
Cash & interest-bearing deposits	\$ 3,720,997	\$ 725,914	\$ 366,525	\$ 2,322,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,136,033
Due from other governmental units	2,141,689	-	-	-	-	-	-	-	-	2,141,689
Other receivables	865	-	-	-	-	-	-	-	-	865
Inventory	6,399	-	-	-	-	-	-	-	-	6,399
Vehicles, furniture, and equipment	-	-	-	-	-	-	5,104,463	-	-	5,104,463
Amount available in debt service fund	-	-	-	-	-	-	-	366,525	-	366,525
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	-	1,405,697	1,405,697
Total assets	\$ 5,869,950	\$ 725,914	\$ 366,525	\$ 2,322,597	\$ -	\$ -	\$ 5,104,463	\$ 1,772,222	\$ -	\$ 16,161,671

LIABILITIES AND FUND EQUITY

Liabilities:										
Accounts payable	\$ 105,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,292
Deferred revenue	155,779	-	-	-	-	-	-	-	-	155,779
Accrued employee benefits - estimated liability for outstanding medical claims	118,525	-	-	-	-	-	-	-	-	118,525
Due to taxing bodies and others	-	-	-	2,266,574	-	-	-	-	-	2,266,574
Due to prisoners	-	-	-	56,023	-	-	-	-	-	56,023
Certificates of indebtedness	-	-	-	-	-	-	-	1,435,000	-	1,435,000
Capital leases payable	-	-	-	-	-	-	-	13,111	-	13,111
Accumulated vacation leave payable	-	-	-	-	-	-	-	173,813	-	173,813
Judgements payable	-	-	-	-	-	-	-	150,298	-	150,298
Total liabilities	\$ 379,596	\$ -	\$ -	\$ 2,322,597	\$ -	\$ -	\$ -	\$ 1,772,222	\$ -	\$ 4,474,415

Fund equity:

Investment in general fixed assets	-	-	-	-	-	-	5,104,463	-	-	5,104,463
Fund Balances:										
Reserved for inventory	6,399	-	-	-	-	-	-	-	-	6,399
Reserved for capital outlay	-	725,914	-	-	-	-	-	-	-	725,914
Reserved for debt service	-	-	366,525	-	-	-	-	-	-	366,525
Unreserved - undesignated	5,483,955	-	-	-	-	-	-	-	-	5,483,955
Total fund equity	\$ 5,490,354	\$ 725,914	\$ 366,525	\$ -	\$ -	\$ -	\$ 5,104,463	\$ -	\$ -	\$ 11,687,256
Total liabilities and fund equity	\$ 5,869,950	\$ 725,914	\$ 366,525	\$ 2,322,597	\$ -	\$ -	\$ 5,104,463	\$ 1,772,222	\$ -	\$ 16,161,671

See notes to financial statements.

TERREBONNE PARISH SHERIFF
Houma, Louisiana
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types
Year Ended June 30, 2001

