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ANNUAL FINANCIAL REPORT

VERMILION PARISH, LOUISIANA

JUNE 30, 1998

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 NOV 18 1998

ANNUAL FINANCIAL REPORT

VERMILION PARISH SHERIFF, LOUISIANA

JUNE 30, 1998

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LANGLOVAIS



BROUSSARD

(a Corporation of Certified Public Accountants)

Alan P. Langlois, C.P.A.

Michael P. Broussard, C.P.A.

Joseph Thomas, C.P.A.

Patrick M. Gaudry, C.P.A.

Shelby M. Stansbury, C.P.A.

John S. Gaudreau, C.P.A.

Wynne Adams, C.P.A.

Wes Brown, C.P.A., M.B.A.

Chris Rottendorf, C.P.A., M.B.A.

INDEPENDENT AUDITORS' REPORT

Honorable Raymond LeBlanc
Verdillon Parish Sheriff
Abbeville, Louisiana

We have audited the accompanying component unit financial statements of the Verdillon Parish Sheriff, a component unit of the Verdillon Parish Police Jury, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These financial statements are the responsibility of Verdillon Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

These 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 component unit financial statements referred to above present fairly, in all material respects, the financial position of the Verdillon Parish Sheriff, as of June 30, 1998, and the results of its operations and the statements of cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are prepared for purposes of additional analysis and are not a required part of the financial statements of the Verdillon Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

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


JOSEPH M. BROUSSARD

Certified Public Accountant

August 31, 1998

VERMILION PARISH SHERIFF
All Fund Types and Account Groupings

BALANCE SHEET

	GOVERNMENTAL FUND TYPE GENERAL FUND	DISCRETIONARY ENTERPRISE (COMMISSARY)
<u>ASSETS:</u>		
Cash	\$ 809,438	\$ 28,118
Deferred Compensation Investments	-	-
Certificates of Deposit	-	-
Prepaid Insurance	32,838	-
Prepaid Maintenance	-	-
Inventory	-	5,788
Accounts Receivable (net)	419,868	683
Due From Other Funds	5,045	-
Fixed Assets (net of accumulated depreciation)	-	127,243
Restricted Assets:		
Cash Restricted for Self-Insurance	540,649	-
Cash Restricted for Innates	-	9,379
TOTAL ASSETS	<u>\$ 1,847,838</u>	<u>\$ 166,823</u>
<u>LIABILITIES:</u>		
Accounts Payable	\$ 46,813	\$ -
Payroll Deductions	2,647	-
Deferred Compensation Payable	-	-
Due to Taxing District and Others	188	-
Due to Other Funds	-	-
Litigation Liability	-	-
Payable From Restricted Assets	-	-
Self-Insurance Liability	53,029	-
Inmate Deposits	-	9,379
TOTAL LIABILITIES	<u>102,668</u>	<u>9,379</u>
<u>FUND EQUITY:</u>		
Retained Earnings:		
Unreserved	-	137,243
Fund Balance:		
Unreserved	1,745,161	-
Investment in General Fixed Assets	-	-
TOTAL FUND EQUITY	<u>1,745,161</u>	<u>137,243</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,847,838</u>	<u>\$ 166,823</u>

STATEMENT A

JUNE 30, 1998

<u>FIDUCIARY</u> <u>AGENCY FUND</u>	<u>ACCOUNT</u> <u>GROUP</u> <u>GENERAL</u> <u>FINED</u> <u>ASSETS</u>	<u>TOTALS</u> <u>(DOLLARS/THOUSANDS)</u>	
		<u>1998</u>	<u>1997</u>
\$ 170,023	\$ -	\$ 1,148,579	\$ 795,289
104,248	-	104,248	65,488
103,743	-	193,347	204,859
-	-	32,858	-
-	-	-	7,813
-	-	5,208	6,425
-	-	458,547	366,429
-	-	5,845	7,914
-	2,681,906	2,804,147	2,705,451
-	-	548,649	491,023
-	-	9,579	7,664
\$ 368,018	\$ 2,681,906	\$ 3,526,576	\$ 4,088,146
\$ -	\$ -	\$ 46,813	\$ 58,200
-	-	2,647	13,258
104,248	-	104,248	65,488
458,737	-	458,707	459,423
5,045	-	5,045	7,914
-	-	-	40,000
-	-	53,029	491,023
-	-	9,579	7,664
368,018	-	685,266	1,164,761
-	-	137,243	144,702
-	-	1,745,161	795,289
-	2,681,906	2,681,906	2,885,478
-	2,681,906	4,586,510	3,523,385
\$ 368,018	\$ 2,681,906	\$ 3,264,576	\$ 4,088,146

The accompanying notes are an integral part of this statement.

