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**DESOTO PARISH SHERIFF  
Mansfield, Louisiana**

**Financial Statements  
with Supplemental Statements  
June 30, 2004**

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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 11-24-04

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**Deborah D. Dees, MBA, CPA  
122 Jefferson Street  
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**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
**Financial Statements**  
**As of and for the Year Ended June 30, 2004**  
**With Supplemental Information Schedules**

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**DESOTO PARISH SHERIFF**  
Mansfield, Louisiana  
Financial Statements  
As of and for the Year Ended June 30, 2004  
With Supplemental Information Schedules

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### **Independent Auditor's Report**

DeSoto Parish Sheriff  
Mansfield, Louisiana

I have audited the accompanying basic financial statements of the DeSoto Parish Sheriff, as of and for the year ended June 30, 2004, as listed in the Table of Contents. These basic financial statements are the responsibility of the DeSoto Parish Sheriff's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my 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 and the Louisiana Governmental Audit Guide. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above, present fairly, in all material respects, the financial position of the DeSoto Parish Sheriff as of June 30, 2004, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental information schedules on pages 30 through 35 are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the DeSoto Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis pages 3-9 and the required supplementary information on page 29 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 4, 2004, on my consideration of the DeSoto Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of any audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

*Seborah A. See, CPA*  
Mansfield, Louisiana  
October 4, 2004

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Management's Discussion and Analysis (Unaudited)

Within this section of the DeSoto Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2004. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$3,116,905 (net assets) for the fiscal year reported. Total net assets are comprised of the following:

- Capital assets of \$312,022 that includes property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase of capital assets.
- Unrestricted net assets of \$2,715,582 which represents the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.
- Restricted net assets of \$89,301 represent grant amounts to be used for the Drug Task Force, DARE, and OJP projects.

The Sheriff's governmental funds report total ending fund balance of \$2,894,000 this year. This compares to the prior year ending fund balance of \$2,687,720, showing an increase of \$206,280 for the current year. At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$2,790,234 or 71% of total General Fund expenditures and 69% of total General Fund revenues including transfers. Overall, the Sheriff's office continues to maintain a strong financial position. The financial highlights are explained in more detail in the "financial analysis" section of this document.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 10 and 11 of this report.

## FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 12-15 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds. The basic fiduciary fund financial statement is presented on page 16 of this report.



## NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and the special revenue funds. These statements are schedules demonstrating compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 29 of this report. In addition, more detailed nonmajor funds (special revenue funds) information and details of the individual agency funds are presented as supplementary information presented on pages 30-35 of this report.

### FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole. The following table provides a summary of the Sheriff's net assets:

#### SUMMARY OF NET ASSETS June 30, 2004

	Governmental Activities	Percentage of Total
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$ 2,771,577	85.56%
Other receivables	154,750	4.78%
Prepaid items	600	0.02%
Capital assets, net	312,022	9.64%
TOTAL ASSETS	<u>3,238,949</u>	<u>100%</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other accrued payables	32,927	26.98
Long-term liabilities:		
Compensated absences	89,117	73.02
TOTAL LIABILITIES	<u>122,044</u>	<u>100%</u>
<b>NET ASSETS</b>		
Invested in capital assets	312,022	
Restricted for other uses	89,301	
Unrestricted	2,715,582	
TOTAL NET ASSETS	<u>\$ 3,116,905</u>	

## FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE (Continued)

The Sheriff continues to maintain operations with no long term debt. This is an indication of the Sheriff's ability to pay his obligations as they become due. The Sheriff reported positive balances in net assets for the governmental activities. Net assets increased by \$157,395 for governmental activities in fiscal year 2004. Also, note that only 10.01% of the governmental activities' net assets are tied up in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

Comparative data for government-wide information is present as it accumulates and is presented to assist analysis in future years. The following table provides a summary of the Sheriff's changes in net assets:

	June 30, 2004		June 30, 2003	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
<b>REVENUES:</b>				
Program:				
Charges for services/fines	\$ 1,348,441	31.45	\$ 1,080,628	26.09
Operating and capital grants	521,375	12.16	528,211	12.75
General:				
Property taxes	2,223,602	51.86	2,242,978	54.13
Unrestricted state grants	63,721	1.49	108,857	2.63
Interest	23,969	0.56	26,920	0.65
Miscellaneous	106,553	2.49	155,291	3.75
<b>TOTAL REVENUES</b>	<b>4,287,661</b>	<b>100%</b>	<b>4,142,885</b>	<b>100%</b>
<b>PROGRAM EXPENSES:</b>				
Public safety	(4,130,266)	100%	(3,827,392)	100%
<b>TOTAL EXPENSES</b>	<b>(4,130,266)</b>		<b>(3,827,392)</b>	
<b>CHANGE IN NET ASSETS</b>	<b>157,395</b>		<b>315,493</b>	
<b>BEGINNING NET ASSETS</b>	<b>2,959,510</b>		<b>2,644,017</b>	
<b>ENDING NET ASSETS</b>	<b>\$ 3,116,905</b>		<b>\$ 2,959,510</b>	

### Governmental Revenues

The Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 51.86% of the Sheriff's total revenues. Because of the Sheriff's healthy financial position, we have been able to earn \$23,969 in interest earnings to support governmental activities. Also, note that program revenues cover only 43.61% of governmental operating expenses. This means that the government's taxpayers and the Sheriff's other general revenues fund 56.40% of its operations.

### Governmental Functional Expenses

The total function of the Sheriff's office is public safety-law enforcement activities. Of the total costs, depreciation on the office equipment and vehicles was \$224,398 or 5.43% of total expenses.

## FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE (Continued)

### Major Governmental Fund

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's 2004 fund balance increased by \$171,989. Several factors contributed to this fund increase. Despite a decrease in revenues from ad valorem tax collections, overall revenues from all sources increased by \$160,379. This was primarily due to an increase in fees collected for NCIC background checks which generated \$123,624; an increase of \$74,768, or 46.5% of the total increase in revenues. The remainder was spread among revenue for the LLEBG grant, \$39,178, or 24.5%; civil fees, \$12,361, or 8.0%; feeding and housing of prisoners, \$13,533, or 8.5%; video poker, \$5,993, or 3.5%; with the remainder spread out in various revenue categories. Expenditures reflect an increase of \$281,775 over last year, or about 7.25%. Of this increase, \$208,925 was in personal service and related benefits, or 74.5%. Operating services increased by \$46,515; material and supplies by \$37,712; travel and other charges, \$13,310; and capital outlay decreased by \$24,687.

### Non-major Governmental Funds

The other non-major funds that the Sheriff's office maintains are those related to DARE, Task Force activities, a Grant Fund, and the Commissary. The primary revenue stream in the Tri-Parish Task Force is a federal grant for narcotics investigations. DARE's primary activities are for the salary and expenses related to a deputy for drug intervention/education for children. The revenue for this fund decreased this past year due to the loss of one DARE officer, while the expenditures increased due to more funding for deputy salary cost. The Grant Fund is used to account for grant monies received for specific equipment purchases and deputies' overtime pay related to criminal patrol. This past year, overtime pay to deputies for criminal patrol was how the funding was utilized. The Commissary Fund is used to account for activities related to the needs of inmates while in the Sheriff's custody.

The non-major fund/Special Revenue Fund's revenues increased by \$78,522 over 2003 while the expenditures increased by \$50,783. The net effect, after other financing sources effects, was a fund balance increase of \$34,291 for 2004 versus the 2003 net decrease of \$1,609. Part of the changes that affected the Special Revenue Funds was an increase in forfeitures collected through the task force efforts.