	General Fund	Capital Projects Fund	Debt Service Fund	(Memorandum only) Total
Revenues:				
Ad valorem taxes	\$ 2,559,913	\$ -	\$ -	\$ 2,559,913
Sales taxes	7,649,009	-	-	7,649,009
Intergovernmental revenues:				
Federal grants	479,903	-	-	479,903
State D.A.R.E. grant	59,049	-	-	59,049
State revenue sharing, net	212,379	-	-	212,379
State supplemental pay	686,913	-	-	686,913
State gaming revenue	569,438	-	-	569,438
Local government	180,563	-	-	180,563
Fees, charges, and commissions for services:				
Commissions and contract service	304,579	-	-	304,579
Civil and criminal fees	898,146	-	-	898,146
Court attendance	29,682	-	-	29,682
Court awards	17,714	-	-	17,714
Transporting prisoners	35,695	-	-	35,695
Feeding and keeping prisoners	2,305,356	-	-	2,305,356
Commissary sales	72,140	-	-	72,140
Other	348,064	-	-	348,064
Miscellaneous:				
Interest	98,596	5,256	5,274	109,126
Other	49,257	-	-	49,257
Total revenues	<u>16,556,396</u>	<u>5,256</u>	<u>5,274</u>	<u>16,566,926</u>
Expenditures:				
Current:				
Public safety:				
Personal services and related benefits	9,062,553	-	-	9,062,553
Operating services	2,333,386	-	-	2,333,386
Operation and maintenance	3,127,139	11,276	-	3,138,415
Debt service:				
Principal	16,582	-	290,000	306,582
Interest	3,113	-	61,474	64,587
Capital outlay	723,955	78,640	-	802,595
Total expenditures	<u>15,266,728</u>	<u>89,916</u>	<u>351,474</u>	<u>15,708,118</u>
Excess (deficiency) of revenues over expenditures	1,289,668	(84,660)	(346,200)	858,808
Other financing sources (uses):				
Proceeds from certificates of indebtedness	-	800,000	-	800,000
Transfers from other funds	-	-	382,036	382,036
Transfers to other funds	(382,036)	-	-	(382,036)
Total other financing sources (uses)	<u>(382,036)</u>	<u>800,000</u>	<u>382,036</u>	<u>800,000</u>
Excess of revenues and other sources over (under) expenditures and other uses	907,632	715,340	35,836	1,658,808
Fund balance:				
Beginning of year	3,911,487	10,574	330,689	4,252,750
Prior period adjustment	671,235	-	-	671,235
Beginning of year, adjusted	<u>4,582,722</u>	<u>10,574</u>	<u>330,689</u>	<u>4,923,985</u>
Fund balance at end of year	<u>\$ 5,490,354</u>	<u>\$ 725,914</u>	<u>\$ 366,525</u>	<u>\$ 6,582,793</u>

TERREBONNE PARISH SHERIFF
Houma, Louisiana

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

Year Ended June 30, 2001

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	\$ 2,675,000	\$ 2,559,913	\$ (115,087)
Sales taxes	7,450,000	7,649,009	199,009
Intergovernmental revenues:			
Federal grants	460,000	479,903	19,903
State D.A.R.E. grant	90,000	59,049	(30,951)
State revenue sharing, net	212,379	212,379	-
State supplemental pay	675,000	686,913	11,913
State gaming revenue	435,000	569,438	134,438
Local government	185,000	180,563	(4,437)
Fees, charges, and commissions for services:			
Commissions and contract service	411,500	304,579	(106,921)
Civil and criminal fees	640,250	898,146	257,896
Court attendance	21,000	29,682	8,682
Court awards	-	17,714	17,714
Transporting prisoners	30,000	35,695	5,695
Feeding and keeping prisoners	2,150,000	2,305,356	155,356
Commissary sales	75,000	72,140	(2,860)
Other	304,929	348,064	43,135
Miscellaneous:			
Interest	75,000	98,596	23,596
Other	-	49,257	49,257
Total revenues	15,890,058	16,556,396	666,338
Expenditures:			
Current:			
Public safety:			
Personal services and related benefits	8,895,100	9,062,553	(167,453)
Operating services	2,996,500	2,333,386	663,114
Operation and maintenance	3,042,150	3,127,139	(84,989)
Debt service:			
Principal	-	16,582	(16,582)
Interest	-	3,113	(3,113)
Capital outlay	485,720	723,955	(238,235)
Total expenditures	15,419,470	15,266,728	152,742
Excess (deficiency) of revenues over expenditures	470,588	1,289,668	819,080
Other financing sources (uses):			
Transfers to other funds	382,036	(382,036)	-
Total other financing sources (uses)	382,036	(382,036)	-
Excess of revenues and other sources over (under) expenditures and other uses	\$ 88,552	907,632	\$ 819,080
Fund balance:			
Beginning of year		3,911,487	
Prior year adjustment		671,235	
Beginning of year, adjusted		4,582,722	
End of year		\$ 5,490,354	

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements

1) Summary of Significant Accounting Policies

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

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, and serves the residents of the parish through the establishment of neighborhood watch programs and anti-drug abuse programs. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

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

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, 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, and activities, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish consolidated government as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish consolidated government, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

b) Fund Accounting

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

General Fund

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

Capital Projects Fund

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

Debt Service Fund

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

Agency Funds

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

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

c) General Fixed Assets and General Long-Term Debt

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the parish consolidated government are not recorded within the Sheriff's general fixed assets account group. No depreciation has been provided on general fixed assets.