VERMILION PARISH Sheriff
 All Governmental Fund Types

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	FOR THE YEAR ENDED JUNE 30,	
	<u>1998</u>	<u>1997</u>
REVENUES		
All Valorem Taxes	\$ 1,459,499	\$ 1,402,554
Intergovernmental	1,951,923	1,741,978
Fees and Services	1,439,106	1,432,965
Interest Earned	35,974	48,848
Sale of Equipment	3,529	18,823
Miscellaneous	192,160	39,508
TOTAL REVENUES	<u>5,122,291</u>	<u>4,725,686</u>
EXPENDITURES		
Salaries	2,679,264	2,568,613
Employee Related Benefits	308,226	299,554
Insurance	174,803	219,667
Operation and Maintenance	223,113	256,416
Dignity	86,906	63,553
Criminal Investigations	19,793	15,614
Automobile	167,657	144,286
Boat	18,996	38,839
Prisoners	229,276	281,025
Miscellaneous	146,532	182,454
Capital Expenditures	205,046	237,582
TOTAL EXPENDITURES	<u>4,182,616</u>	<u>4,692,908</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>939,675</u>	<u>3,072</u>
FUND BALANCE, BEGINNING OF YEAR	<u>795,207</u>	<u>795,535</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,745,661</u>	<u>\$ 795,207</u>

The accompanying notes are an integral part of these financial statements.

VERMILION PARISH SHERIFF
All Governmental Fund Types

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET
(BAAF BASIS) AND ACTUAL**

**FOR THE YEAR
ENDED JUNE 30, 1988**

	<u>GENERAL FUND</u>		<u>VARIANCE FAVORABLE (DISEAVORABLE)</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	
REVENUES			
Ad valorem Taxes	\$ 1,450,000	\$ 1,450,000	\$ 0.00
Intergovernmental	1,309,134	1,651,023	342,749
Fees and Services	1,425,180	1,409,106	(14,086)
Interest Earned	50,000	25,074	(25,074)
Sale of Equipment	1,000	9,525	2,500
Miscellaneous	158,095	187,160	30,068
TOTAL REVENUES	4,392,394	4,132,888	(259,506)
EXPENDITURES			
Salaries	2,621,500	2,609,264	(2,246)
Employee Related Benefits	332,590	368,226	444,734
Insurance	170,500	174,000	(4,000)
Operation and Maintenance	228,250	225,132	(3,118)
Deputy	70,750	86,706	(8,955)
Criminal Investigations	1,000	80,799	(15,799)
Automobile	173,500	167,657	(5,843)
Food	13,000	18,396	(5,396)
Prisoners	187,737	220,278	(32,541)
Miscellaneous	135,153	146,532	(11,379)
Capital Expenditures	165,200	205,946	(38,846)
TOTAL EXPENDITURES	4,511,560	4,182,610	(348,950)
EXCESS OF REVENUES OVER (LIMITED) EXPENDITURES	287,834	949,954	662,120
FUND BALANCE, BEGINNING OF YEAR	795,287	795,207	0
FUND BALANCE, END OF YEAR	\$ 1,083,021	\$ 1,745,161	\$ 662,120

The accompanying notes are an integral part of these financial statements.

VERMILION PARISH SHERIFF
All Proprietary Fund Types - Enterprise (Commodity) Fund

STATEMENT D

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS	FOR THE YEAR ENDED JUNE 30	
	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Commissary	\$ 133,781	\$ 111,499
Inspection and Maternalization Services Revenue	<u>8,552</u>	<u>8,089</u>
Total Operating Revenues	<u>142,333</u>	<u>119,588</u>
OPERATING EXPENSES:		
Cost of Goods Sold	74,388	67,136
Inspection and Maternalization Services expense	8,552	9,000
Depreciation	11,289	8,084
Other Expenses	<u>39,283</u>	<u>36,006</u>
Total Operating Expenses	<u>133,512</u>	<u>120,226</u>
OPERATING INCOME (LOSS)	10,340	(971)
NONOPERATING REVENUE:		
Other Income	<u>2,281</u>	<u>22,202</u>
NET INCOME	12,621	21,231
RETAINED EARNINGS, BEGINNING	<u>144,762</u>	<u>122,624</u>
RETAINED EARNINGS, ENDING	<u>\$ 157,383</u>	<u>\$ 144,762</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT E