## BUDGETARY HIGHLIGHTS

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Total Governmental funds reported ending fund balances of \$2,894,000. Of this year-end total, 100% is unreserved, indicating availability for continuing the Sheriff's activities. The total ending fund balances of governmental funds showed an increase of \$206,280.

## BUDGETARY HIGHLIGHTS (Continued)

### General Fund

The General Fund's original and final revenue budgets were more than the actual amounts reported in fiscal year 2004. The final amended budget reported revenues increasing 5.90% over the original budget and the actual was 1.12% above the final budget revenue. Some of the reasons for the increase in revenue include:

- An increase in federal grant funding
- An increase in video poker revenue
- An increase in civil fees
- An increase in community service reimbursements
- An increase in feeding & keeping of prisoners
- An increase in the Southern Research fees

The final expenditure budget reported an increase of 3.06 % over the original budget amounts. The actual expenditures exceeded the final budgeted amount by only 0.19%.

Although the overall increase in the amended budget was small, some of the reasons for the changes in the expenditure budget included:

- An increase in fuel costs
- An increase in personnel cost
- An increase in automobile maintenance costs
- An increase in automobile insurance coverage
- An increase in employee liability coverage

### The Special Revenue Funds

The budget's amendment was for an increase of revenue by \$440 and a decrease in expenditures of \$470, netting an increase in revenues over expenditures of \$970. Therefore, revenues and expenditures were fairly consistent with the originally adopted budget. Actual revenues over expenditures exceeded the final budget by 0.12%.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$312,022. The net decrease (additions, deductions and depreciation) for capital assets was approximately 12.5 % for the Sheriff as a whole. The following table provides a summary of capital asset activity:

## CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

### Capital Assets

	Governmental Activities	
	2004	2003
Depreciable assets:	\$	\$
Office equipment & furniture	157,508	157,508
Vehicles	<u>1,122,642</u>	<u>1,058,451</u>
Total depreciable assets	1,280,150	1,215,959
Less accumulated depreciation	<u>968,128</u>	<u>859,409</u>
Book value - depreciable assets	<u>\$ 312,022</u>	<u>\$ 356,550</u>

At June 30, 2004, the depreciable capital assets for governmental activities were 75.62% depreciated versus 70.68% in the prior year. This comparison indicates that the Sheriff is replacing its assets at a rate that is less than the overall rate of depreciation. If the rate of replacement continues at this rate, the capital assets will become fully depreciated within a few years. This percentage is a negative indicator.

The major additions to the vehicles account includes:  
7 new vehicles \$179,870 (average cost of \$25,696)

### Debt Outstanding

At year end, the Sheriff's long-term debt is due to employees for uncompensated earned absences.

### CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Rodney Arbuckle, Sheriff, 205 Franklin, Mansfield, LA 71052.

## **BASIC FINANCIAL STATEMENTS**

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
Statement of Net Assets  
June 30, 2004

		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$	2,771,577
Other receivables		154,750
Prepaid items		600
Capital assets, net		<u>312,022</u>
<b>TOTAL ASSETS</b>		<b>3,238,949</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other accrued payables		32,927
Long-term liabilities:		
Compensated absences		<u>89,117</u>
<b>TOTAL LIABILITIES</b>		<b>122,044</b>
<b>NET ASSETS</b>		
Invested in capital assets		312,022
Restricted for other purposes		89,301
Unrestricted		<u>2,715,582</u>
<b>TOTAL NET ASSETS</b>	<b>\$</b>	<b><u><u>3,116,905</u></u></b>

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
 Statement of Activities  
 Year Ended June 30, 2004

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	
	Expenses	Fees, Fines, Commissions and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Public safety	\$ 4,130,266	\$ 1,348,441	\$ 518,152	\$ 3,223	\$ 1,869,816
<b>General Revenues:</b>					
Taxes:					2,223,602
Property taxes, levied for general purposes					63,721
Grants and contributions not restricted to specific programs					23,969
State sources					106,553
Interest earnings					2,417,845
Miscellaneous					
Total General Revenues					157,395
Changes in Net Assets					2,959,510
NET ASSETS-JULY 1, 2003					\$ 3,116,905
NET ASSETS-JUNE 30, 2004					\$