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

Long-term debt 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. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Sales taxes are recognized in the period when the underlying transaction has occurred and the resources are available. 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 debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

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

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

e) Budget and Budgetary Accounting

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

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

f) Interest-Bearing Deposits

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

g) Inventory

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

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

h) Vacation and Sick Leave

All employees of the Sheriff's office, with over one year of service, earn five days of sick leave. Sick leave cannot be accumulated and must be used in the year earned. Payment is not made for unused leave upon retirement or termination of employment.

Office employees with one to fourteen years of service, earn ten days of vacation leave each year; all other employees with one to fourteen years of service, earn fourteen days of vacation leave each year. All employees that have fifteen or more years of service earn twenty-one days each year. Vacation may be accumulated without limit and any unused vacation is paid upon retirement or termination of employment. Prior to July 1, 2000, employees were required to use vacation leave in the year earned.

At June 30, 2001, \$173,813 has been recorded in the General Long-Term Debt Account Group which represents the estimated liability for accumulated vacation leave which may be taken or reimbursed after the balance sheet date.

i) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Sheriff as an extension of formal budgetary integration in the funds.

j) Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

k) Fund Equity

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

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2001, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$7,136,033 as follows:

Demand deposits and cash on hand	\$ 91,189
Interest-bearing deposits	<u>7,044,844</u>
Total	<u>\$ 7,136,033</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2001, are secured as follows:

Bank balances	<u>\$ 7,822,483</u>
Federal deposit insurance	\$ 1,506,212
Pledged securities (Category 3)	<u>9,870,506</u>
Total secured deposits	<u>\$ 11,376,718</u>
Excess of secured deposits over bank balances	<u>\$ 3,554,235</u>

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

3) Ad Valorem Taxes

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2001, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 7.58 mills on property with assessed valuations totaling \$361,567,645.

Total law enforcement taxes levied during 2001 were \$2,740,696.

4) Due From Other Governmental Units

Amounts receivable at June 30, 2001, consist of the following:

	General Fund
Sales taxes	\$ 1,363,428
Maintenance of prisoners	203,999
Grants receivable	78,614
Ad valorem taxes	37,578
Commissions	65,445
Court attendance, civil and criminal fees	52,426
Interest	47,787
Hospitalization plan refund	192,045
Community work program	31,588
Supplemental pay	59,220
Other	9,559
	<u>\$ 2,141,689</u>

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

5) Changes in General Fixed Assets

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

Balance at June 30, 2000	\$ 4,530,938
Additions:	
Purchases	802,595
Reductions	<u>(229,070)</u>
Balance at June 30, 2001	<u>\$ 5,104,463</u>

6) Pension Plans

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

Plan Description. The System provides retirement benefits as well as disability and survivor benefits. Twelve years of service credit is required to become vested for retirement benefits and ten years to become vested for disability benefits for a non-service related disability. There are no service requirements for service related disability or survivor benefits. Benefits are established and amended by state statute. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, 6554 Florida Blvd, Suite 215, Baton Rouge, Louisiana 70806, or by calling (225) 922-0465.

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

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Contributions required and made to the System were as follows:

Fiscal year ended June 30,	2001	2000	1999
Member contribution %	9.70%	9.70%	8.70%
Employer contribution %	6.00%	5.00%	5.00%
Member contribution \$	\$ 720,079	\$ 707,445	\$ 591,613
Employer contribution \$	\$ 456,306	\$ 368,773	\$ 348,521

7) Deferred Compensation Plan

Employees of Terrebonne Parish Sheriff have the option to participate in a deferred compensation program as defined by the Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The Sheriff's Office has the responsibility for withholding contributions from participants to the plan. The administrators have the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specification and reporting quarterly to the participant on the status of the plan. Current plan reports are provided to participating employees by the administrators.