VERMILION PARISH SHERIFF
All Proprietary Fund Types - Enterprise (Commissary) Fund

STATEMENT OF CASH FLOWS	FOR THE YEAR ENDED JUNE 30,	
	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 13,541	\$ 22,028
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	11,280	8,084
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	60	98
(Increase)/Decrease in Inventory	1,417	(42)
Increase/(Decrease) in Due to/From	(2,315)	966
Net Cash Flow from Operating Activities	22,983	31,034
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of Fixed Assets	(11,460)	(26,623)
Net Cash Used For Capital and Related Financing Activities	(11,460)	(26,623)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,523	4,411
CASH AND CASH EQUIVALENTS, BEGINNING (Including restricted cash of \$7,464 and \$6,466 for 1998 and 1997 respectively)	22,823	18,392
CASH AND CASH EQUIVALENTS, ENDING (Including restricted cash of \$9,579 and \$7,464 for 1998 and 1997 respectively)	\$ 34,346	\$ 22,803

The accompanying notes are an integral part of these financial statements.

VERMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Vermilion Parish Sheriff (the Sheriff) serves a four year term as the chief law-enforcement officer of the parish, as provided by Article V, Section 22 of the Louisiana Constitution of 1974. He is the chief executive of the law enforcement district and is 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, gaming, hunting, and trapping licenses, and fines, costs, and bond forfeitures imposed by the district court.

The Sheriff is considered a component unit of the Vermilion Parish Police Jury, Louisiana, and, accordingly, the financial position and results of operations of the Sheriff are reflected in the financial statements included in the annual financial report of the Vermilion Parish Police Jury. The Vermilion Parish Police Jury exercises oversight responsibility with respect to the law enforcement district as well as providing funding for public safety through expenditures for the parish jail system and maintenance and office space for the Sheriff. The Police Jury, however, does not exercise any control over specific expenditures of the Sheriff.

All activities over which the Sheriff exercises oversight responsibility have been incorporated to form the Sheriff's reporting entity. Oversight responsibility is determined by financial interdependency, selection of governing board, designation of management, accountability for financial matters, and ability to significantly influence operations. Such activities include general operations and support services of the Sheriff.

A. 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, or expenses, as appropriate.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the manner by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types, three broad fund categories, and one account group as follows:

GOVERNMENTAL FUNDS

Governmental funds are used to account for the Sheriff's general governmental activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collected (or within the current period or soon enough thereafter to pay liabilities of the current period). The Sheriff considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unamortized interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by other governmental entities at year end on behalf of the Sheriff are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the Sheriff and are recognized as revenue at that time.

VIRMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expense-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund type:

General Fund - The General Fund is the general operating fund of the Sheriff. It is used to account for all financial resources except those required to be accounted for in another fund. General operating expenditures are paid from this fund.

PROPRIETARY FUNDS

Proprietary Funds are accounted for on the flow of economic resources measurement basis and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Sheriff applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

Enterprise Funds - The Enterprise (Commissary) 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 that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management controls, accountability, or other purposes.

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the Sheriff in a trustee capacity or as an agent on behalf of others.

Agency Funds - Agency Funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

ASSET GROUPS

The *General Fund Assets Account Group* is used to account for fixed assets not accounted for in proprietary funds.

II. DEPOSITS AND INVESTMENTS

The Sheriff's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statute authorized the Town to invest in obligations of the U.S. Treasury, certificates or other obligations of the United States of America, and time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana.

Investments are stated at cost.

VERMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS

PERIOD ENDING 12/31/2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. RECEIVABLES AND PAYABLES

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "intra-fund receivables/payables" (i.e., the current portion of inter-fund loans) or "advance to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds".

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to all outstanding property taxes as of June 30, 1998.

Property taxes were levied on January 1 on property values assessed on that date. Notices of tax liability are mailed on or about November 1 of the same year and are due and payable at that time. All unpaid taxes levied become delinquent January 1 of the following year. Property tax revenues are recognized in the same fiscal year within which they are billed because they are considered available in that period. Available includes those property tax receivables expected to be collected within sixty days after year end.

D. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

E. RESTRICTED ASSETS

Certain cash and investments of the Sheriff are restricted to cover expenses expected to be incurred in relation to the Sheriff's self-insurance program for employee health insurance and to fund the annuity deposit liability.