The accompanying notes are an integral part of this statement



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**FUND FINANCIAL STATEMENTS (FFS)**

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
Balance Sheet-Governmental Funds  
June 30, 2004

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 2,618,327	\$ 153,250	\$ 2,771,577
Receivables	149,776	4,974	154,750
Interfund receivables	52,258		52,258
Prepaid expenses	600		600
<b>TOTAL ASSETS</b>	<u>\$ 2,820,961</u>	<u>\$ 158,224</u>	<u>\$ 2,979,185</u>
<b>LIABILITIES &amp; FUND BALANCES</b>			
Liabilities:			
Due to other taxing bodies	\$	\$ 2,200	\$ 2,200
Trade accounts payable	23,239		23,239
Payroll deductions payable	7,488		7,488
Interfund payables		52,258	52,258
<b>Total liabilities</b>	<u>30,727</u>	<u>54,458</u>	<u>85,185</u>
Fund balance:			
Reserved	39,183	50,118	89,301
Unreserved-undesignated	2,751,051	53,648	2,804,699
<b>Total fund balance</b>	<u>2,790,234</u>	<u>103,766</u>	<u>2,894,000</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ 2,820,961</u>	<u>\$ 158,224</u>	<u>\$ 2,979,185</u>

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 June 30, 2004

Total fund balances for governmental funds at June 30, 2004	\$	2,894,000
<p>Amounts reported for governmental activities in the statement of net assets is different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p> <p>Capital assets at June 30, 2004:</p>		
Equipment and Furniture, net of \$122,034 accumulated depreciation	\$	35,474
Vehicles, net of \$846,094 accumulated depreciation		276,548
		312,022
<p><i>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</i></p> <p>Long-term liabilities at June 30, 2004:</p>		
Compensated absences payable	\$	(89,117)
		(89,117)
Total net assets of governmental activities at June 30, 2004	\$	3,116,905

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
**GOVERNMENTAL FUNDS**

Statement of Revenues, Expenditures and Changes in Fund Balances  
For the year ended June 30, 2004

	<u>GENERAL FUND</u>	<u>NONMAJOR</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Fees, Fines, Commissions and Charges for Services			
Local security contracts	\$ 266,600	\$	\$ 266,600
Commissions-Sheriff's revenue sharing	52,066		52,066
Commissions-fines & bonds	75,332		75,332
Civil & criminal fees	202,804		202,804
Court attendance	5,746		5,746
Community service reimbursements	43,917		43,917
Bond fees	99,308		99,308
Transportation of prisoners	12,368		12,368
Feeding & keeping of prisoners	324,828		324,828
Tax notices, etc.	16,740		16,740
Southern Research contract	123,601		123,601
Other fees charges & commissions	27,522		27,522
Fines and forfeitures		97,609	97,609
Fees, Fines, Commissions and Charges for Services	<u>1,250,832</u>	<u>97,609</u>	<u>1,348,441</u>
Operating Grants and Contributions			
Federal grants	33,245	83,997	117,242
State grants		21,206	21,206
State supplemental pay	226,549		226,549
State revenue sharing	55,185		55,185
Tri-Parish matching funds		22,440	22,440
Probation and Juvenile reimbursements	75,530		75,530
Operating Grants and Contributions	<u>390,509</u>	<u>127,643</u>	<u>518,152</u>
Capital Grants and Contributions	<u>3,223</u>	<u>-</u>	<u>3,223</u>
Revenue from Taxes			
Ad valorem taxes	2,222,283		2,222,283
Interest of taxes	1,319		1,319
Revenue from Taxes	<u>2,223,602</u>	<u>-</u>	<u>2,223,602</u>
State Not Restricted Grants and Contributions			
Other State Grants	2,200		2,200
Video poker	61,521		61,521
State Not Restricted Grants and Contributions	<u>63,721</u>	<u>-</u>	<u>63,721</u>
Interest	<u>23,631</u>	<u>338</u>	<u>23,969</u>
Miscellaneous			
Sales produce	5,144		5,144
Other	38,672	14,615	53,287
Miscellaneous	<u>43,816</u>	<u>14,615</u>	<u>58,431</u>
<b>TOTAL REVENUES</b>	<u>3,999,334</u>	<u>240,205</u>	<u>4,239,539</u>
<b>EXPENDITURES</b>			
Public safety:			
Current			
Personal services	2,950,446	69,246	3,019,692
Operating services	356,202	109,245	465,447
Materials and supplies	360,249	25,153	385,402
Travel and other charges	28,699	2,270	30,969
Capital outlay	179,870		179,870
<b>TOTAL EXPENDITURES</b>	<u>3,875,466</u>	<u>205,914</u>	<u>4,081,380</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	123,868	34,291	158,159
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of assets and seized property	14,690		14,690
Compensation for damaged assets	33,431		33,431
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>48,121</u>	<u>-</u>	<u>48,121</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	171,989	34,291	206,280
<b>FUND BALANCES, BEGINNING OF YEAR</b>	2,618,245	69,475	2,687,720
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,790,234</u>	<u>\$ 103,766</u>	<u>\$ 2,894,000</u>