The Sheriff makes matching contribution to plan participants with one or more years of service. The match is calculated as a percentage of the participant's annual salary including supplemental pay less Section 125 and retirement deductions. The percentage is based upon each employees total years of service. For the year ended June 30, 2001, the Sheriff made matching contributions under this plan in the amount of \$77,270.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

8) 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>Sheriff's Fund</u>	<u>Tax Collector</u>	<u>Bond and Fines</u>	<u>Inmate Deposit</u>
Balances at June 30, 2000	\$ 93,908	\$ 2,249,460	\$ 375,244	\$ 45,312
Additions	1,616,257	37,970,690	1,914,180	456,634
Reductions	<u>(1,641,867)</u>	<u>(38,348,185)</u>	<u>(1,972,850)</u>	<u>(445,923)</u>
Balances at June 30, 2001	<u>\$ 68,298</u>	<u>\$ 1,871,965</u>	<u>\$ 316,574</u>	<u>\$ 56,023</u>
 (cont.)				
	<u>Community Service</u>	<u>Scholarship and Gifts</u>	<u>Total</u>	
Balances at June 30, 2000	\$ 4,185	\$ 4,703	\$ 2,772,812	
Additions	31,035	3,322	41,992,118	
Reductions	<u>(31,695)</u>	<u>(1,813)</u>	<u>(42,442,333)</u>	
Balances at June 30, 2001	<u>\$ 3,525</u>	<u>\$ 6,212</u>	<u>\$ 2,322,597</u>	

9) Long-Term Debt

a) Certificates of Indebtedness:

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

On October 31, 2000, the Sheriff issued Certificates of Indebtedness in the amount of \$800,000 for the purpose of acquiring equipment and making capital improvements. The Certificates will mature over a three year period ending December 1, 2005 and bear interest at 5.25%, payable semi-annually. The Certificates are secured by the general revenues of the Sheriff.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

Debt Service requirements for the Certificates of Indebtedness payable subsequent to June 30, 2001 follow:

<u>Year Ending June 30,</u>	<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	12/1/2001	310,000	36,018	346,018
	6/1/2002	-	28,686	28,686
2002		<u>310,000</u>	<u>64,704</u>	<u>374,704</u>
	12/1/2002	325,000	28,686	353,686
	6/1/2003	-	21,000	21,000
2003		<u>325,000</u>	<u>49,686</u>	<u>374,686</u>
	12/1/2003	250,000	21,000	271,000
	6/1/2004	-	14,438	14,438
2004		<u>250,000</u>	<u>35,438</u>	<u>285,438</u>
	12/1/2003	265,000	14,438	279,438
	6/1/2004	-	7,481	7,481
2005		<u>265,000</u>	<u>21,919</u>	<u>286,919</u>
2006	12/1/2005	<u>285,000</u>	<u>7,481</u>	<u>292,481</u>
		<u>\$ 1,435,000</u>	<u>\$ 179,228</u>	<u>\$ 1,614,228</u>

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

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

The following is a summary of general long-term debt transactions for the year ended June 30, 2001:

<u>General Long - Term Debt Account Group</u>	<u>Payable at June 30, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Payable at June 30, 2001</u>
Certificates of Indebtedness	925,000	800,000	(290,000)	1,435,000
Capital Leases	29,693	-	(16,582)	13,111
Accumulated Vacation Leave	-	173,813	-	173,813
Judgments Payable	-	150,298	-	150,298
Total	\$ 954,693	\$ 1,124,111	\$ (306,582)	\$ 1,772,222

Minimum future lease payments under capital leases having remaining terms in excess of one year as of June 30, 2001 in the aggregate follow:

<u>Year Ended June 30,</u>	<u>Amount</u>
2002	\$ 10,759
2003	2,352
	<u>\$ 13,111</u>

10) Risk Management and Self-Insurance Program

The Sheriff's Office is exposed to various risk of losses related to general liability, auto liability, property and group health benefits. For the year ending June 30, 2001, the Sheriff's Offices purchased commercial liability insurance to cover risk of loss related to torts or negligence by employees. Commercial insurance has also been obtained to cover real and personal property, general liability, automobile, crime, and law enforcement liability. Management believes coverage obtained will adequately cover any future claims.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

The Terrebonne Parish Sheriff's Office Group Health Plan was established by the Sheriff during the June, 1996 fiscal year. The partially self-insured plan was established to provide group medical indemnity coverage to qualifying employees and retirees of the Sheriff's Office. A third-party benefit service manager is responsible for administering and claims processing. Resources to pay claims are derived from employer and employee contributions. Monthly contributions, based on a conservative estimate of claims to be paid, are deposited into a separate cash account to insure funds will be available to pay claims as they are filed. Accordingly, \$118,525 in this account is included in cash at June 30, 2001. A reserve for outstanding claims of \$118,525 has also been established under the general fund at June 30, 2001. Liabilities are limited by the purchase of commercial insurance covering specific claims in excess of \$50,000 and aggregate claims in excess of approximately \$1,544,000. An analysis of claims activities for the current year and the two preceding years follows:

<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
June 30, 1999	\$ 49	\$ 692	\$ 696	\$ 45
June 30, 2000	\$ 45	\$ 758	\$ 674	\$ 129
June 30, 2001	\$ 129	\$ 1,279	\$ 1,289	\$ 119

11) Postretirement Health Care and Life Insurance Benefits

The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for those benefits if they reach normal retirement age while working for the Sheriff. Those benefits for retirees and similar benefits for active employees are provided through an insurance company and the Terrebonne Parish Sheriff's Office Group Health Plan whose monthly premiums are paid jointly by the employee and the Sheriff. The Sheriff's costs of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2001, the costs of retiree benefits totaled \$67,096. There were twenty-three eligible participants at year end receiving benefits.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

12) Sales Tax Revenues

The citizens of Terrebonne Parish approved a one-quarter percent sales tax on September 26, 1986 to be used for operations of the Sheriff, and on July 19, 1997, an additional one quarter percent sales tax was approved to be used for law enforcement. Sales tax revenue collected was \$7,626,898 for the year ended June 30, 2001.

13) Operating Leases

The Sheriff leases buildings, land and equipment under operating leases expiring at June 30, 2001. During the year ended June 30, 2001, rental expenses under all operating leases totaled \$68,760. In the normal course of business, operating leases are generally renewed or replaced by other leases.

14) Subsequent Event

On September 27, 2001, the Terrebonne Parish Sheriff issued Certificates of Indebtedness in the amount of \$1,000,000. The certificates bear interest at the rate 4.8% and mature over a nine-year period ending December 1, 2010. The certificates are secured by the general revenues of the Sheriff.

15) Litigation and Claims

At June 30, 2001, the Sheriff is involved in several lawsuits claiming damages. Some of these suits are for substantial amounts. The Sheriff plans to vigorously oppose these suits and does not believe their ultimate disposition will materially affect the accompanying general purpose financial statements except as follows:

On May 11, 1999, the district court rendered a judgment against the Sheriff of approximately \$137,000 including interest as the result of a lawsuit. During November 2001, the Sheriff exhausted all appeals and the judgment became final. The amount of the judgment exceeds the available insurance coverage. Accordingly, \$137,000 is recorded as liability in the General Long-Term Debt Account Group.

On December 3, 2001 the Sheriff settled a lawsuit by agreeing to pay damages totaling \$13,298. That amount was not covered by insurance. Accordingly, \$13,298 is recorded as a liability in the General Long-Term Debt Account Group.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Notes to Financial Statements, Continued

16) PRIOR PERIOD ADJUSTMENT

In fiscal year 2000-2001, the Sheriff's Office adopted GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. This standard requires that derived tax revenues such as sales taxes be recognized and reported in the period in which the underlying exchange transaction has occurred and the resources are available. In prior years the Sheriff's Office recognized and reported sales tax revenues when in the hands of intermediary collecting agencies. The effects of this change are as follows:

	<u>General Fund</u>
Fund balance at June 30, 2000 as previously reported	\$ 3,911,487
Increase in fund balance due to adoption GASB Stmt. No. 33	<u>671,235</u>
Fund balance at June 30, 2000 as restated	<u>\$ 4,582,722</u>

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION
TERREBONNE PARISH SHERIFF

GENERAL FUND

June 30, 2001

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

SUPPLEMENTAL INFORMATION
 TERREBONNE PARISH SHERIFF
 Houma, Louisiana
 General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual

Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Current			
Public safety:			
Personal service and related benefits:			
Sheriff salary	\$ 89,100	\$ 92,200	\$ (3,100)
Deputies salaries	8,150,000	8,233,819	(83,819)
Pension and payroll taxes	602,500	684,359	(81,859)
Travel and training	53,500	52,175	1,325
Total personal services and related benefits	8,895,100	9,062,553	(167,453)
Operating services:			
Hospitalization insurance	2,200,000	1,340,621	859,379
Autos and vehicle insurance	581,500	571,980	9,520
Other liability insurance	215,000	420,785	(205,785)
Total operating services	2,996,500	2,333,386	663,114
Operations and maintenance:			
Auto fuel and oil	410,000	390,961	19,039
Auto and vehicle maintenance	265,000	271,342	(6,342)
Deputy uniforms, supplies, etc.	157,000	223,536	(66,536)
Office supplies and expenses	262,000	273,832	(11,832)
Computer expenses	30,000	30,000	-
Telephone	65,000	63,326	1,674
Radio	35,000	44,871	(9,871)
Prisoner feeding and maintenance	545,000	599,759	(54,759)
Prisoner transport	21,000	17,035	3,965
Jail operations	730,000	752,061	(22,061)
Other professional fees	210,000	202,126	7,874
Criminal investigation expense	146,150	87,245	58,905
Leases	40,000	82,439	(42,439)
Commissary expenditures	24,000	699	23,301
Litigation claims, & settlements	36,000	27,228	8,772
Other	66,000	60,679	5,321
Total operations and maintenance	3,042,150	3,127,139	(84,989)
Debt service:			
Principal	-	16,582	(16,582)
Interest	-	3,113	(3,113)
Total debt service	-	19,695	(19,695)
Capital outlay:			
Autos and vehicles	325,000	335,208	(10,208)
Radio	7,500	14,238	(6,738)
Deputy equipment	20,000	99,001	(79,001)
Office equipment	34,000	148,950	(114,950)
Computer	10,500	53,013	(42,513)
Marine division	8,500	21,698	(13,198)
Land	33,000	33,000	-
Construction	47,220	18,847	28,373
Total capital outlay	485,720	723,955	(238,235)
Total expenditures	\$ 15,419,470	\$ 15,266,728	\$ 152,742

SUPPLEMENTAL INFORMATION
TERREBONNE PARISH SHERIFF

FIDUCIARY FUND TYPE - AGENCY FUNDS

June 30, 2001

Sheriff's Fund

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

Tax Collector Fund

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bonds and Fines Fund

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

Inmate Deposit Fund

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

Community Service Fund

The Community Service Fund, created on September 15, 1986, accounts for court assessed fees collected from individuals on probation. These fees are used to defray the costs of probation supervision and are paid to the Sheriff's General Fund and the City of Houma.

Scholarship and Gift Fund

To account for funds voluntarily withheld from employees of the Terrebonne Parish Sheriff's Office. The funds are used to purchase flowers or make donations in lieu of flowers to a named charity in the event of the death of an employee or an immediate family member of an employee. The only other use of these funds is for two (2) \$500.00 scholarships given each year to children of employees, who as freshman, will be attending a Louisiana college.

TERREBONNE PARISH SHERIFF
Houma, Louisiana

Fiduciary Fund Type - Agency Funds

Combining Balance Sheet
6/30/2001

	Sheriff's Fund	Tax Collector Fund	Bonds & Fines Fund	Inmate Deposit Fund	Community Service Fund	Scholarship and Gift Fund	Totals
ASSETS							
Interest-bearing deposits	\$ 68,298	\$ 1,871,965	\$ 316,574	\$ 56,023	\$ 3,525	\$ 6,212	\$ 2,322,597
Total assets	<u>\$ 68,298</u>	<u>\$ 1,871,965</u>	<u>\$ 316,574</u>	<u>\$ 56,023</u>	<u>\$ 3,525</u>	<u>\$ 6,212</u>	<u>\$ 2,322,597</u>
LIABILITIES							
Due to taxing bodies and others	\$ 68,298	\$ 1,871,965	\$ 316,574	\$ -	\$ 3,525	\$ 6,212	\$ 2,266,574
Due to prisoners	-	-	-	56,023	-	-	56,023
Total liabilities	<u>\$ 68,298</u>	<u>\$ 1,871,965</u>	<u>\$ 316,574</u>	<u>\$ 56,023</u>	<u>\$ 3,525</u>	<u>\$ 6,212</u>	<u>\$ 2,322,597</u>