F. 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 its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures to the governmental fund type when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings are not capitalized. No depreciation has been provided on general fixed assets.

The General Fixed Assets Account Group is not a "fund". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are substantially as follows:

Equipment	5-10 Years
Buildings	10-20 Years

VERMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

NOTE 1 (SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES) (Continued)

F. FIXED ASSETS AND LONG-TERM LIABILITIES (Continued)

All fixed assets are carried at historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated.

Long-term liabilities of proprietary funds and trust funds should be accounted for through those funds. All other unamortized general long-term liabilities of the Sheriff should be accounted for through the General Long-Term Debt Account Group.

G. BUDGET AND BUDGETARY ACCOUNTING

The Sheriff prepares a proposed operating budget in March of each year for the fiscal year beginning the following July 1. The budget is prepared for all governmental fund types on a basis consistent with generally accepted accounting principles (GAAP). A public hearing on the proposed budget is held in April, prior to the fiscal year covered by the proposed budget. Approximately two weeks prior to this hearing, a proposed hearing is held. The Sheriff amends the budget as circumstances warrant. Unused appropriations for all the above annually budgeted funds lapse at the end of the year.

H. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Sheriff's financial position and 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 overly complex and difficult to read.

I. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the "Combined Statements - Overview" are captioned "Information 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. Intended clarifications have not been made to the aggregation of this data.

J. ACCUMULATED COMPENSATED ABSENCES

Sick leave is earned by employees of the Sheriff's Office at a rate of one day for each month actually worked and is carried over from year to year. Payment for accrued sick time is not made for unused leave upon retirement or termination of employment. Vacation leave is earned at the rate of two days each year after one year of continuous service and must be used in the year earned.

K. ESTIMATION

The preparation of financial statements in accordance 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, as well as revenues and expenses reported for the periods presented. The Sheriff regularly reviews these estimates and, while actual results may differ, management believes that the estimates are reasonable.

VERMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTSJUNE 30, 1998NOTE 2: CASH AND INVESTMENTS

At year end, the Sheriff's carrying amount of deposits was \$1,148,578 and the bank balance was \$2,097,808. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name. Investments consist of certificates of deposit with financial institutions. All these balances are collateralized with securities held by the financial institution's trust department or agent in the Sheriff's name.

NOTE 3: AD VALOREM TAXES

For the year ended April 30, 1998, taxes of 3.25 mills were levied on property with assessed valuations totaling \$3,279,190.

Total taxes levied on January 1, 1997, were \$1,483,852. Taxes receivable at June 30, 1998, consisted of the following:

Taxes receivable current roll	\$ 8,895
Allowance for Uncollectible Taxes	(8,895)
Net Taxes Receivable	\$ _____

NOTE 4: OTHER RECEIVABLES

Other receivables in the General Fund consisted of the following:

Video Poker Taxes	\$ 21,088
Sales Taxes	248,287
Prisoner Feeding and Maintenance	128,433
Supplemental Pay	21,331
Other	_____ 683
Total	\$ 419,822

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 1997, are as follows:

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	\$ 3,045	
Agency Funds:		
Bond and Fees Fund		\$ 3,488
Tax and License Fund	_____	2,337
Total	\$ 3,045	\$ 5,825

VERMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

NOTE 6: FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 100,244	\$ -	\$ -	\$100,244
Buildings	152,739	-	-	152,739
Full Addition	500,310	-	-	500,310
Equipment and Vehicles	1,824,189	209,398	110,985	1,922,602
Total	\$2,581,472	\$209,398	\$110,985	\$2,681,985

A summary of Commissary Fund property, plant and equipment at June 30, 1998 follows:

	Cost	Accumulated Depreciation	Book Value
Equipment	\$ 37,210	\$21,831	\$ 15,379
Buildings	120,132	11,235	108,897
Total	\$157,342	\$33,066	\$124,274

NOTE 7: 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; and natural disasters for which the government carries commercial insurance. The Sheriff is currently enrolled in a self-insurance plan to provide health insurance to its employees. The Sheriff makes monthly contributions to a trust account to cover expenses expected to be incurred by its employees. These monthly contributions are computed by a third-party administrator who assists in processing claims. Included within the monthly contributions is an amount for excess risk insurance. This excess risk insurance has a \$50,000 deductible per employee per year which limits the Sheriff's exposure to loss. The activity of this plan is reported in the general fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the general fund because it is expected to be liquidated with expendable available financial resources. Changes in the balances of claims liabilities during the year are as follows:

Unpaid Claims, June 30, 1997	\$491,032
Incurred Claims, Including IBNR's	198,000
Claims Payments	(186,282)
Unpaid Claims, June 30, 1998	\$ 502,750

VERMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

NOTE E: CONTINGENT LIABILITIES

The Sheriff is currently engaged in a lawsuit with a former inmate who suffered a self-inflicted sexual injury incarcerated as a pre-trial detainee. The case was tried to a jury in the United States District Court for the Western District of Louisiana, Lafayette Division in September, 1996. The jury returned an adverse verdict against the Sheriff and his deputies in the amount of \$1,850,000. Subsequently, a court trial was granted by the District Judge and summary judgment was entered completely dismissing the civil rights claims of the plaintiff. However, the employee claims arising under state laws have been remanded to State Court for re-trial. No trial date has yet been set.

The Sheriff is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Sheriff's counsel that the resolution of these matters will not have a material adverse effect on the financial condition of the Sheriff.

NOTE F: DEFERRED COMPENSATION PLAN

The Sheriff offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to certain full-time employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property rights are (and paid or made available to the participant or beneficiary) solely the property of the Sheriff subject to the claims of the Sheriff's general creditors in an amount equal to the fair market value of the deferred amount for each participant.

The government believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The Sheriff has not previously reported any amounts related to the Plan. Therefore, beginning balances were adjusted to reflect the beginning market value of plan assets and the related liability.

Government Accounting Standards Board (GASB) Statement Number 2, *Financial Reporting of Deferred Compensation Plans* Adopted under the Provisions of Internal Revenue Code Section 457, established reporting requirements for IRC Section 457 plans. Based on the time to effect at the time of its passage, that Statement required that all amounts deferred by the plan participants be reported as assets of the employer until made available to the participants or their beneficiaries. The laws governing these plans were changed to state that, as of August 28, 1996, such plans will not be considered eligible plans unless all assets and income of the plan described in subsection (a)(6) are held in trust for the exclusive benefit of the participants and their beneficiaries. Existing plans also are required to comply with this requirement by January 1, 1998. Subsequent to year end, the administrators of the deferred compensation plan of the Sheriff prepared the required amendments to the plan. According to these administrators, the plan will be in compliance before the above deadline.

VERMILION PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

NOTE 10: PENSION PLAN

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

Plan Description. All Sheriff's deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 55 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 final-average salary for each year of credited service.

The percentage factor to be used for each year of service is 2.5 percent for each year of total service is at least 12 but less than 15 years; 2.75 percent for each year of total service is at least 15 but less than 20 years; and 3 percent of each year of total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. The 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 benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

Contribution Requirements and Contributions Made. Contributions to the System include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute 8.3 percent of their salaries to the System and requires an employer contribution equal to 3 percent of each covered member's salary.

Although contributions are determined by state statute rather than actuarial calculations, actuarially required contributions are determined for the System. For the year ended June 30, 1997, the date of the latest available valuation report for the system, the actuarially required contribution for all employees in the system was \$18,065,611. The total payroll of all covered employees of the system for the year June 30, 1997, was \$218,807,187. The total employer actuarially required contributions for the year ended June 30, 1997, were 8.3 percent of the total payroll for all covered members. Deductible ad valorem and revenue sharing taxes received by the System for the year ended June 30, 1997, provided \$6,811,686 or 3.14% of total covered payroll.

Pension information related to the Sheriff for the year ended June 30, 1998, is as summarized below:

Total Payroll	\$ 2,619,366
Covered Payroll	\$ 2,486,453
STATUTORILY REQUIRED CONTRIBUTION BY:	
Employer	\$ 123,324
Employees	214,581
Total	\$ 337,905
ACTUAL CONTRIBUTIONS BY:	
Employer	\$ 123,324
Employees	214,581
Total	\$ 337,905

VERMILION PARISH SHERRIF

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

NOTE 10: PENSION PLAN (Continued)

Actuarial Status. The amount shown as the pension benefit obligations, is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help assess the funding status of the System on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employee retirement plans. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the plan. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

The pension information summarized below is from the actuarial valuation report as of June 30, 1997, the date of its last evaluation.