The accompanying notes are an integral part of this statement.

**DESOTO PARISH SHERIFF****Mansfield, Louisiana**

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the  
Statement of Activities  
Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	206,280
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$	179,870
Less Depreciation expense for the year ended June 30, 2004		<u>(224,398)</u> <u>(44,528)</u>
Some expenses reported in the statement of activities do not require use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Excess of compensated absences earned over compensated absences used		<u>(4,357)</u>
Total changes in net assets at June 30, 2004 per Statement of Activities	\$	<u><u>157,395</u></u>

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
**FIDUCIARY FUND TYPE- AGENCY FUNDS**  
Statement of Fiduciary Net Assets  
June 30, 2004

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Drug Seizures Escrow Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
<b>ASSETS</b>						
Cash	\$ 558,046	\$ 51,956	\$ 140,573	\$ 13,531	\$ 1,716	\$ 765,822
Other Assets			886			886
<b>TOTAL ASSETS</b>	<u>\$ 558,046</u>	<u>\$ 51,956</u>	<u>\$ 141,459</u>	<u>\$ 13,531</u>	<u>\$ 1,716</u>	<u>\$ 766,708</u>
<b>LIABILITIES</b>						
Liabilities						
Held for other taxing bodies	\$ 558,046					\$ 558,046
Held for others pending court action		51,956	141,459	13,531		206,946
Held for inmates					1,716	1,716
<b>TOTAL LIABILITIES</b>	<u>558,046</u>	<u>51,956</u>	<u>141,459</u>	<u>13,531</u>	<u>1,716</u>	<u>766,708</u>
<b>NET ASSETS</b>	<u>\$ 558,046</u>	<u>\$ 51,956</u>	<u>\$ 141,459</u>	<u>\$ 13,531</u>	<u>\$ 1,716</u>	<u>\$ 766,708</u>

**NOTES TO FINANCIAL STATEMENTS**



**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**INTRODUCTION**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term, as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court and serving subpoenas. As the ex-officio tax collector of the parish, the Sheriff is responsible for the collection and distribution of ad valorem property taxes, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying basic financial statements of the DeSoto Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for the establishment of governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis— for State and Local Governments*, issued in June, 1999.