TERREBONNE PARISH SHERIFF
Houma, Louisiana

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

Year Ended June 30, 2001

	Sheriff's Fund	Tax Collector Fund	Bonds & Fines Fund	Inmate Deposit Fund	Community Service Fund	Scholarship and Gift Fund	Totals
Balances, beginning of year	\$ 93,908	\$ 2,249,460	\$ 375,244	\$ 45,312	\$ 4,185	\$ 4,703	\$ 2,772,812
Additions:							
Deposits							
Suits, sales, and garnishments	1,616,257	-	-	-	-	-	1,616,257
Bonds	-	-	405,529	-	-	-	405,529
Fines and cost	-	-	1,504,922	-	31,035	-	1,535,957
Prisoner deposits	-	-	-	456,634	-	-	456,634
Taxes, fees, etc., paid to tax collector	-	37,807,262	-	-	-	-	37,807,262
Employee contributions	-	-	-	-	-	3,322	3,322
Interest	-	163,428	3,729	-	-	-	167,157
Total additions	1,616,257	37,970,690	1,914,180	456,634	31,035	3,322	41,992,118
Total	1,710,165	40,220,150	2,289,424	501,946	35,220	8,025	44,764,930
Reductions:							
Taxes, fees, etc., distributed to taxing bodies and others	-	37,149,416	-	-	-	-	37,149,416
Deposits settled to -							
Sheriff's General Fund	284,261	698,769	19,838	-	31,695	-	1,034,563
Clerk of Court	80,370	-	1,378,116	-	-	-	1,458,486
Litigants	1,220,682	500,000	-	-	-	-	1,720,682
Scholarships and gifts	-	-	-	-	-	1,813	1,813
Other settlements	56,554	-	574,896	445,923	-	-	1,077,373
Total reductions	1,641,867	38,348,185	1,972,850	445,923	31,695	1,813	42,442,333
Balances, end of year	\$ 68,298	\$ 1,871,965	\$ 316,574	\$ 56,023	\$ 3,525	\$ 6,212	\$ 2,322,597

SUPPLEMENTARY FINANCIAL REPORTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terbonne Parish Sheriff

For the year ended June 30, 2001

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<u>Department of Justice</u>				
<u>Direct payments:</u>				
Public Safety Partnership and Community Policing Grants	98UMWX2303	16.710	\$ 171,221	\$ 171,221
Local Law Enforcement Block Grant Program	98LBVX6833	16.592	42,530	42,530
Local Law Enforcement Block Grant Program	2000-LB-VX-0993	16.592	7,818	7,818
Local Law Enforcement Block Grant Program	2000-LB-BX-1625	16.592	73,250	73,250
<u>Pass through payments from Louisiana Commission on Law Enforcement</u>				
Byrne Formula Grant Program	B99-7-020	16.579	75,717	75,717
Byrne Formula Grant Program	B98-7-020	16.579	4,714	4,714
Byrne Formula Grant Program	B98-7-024	16.579	11,832	11,832
Crime Assistance	C97-7-024	16.575	13,085	13,085
Juvenile Accountability Incentive Block Grant	A98-8-036	16.523	24,253	24,253
Juvenile Accountability Incentive Block Grant	A98-8-055	16.523	37,473	37,473
Total - Department of Justice			461,893	461,893
<u>Department of Transportation</u>				
<u>Pass through payments from South Central Planning and Development Commission</u>				
State and Community Highway Safety	LHSC #0182	20.600	7,027	7,027
<u>Federal Emergency Management Agency</u>				
<u>Pass through payments from Terbonne Parish Consolidated Government</u>				
Public Assistance Grants	None	83.544	10,983	10,983
Total program expenditures			\$ 479,903	\$ 479,903

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as current assets. Expenditures are generally recognized when the liability is incurred.

TERREBONNE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2001

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Terrebonne Parish Sheriff.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Terrebonne Parish Sheriff were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Terrebonne Parish Sheriff expresses a qualified opinion.
6. Audit findings relative to the major federal award programs for the Terrebonne Parish Sheriff are reported in Part C of this Schedule.
7. The programs tested as major programs include:

Public Safety Partnership and Community Policing Program:	CFDA No.	16.710
Local Law Enforcement Block Grant Program:	CFDA No.	16.592
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Terrebonne Parish Sheriff was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT
None

TERREBONNE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2001

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT

DEPARTMENT OF JUSTICE

Public Safety Partnership and Community Policing Grant – CFDA No. 16.710

2001-01 - Reporting

Condition:

The required performance report, Department Annual Report (OMB No. 1103-0030), was not filed for the year ended December 31, 2000. In addition, the Financial Status Reports (SF-269) did not report the correct amounts on lines (h) – Total Federal funds authorized, and line (i) – Unobligated balance of Federal funds.