Pension Benefit Obligations:	
Actives	\$ 389,971,718
Pensioners	175,179,938
Terminated	10,841,825
Total Pension Benefit Obligations	575,993,481
Net Assets Available For Benefits, at Actuarial Value (Market Value \$562,653,285)	541,713,368
Unfunded Pension Benefit Obligations	\$ 134,280,113

Funding Information. Five-year historical trend information for the System regarding the progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1997, actuarial valuation report. The Sheriff does not guarantee the benefits granted by the System.

NOTE 11: SEGMENT INFORMATION

Segment information is effectively reported by Statements 1, 4, and 5 because the Sheriff maintains only one Enterprise Fund.

VERMILION PARISH STAFF

GOVERNMENTAL FUND TYPE - GENERAL FUND

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

VERMILION PARISH SHERIFF
Governmental Fund Type-General Fund

SCHEDULE A-1

FOR THE YEAR
ENDED JUNE 30, 1998

SCHEDULE OF REVENUES

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>PAYABLE</u> <u>(UNAVAILABLE)</u>
Taxes:			
Ad valorem Taxes	\$ 1,450,000	\$ 1,450,480	\$ 480
Intergovernmental Revenues:			
Sales Tax	1,190,000	1,323,060	133,060
State Revenue Sharing	332,174	332,174	-
State Supplemental Pay	233,000	249,083	26,083
Law Enforcement Grant	45,000	54,822	9,822
Grant Prohibitions	12,000	13,866	1,866
Commissions - Video Poker	62,000	58,313	(3,687)
Total Intergovernmental Revenues	<u>1,708,174</u>	<u>1,951,923</u>	<u>243,749</u>
Fees and Services:			
Commissions - Fines	14,000	14,694	694
Civil and Criminal Fees	208,800	208,844	44
Court Attorneys	3,500	3,658	(158)
Commissions - Licenses	78,000	73,825	(4,175)
Prisoner Maintenance	1,073,000	1,074,349	(451)
Prisoner Transportation	500	385	(115)
Court Cost	28,180	28,187	(7)
Halls and Cafeteria Unit	48,000	48,176	(176)
Total Fees and Services	<u>1,465,180</u>	<u>1,455,185</u>	<u>10,000</u>
Interest Earned	<u>50,000</u>	<u>25,329</u>	<u>24,671</u>
Sale of Equipment	<u>7,025</u>	<u>9,525</u>	<u>(2,500)</u>
Miscellaneous:			
Tax Costs and Notices	4,300	4,308	(8)
Reports, Fees, Etc.	1,150	1,234	(84)
Narcotics and Investigative Income	157,300	157,221	(79)
Other	15,145	16,078	(933)
Total Miscellaneous	<u>178,000</u>	<u>178,841</u>	<u>(841)</u>
TOTAL REVENUES	\$ 4,195,354	\$ 4,135,584	\$ 59,770

VERMILION PARISH SHERIFF
Governmental Fund Type-General Fund

SCHEDULE A-2

FOR THE YEAR
 ENDED JUNE 30, 1998

SCHEDULE OF EXPENDITURES

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Salaries:			
Sheriff	\$ 71,500	\$ 71,496	\$ 4
Deputies	2,528,000	2,547,768	2,212
Total Salaries	<u>2,601,500</u>	<u>2,619,264</u>	<u>2,236</u>
Employee Related Benefits:			
Pension Fund	145,000	123,324	21,676
Unemployment Benefits	300	284	16
Medical	23,800	26,276	1,524
Hospitalization	575,000	153,984	421,416
Sick Leave Compensation	4,850	4,758	82
Total Employee Benefits	<u>752,950</u>	<u>368,226</u>	<u>448,724</u>
Insurance:			
Automobile Liability	41,000	48,129	(7,129)
Deputy Liability	106,000	102,957	3,043
Executive Life	16,500	20,825	(3,325)
Rent Liability	4,500	-	4,500
CITD Building	2,500	3,312	788
Total Insurance	<u>170,500</u>	<u>174,603</u>	<u>(4,103)</u>
Operation and Maintenance:			
Office	63,000	66,226	(3,226)
Telephones	75,000	79,218	(4,218)
Radio and Equipment Maintenance	30,000	26,672	3,328
Legal and Accounting	53,000	46,220	6,780
Utilities	2,250	6,796	(1,290)
Total Operations and Maintenance	<u>218,250</u>	<u>217,132</u>	<u>9,118</u>
Deputy:			
Uniforms	22,000	21,429	571
Equipment and Supplies	15,500	20,912	(5,412)
Recreational Relations	-	4,352	(4,352)
Physicals	4,250	4,685	(435)
Drug Testing	13,000	8,310	4,690
Training	22,000	20,817	(1,183)
Total Deputy	<u>76,750</u>	<u>80,705</u>	<u>(3,955)</u>
Criminal Investigation	<u>3,000</u>	<u>10,725</u>	<u>(3,725)</u>