**B. Reporting Entity**

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff 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. The DeSoto Parish Police Jury maintains and operates the building in which the Sheriff's office is located and provides funds for some equipment and furniture of the Sheriff's office. Because the Sheriff is fiscally dependent on the policy jury, the Sheriff was determined to be a component unit of the DeSoto Parish Policy Jury. The accompanying financial statements present information only on the funds maintained by the DeSoto Sheriff. There are no component units to be included in the Sheriff's reporting entity.

**C. Basis of Accounting/Measurement Focus**

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. These statements present all funds of the reporting entity, which are all considered to be governmental activities. Fiduciary fund activities of the Sheriff are not included in these statements. All the Sheriff's assets and liabilities, including capital assets as well as long-term liabilities, are included in the accompanying Statement of Net Assets. Certain eliminations have been made as prescribed by GASB Statement 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated.

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**C. Basis of Accounting/Measurement Focus (continued)**

Government-Wide Financial Statements (GWFS) (continued)

The Statement of Activities presents changes in net assets. The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements (FFS)

Governmental Fund Financial Statements include an aggregated Balance Sheet and an aggregated Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds. An accompanying reconciling schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The sheriff used funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The amounts reflected in the governmental funds financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations. The Sheriff reports the following governmental funds:

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

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**C. Basis of Accounting/Measurement Focus (continued)**

Governmental Fund Financial Statements (FFS) (continued)

**Special Revenue Funds.** Special revenue funds are used to account for the proceeds of specific revenue sources such as ad valorem taxes, sales, taxes, and federal grants. Those revenues are legally restricted, either by tax proposition or grant agreement, to expenditures for specified purposes. Per criteria for FFS above, these funds are presented as nonmajor funds in the governmental fund financial statements.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds, which are custodial in nature (assets equal liabilities); do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

**D. Budgets**

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least 10 days prior to the public hearing. Public hearings are held at the Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary. Budgets are established and controlled by the Sheriff at the object level of expenditure. The Sheriff must approve all changes or amendments to the budget. The general fund budget was amended during the year.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and the final budget which includes all amendments.

**E. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts or nonnegotiable certificates of deposit. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

**F. Investments**

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**G. Compensated Absences**

The sheriff has the following policy relating to vacation and sick leave:

After one year of service, all regular, full-time employees are granted 10 days of vacation leave each year. With 12 years plus continuous service with the DeSoto Parish Sheriff, employees are granted 15 days vacation each year. Vacation leave may be accumulated and carried forward to succeeding years. Upon termination of employment, employees are paid for up to 160 hours of accumulated vacation leave. Sick leave is granted on a case-by-case basis, at the discretion of the Sheriff. Compensatory time-off can be accrued for overtime work.

The Sheriff's recognition and measurement criteria for compensated absences follow:

The vacation leave is accrued as a liability as the benefits are earned by the employees. Sick leave is not accrued.

**H. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment and furniture	5-20
Vehicles	5

**I. Short-term Interfund Receivables/Payables**

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

**J. Prepaid Items**

Prepaid items consist of insurance paid in the current year for the next period.

**K. Restricted Net Assets**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**L. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**M. Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**N. Estimates**

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

**2. LEVIED TAXES**

The Sheriff was authorized an ad valorem tax millage of 13.1 mills and levied taxes of 13.1 mills for 2004. Ad valorem taxes are recorded in the year the taxes are assessed. The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed. The property tax calendar was as follows:

Assessment date	January 1, 2003
Levy date	June 30, 2003
Tax bills mailed	October 15, 2003
Total taxes are	December 31, 2003
Penalties & interest added	January 31, 2004
Tax sale	May 15, 2004

Total assessed value was \$203,034,064 in 2003. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$32,404,785 of the assessed value in 2003. The following are the principal taxpayers for the parish (2003 amounts):

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
International Paper Co.	Manufacturing	\$35,844,420	17.65%
Central La. Electric Co.	Utility	32,749,448	16.13%
Southwestern Electric	Utility	29,477,721	14.51%
Total		<u>\$98,071,589</u>	<u>48.29%</u>

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**3. CASH**

At June 30, 2004, the Sheriff has cash in interest bearing and non-interest bearing accounts (book balance) totaling \$3,537,399 as follows:

Demand Deposits	\$	427,643
Interest-bearing demand deposits		3,109,056
Petty Cash		700
Categorized bank deposits	\$	<u>3,537,399</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.