Criteria:

Public Safety Partnership and Community Policing Grant requires quarterly report SF-269, Financial Status Report, to be accurate and filed within forty-five days of calendar quarter end. Annual OMB No. 1103-0030, Department Annual Report is required to be accurate and filed within forty-five days of calendar year end.

Cause:

This is a new grant for the Sheriff's office and the staff was inexperienced in preparing and submitting reports dealing with federal grant compliance requirements.

Recommendation:

We recommend that the Sheriff office staff receive additional training regarding grant requirements and setup a review process to insure all reports are accurate and timely filed.

Grantee's Response:

The Sheriff has recently hired a Grant Administrator to handle grant compliance. This individual has received training in grant compliance and will be responsible for monitoring grant compliance.

TERREBONNE PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2001

2001-02 – Cash Management

Condition:

For the quarter ended September 30, 2000 the Sheriff drew down funds in excess of quarterly expenditures.

Criteria:

Grant requirements state that policies and procedures should be in place to provide reasonable assurance that the draw down of federal cash is only for immediate needs.

Cause:

Funding for this grant is requested via the Phone Activated Paperless Request System (PAPRS). The Terrebonne Parish Sheriff's office staff was inexperienced in dealing with PAPRS and an error was made in requesting funds.

Recommendation:

We recommended that the Sheriff office staff set up policies and procedures to insure that excess funds are not drawn down.

Grantee's Response:

After the quarter ended December 31, 2000, remaining excess funds totaling \$55,681 were returned to the Department of Justice. The Sheriff's staff responsible for PAPRS funding requests have received training in how to use the system and procedures for reviewing the requests have been established.

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(RETIRED)

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

The Honorable Jerry J. Larpenter
Houma, Louisiana

We have audited the financial statements of the Terrebonne Parish Sheriff as of and for the year ended June 30, 2001, and have issued our report thereon dated December 4, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Terrebonne Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

This report is intended for the information and use of the Terrebonne Parish Sheriff, the State of Louisiana, the Legislative Auditor for the State of Louisiana, 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.

December 4, 2001

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—
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(RETIRED)

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

The Honorable Jerry J. Larpenter
Houma, Louisiana

Compliance

We have audited the compliance of the Terrebonne Parish Sheriff with the types of compliance requirements described in the U. S. Office of Management and Budget's (OMB) Circular A-133 "Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2001. The Terrebonne Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Terrebonne Parish Sheriff's management. Our responsibility is to express an opinion on the Terrebonne Parish Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Terrebonne 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 legal determination on the Terrebonne Parish Sheriff's compliance with those requirements.

As described in item 2001-1 and 2001-2 in the accompanying schedule of findings and questioned costs, the Sheriff did not comply with requirements regarding reporting and cash management that are applicable to its Public Safety Partnership and Community Policing Program. Compliance with such requirement is necessary, in our opinion for the Sheriff to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Terrebonne Parish Sheriff complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of the Terrebonne 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 Terrebonne 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Terrebonne Parish Sheriff, the State of Louisiana, the Legislative Auditor for the State of Louisiana, 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.

December 4, 2001

Bergeron & Lanauy

TERREBONNE PARISH SHERIFF
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2001

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were none.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

2000-01 - Reporting.

The Sheriff hired a Grant Administrator to handle grant compliance. This individual has received training in grant compliance and will be responsible for monitoring grant compliance. Similar findings noted in the current audit occurred prior to hiring the grant administrator. Management believes the corrective action taken will adequately resolve this finding in the future.

SECTION III MANAGEMENT LETTER

No management letter was issued for the year ended June 30, 2000.

TERREBONNE PARISH SHERIFF
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2001

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

No findings were reported which required a response from management.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

2001-01 - Reporting.

The Sheriff has hired a Grant Administrator to handle grant compliance. This individual has received training in grant compliance and will be responsible for monitoring grant compliance. Management believes that the corrective actions taken will adequately resolve the finding in the future.

2001-02 - Cash Management

The Grant Administrator for the Sheriff's Office will set up policies and procedures for cash management compliance. Management believes that the corrective actions taken will adequately resolve the findings in the future.

SECTION III MANAGEMENT LETTER

No management letter was issued for the year ended June 30, 2001.