VERMILION PARISH SHREVEPORT
Governmental Fund Type-General Fund

FOR THE YEAR
ENDED JUNE 30, 1999

SCHEDULE OF EXPENDITURES (continued)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
Automobiles:			
Fuel and Oil	98,000	94,808	(4,000)
Repairs and Maintenance	83,200	72,899	(10,851)
Total Automobiles	<u>177,200</u>	<u>167,657</u>	<u>9,840</u>
Boat	<u>13,000</u>	<u>18,390</u>	<u>(5,390)</u>
Prisoners:			
Maintenance	95,000	97,358	(2,508)
Transportation	400	326	64
Medical	86,857	115,354	(28,497)
Phone Operation	1,000	1,180	(180)
Liber Crew	4,500	5,847	(1,347)
Total Prisoners	<u>187,757</u>	<u>230,072</u>	<u>(42,515)</u>
Miscellaneous:			
Advancements	-	2,693	(2,693)
Carbine Maintenance	12,000	11,800	199
Computer Expense	7,900	7,906	(206)
DASH Supplies	97,500	98,753	(1,253)
Dues and Subscriptions	33,135	31,354	1,881
Grant Buy-In	1,000	-	1,000
Interest	20,000	19,973	27
Juvenile Expense	16,550	17,835	(1,285)
Litigation Liability	242	242	-
Radio Tower Rental	15,000	16,907	4,057
Shop Supplies	-	18,825	(18,825)
Office Used	12,000	12,354	(254)
Other	-	2,329	(2,329)
Total Miscellaneous	<u>135,335</u>	<u>146,332</u>	<u>(11,299)</u>
Capital Expenditures:			
Automobiles	134,000	145,812	(21,512)
Computers	3,200	8,342	(5,542)
Deputy Equipment	23,200	24,220	(1,020)
Other Equipment	13,200	13,295	(1,795)
Rodies	2,300	12,629	(10,929)
Total Capital Expenditures	<u>175,900</u>	<u>204,298</u>	<u>(28,698)</u>
TOTAL EXPENDITURES	<u>\$ 4,531,360</u>	<u>\$ 4,382,628</u>	<u>\$ 208,950</u>

VERMILION PARISH SHERIFF

PROPRIETARY PUBLIC TRUST, LIMITED (TRUST), COMMISSARY FUND

To account for the sale of items to the inmates
and assets purchased by the fund.

VERMILION PARISH Sheriff
Proprietary Fund Types- Enterprise (Cannalsary) Fund

BALANCE SHEET

JUNE 30, 1998

ASSETS**CURRENT ASSETS:**

Cash	\$ 29,111
Inventory	5,208
Accounts Receivables	___ 683
Total Current Assets	___ 35,002

RESTRICTED ASSETS:

Cash restricted for inmates	___ 9,578
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FIXED ASSETS

Equipment	13,218
Building	129,133
Less: Accumulated Depreciation	(133,186)
Net Fixed Assets	___ 122,243

TOTAL ASSETS	\$ 166,823
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LIABILITIES**PAYABLE FROM RESTRICTED ASSETS:**

Inmate deposits	\$ ___ 9,578
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TOTAL LIABILITIES	___ 9,578
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FUND EQUITY

Retained Earnings:	
Unreserved	___ 153,243

TOTAL FUND EQUITY	___ 153,243
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TOTAL LIABILITIES AND FUND EQUITY	\$ 166,823
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JUNE 30, 1998

BONDS AND FINES FUND	EMPLOYEES COMPENSATION FUND	TOTAL ALL FUNDS
\$ 134,792	\$ -	\$ 370,035
-	104,246	104,246
-	-	<u>474,281</u>
\$ 134,792	\$ 104,246	\$ 474,281
\$ -	\$ 104,246	\$ 9,134
152,904	-	458,185
<u>2,488</u>	-	<u>567,600</u>
\$ 134,792	\$ 104,246	\$ 567,600