Deposits (collected bank balances) at June 30, 2004, are \$4,054,152. These deposits are secured from risk by \$349,609 of federal deposit insurance and \$3,142,441 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of \$25,063 is not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement of 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. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

At June 30, 2004, the balance in the Louisiana Asset Management Pool, Inc. (LAMP) account is \$537,043, (See summary of Significant Accounting Policies Note E.) In accordance with GASB Codification 150.164, the balance in the LAMP account is not categorized in the three risk categories provided by GASB Codification 150.164 because the balance is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Only local governments having contracted to participate in LAMP have an interest in the pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Therefore, under GASB 9, the Sheriff classified this account as cash.

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**4. RECEIVABLES**

The following is a summary of receivables at June 30, 2004:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Intergovernmental revenues:			
State supplement pay	\$ 19,232	\$	\$ 19,232
Community service reimbursement	11,285		11,285
Federal grants		4,974	4,974
Fees, charges, and commissions for services:			
Court attendance	544		544
Transporting of prisoners	799		799
Feeding and keeping prisoners	30,988		30,988
Local security contracts	21,550		21,550
Video poker	8,054		8,054
Southern Research background checks	42,736		42,736
Other	14,588		14,588
Totals	<u>\$ 149,776</u>	<u>\$ 4,974</u>	<u>\$154,750</u>

All receivables are current and therefore due within one year. Allowances are reported when accounts are proven to be uncollectible. There are no allowances reported.

**5. INTERFUND RECEIVABLES/PAYABLES**

The Sheriff transfers from the General Fund into the nonmajor funds in anticipation of grant revenues that will be received by these funds. When the revenues arrive, the general fund is repaid. Individual balances reported as Interfund receivables/payables from/to other funds at June 30, 2004, are as follows:

	<u>General Fund</u>	<u>Nonmajor funds</u>		<u>Total</u>
		<u>Task Force Budget Fund</u>	<u>Grant Fund</u>	
Interfund receivable	\$ 52,258	\$		52,258
Interfund payables		(28,300)	(23,958)	(52,258)
Total	<u>\$ 52,258</u>	<u>(28,300)</u>	<u>(23,958)</u>	<u>0</u>

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**6. CAPITAL ASSETS**

A summary of changes in office furnishings, equipment and vehicles follows:

<u>Governmental Activities</u>	Balance 7/1/2003	Additions	Deletions	Balance 6/30/2004
Depreciable assets:	\$	\$	\$	\$
Office equipment & furniture	157,508			157,508
Vehicles	1,058,451	179,870	115,680	1,122,641
Total depreciable assets	<u>1,215,959</u>	<u>179,870</u>	<u>115,680</u>	<u>1,280,149</u>
Less accumulated depreciation	<u>859,409</u>	<u>224,398</u>	<u>115,680</u>	<u>968,127</u>
Capital assets, net	<u>\$ 356,550</u>	<u>(44,528)</u>	<u>-</u>	<u>\$ 312,022</u>

Depreciation expense in the amount of \$224,398 was charged to public safety.

**7. LONG-TERM DEBT**

The following is a summary of long-term debt transactions (compensatory time) for the year ended June 30, 2004:

	Long-term debt
Compensated absences at July 1, 2003	\$ 84,760
Additions	89,117
Deductions	(84,760)
Compensated absences at June 30, 2004	<u>\$ 89,117</u>

**8. PENSION PLAN**

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

All Sheriffs and all deputies who were between the ages of 18 and 50 at the time of original employment, are found to be physically fit, and who earn at least \$400 per month 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% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.