VERMILION PARISH SHERIFF
Fiduciary Fund Types - Agency Funds

**COMBINING SCHEDULE OF COLLECTIONS,
DISTRIBUTIONS AND UNSETTLED BALANCES**

	07/01/ 07/01
UNSETTLED BALANCES, JULY 1, 1997	\$ 10,705
COLLECTIONS	
Sheriff's Sales	364,534
Fees	-
Fines and Costs	28,858
Gambliacans	77,865
Ad valorem Taxes	-
Licenses	-
Interest and Account Appreciation	1,183
State Revenue Sharing	-
Deferred Compensation Plan Employee Contributions	-
Deferred Compensation Plan Employer Contributions	-
Total Collections	<u>472,530</u>
Subtotal	<u>483,235</u>
DISTRIBUTIONS	
Sheriff's General Fund	82,700
Police Jury	-
District Attorney	-
Clerk of Court	18,641
Indigents Defender Board	-
Criminologic Laboratory	-
Litigants' Attorneys	274,284
Louisiana Commission on Law Enforcement	-
Keypers, Appraisers, Etc.	14,510
Other Settlements	4,473
Louisiana Department of Wildlife and Fisheries	-
School Board	-
Unstragg Districts	-
Auctioner	-
Abbeville Port, Harbor and Terminal District	-
Abbeville Hospital District	-
Ward B Cemetery District	-
Teche-Vermilion Freshwater District	-
Pensions Funds	-
Municipalities	-
Tax Collector	589
Other Pensions	589
Deferred Compensation Distributions	-
Gambliacans	77,865
Total Distributions	<u>475,008</u>
UNSETTLED BALANCES, JUNE 30, 1997	
DUE TO TAXING: OTHER AND OTHERS	\$ 6,948

SCHEDULE C-2

YEAR ENDED
JUNE 30, 1998

<u>TAX COLLECTION FUND</u>	<u>FINES AND FEES FUND</u>	<u>DEFERRED COMPENSATION FUND</u>	<u>TOTAL ALL FUNDS</u>
\$ 263,852	\$ 103,090	\$ 95,480	\$ 462,422
-	-	-	361,254
-	151,758	-	151,758
-	121,700	-	151,669
-	-	-	77,865
12,841,488	-	-	12,841,488
581,250	-	-	581,790
98,157	7,136	5,527	65,980
1,088,879	-	-	1,088,079
-	-	7,279	7,279
-	-	6,271	6,271
<u>14,872,454</u>	<u>285,084</u>	<u>19,077</u>	<u>15,276,615</u>
<u>14,772,286</u>	<u>471,694</u>	<u>114,557</u>	<u>15,358,537</u>
1,753,807	43,181	-	1,879,614
3,753,875	813,971	-	3,867,846
-	27,300	-	27,300
-	12,164	-	30,025
-	31,025	-	31,025
-	15,060	-	15,060
-	-	-	236,264
-	6,276	-	6,276
-	-	-	18,518
448,682	65,518	-	519,673
247,978	415	-	248,393
3,731,896	-	-	3,731,896
2,272,164	-	-	2,272,164
451,428	-	-	451,428
289,480	-	-	289,480
962,713	-	-	962,713
12,982	-	-	12,982
183,445	-	-	183,445
366,660	-	-	366,660
48,942	3,182	-	48,044
-	-	-	799
-	-	-	500
-	-	80,511	80,511
-	-	-	72,962
<u>14,872,254</u>	<u>218,092</u>	<u>80,511</u>	<u>15,276,615</u>
\$ 382,832	\$ 303,090	\$ 384,246	\$ 685,316

**LANGLOIS
&
BROUSSARD**

in Corporation of Certified Public Accountants

Blaise P. Langlois, C.P.A.
Michael P. Broussard, C.P.A.

Stephen Adams, C.P.A.
Patrick M. Bishop, C.P.A.
Philip W. Bouchard, C.P.A.
Christopher C. C. C.
Walter Adams, C.P.A.
Blaise P. Langlois, C.P.A., M.B.A.
Michael P. Broussard, C.P.A., M.B.A.

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

Honorable Raymond LeBlanc
Vermilion Parish Sheriff
Bossierde, Louisiana

We have audited the financial statements of the Vermilion Parish Sheriff as of and for the year ended June 30, 1998, and have issued our report thereon dated August 21, 1998. 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 Vermilion Parish Sheriff's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that we required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Vermilion 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 reasonable assurance on the internal control over financial reporting. We noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal controls and their operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Verdun Parish Sheriff, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


JOSEPH A. D'AMICO, III
Certified Public Accountant

August 21, 1998