**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**8. PENSION PLAN (continued)**

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

*Funding Policy.* Plan members are required by state statute to contribute 9.8 percent of their annual covered salary and the DeSoto Parish Sheriff is required to contribute at an actuarially determined rate to the pension plan. The current rate is 7.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the DeSoto Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The DeSoto Parish Sheriff's contributions to the System for the years ended June 30, 2004, 2003, and 2002 were \$207,880, \$167,096, and \$149,361, respectively, equal to the required contributions for each year.

**9. OTHER POST-EMPLOYMENT BENEFITS**

According to the R.S. 33:1448(G), the Sheriff is required to pay the costs of group medical and dental insurance and for the first ten thousand dollars of life insurance for all Sheriffs' and Deputy Sheriffs' retired with at least fifteen years of service who are at least fifty-five years of age. For the year ended June 30, 2004, there were five retirees receiving these benefits and the total amount of premiums paid for them totaled \$15,318.

**10. CHANGES IN AGENCY FUND BALANCES**

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

FUND	Balance	Additions	Deductions	Balance
	July 1, 2003			June 30, 2004
Tax collector	\$ 467,228	\$ 19,943,339	\$ 19,852,521	\$ 558,046
Civil	55,374	662,765	666,183	51,956
Criminal	241,788	1,297,141	1,397,470	141,459
Drug Seizures Escrow	11,601	37,971	36,041	13,531
Inmate Commissary	2,843	61,072	62,199	1,716
Totals	\$ 778,834	\$ 22,002,288	\$ 22,014,414	\$ 766,708

**11. RESTRICTED NET ASSETS/FUND BALANCE RESERVE**

The following schedule summarizes restricted net assets and the reserves at June 30, 2004:

	Fund Balance Reserve		Restricted Net Assets
	General Fund	Nonmajor Funds	
DWI program	\$ 39,183	\$	\$ 39,183
Task Force		3,727	3,727
DARE		46,391	46,391
Total	\$ 39,183	\$ 50,118	\$ 89,301

**DeSoto Parish Sheriff**  
**Mansfield, Louisiana**  
Notes to the Basic Financial Statements  
June 30, 2004

**12. LITIGATION AND CLAIMS**

At June 30, 2004, the DeSoto Parish Sheriff was involved in nine lawsuits which were either adequately covered by liability insurance or, in the opinion of the Sheriff's legal counsel, will not result in any liability to the Sheriff.

**13. RISK MANAGEMENT**

The Sheriff is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering: automobile liability, medical payments, uninsured motorist, and collision; health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. In addition to the above policies, the Sheriff also maintains a liability insurance policy with the Louisiana Sheriffs' Risk Management Program. No claim has been paid on the policy during the past three years nor is the Sheriff aware of any unfiled claims.

**14. FEDERAL FINANCIAL ASSISTANCE**

During the year ended June 30, 2004, the DeSoto Parish Sheriff participated in the following federal financial assistance programs:

Program Title	CFDA Number	Grant Number	Issues/ Expenditures
<b>United States Department of Justice</b>			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Multi-Jurisdictional Task Force	16.579	B02-1-014	48,737
Direct Program--COPS in Schools	16.710	2000SHWX0796	33,245
Direct Program--Community Oriented Policing Services	16.592	:003-LB-BX-0257	35,260
Total Federal Financial Assistance			<u>\$ 117,242</u>

The DeSoto Parish Sheriff's office administered monies received for a Homeland Security/Emergency Preparedness Grant that was distributed by the DeSoto Parish Police Jury. This revenue was recorded by the Police Jury.

**15. SUBSEQUENT EVENT**

The DeSoto Sheriff was successful in passing a one-half of one percent (1/2%) sales and use tax on July 17, 2004. Collection of the tax begins October 1, 2004. These funds are dedicated to paying salaries and benefits for the law enforcement personnel of the Sheriff.

**16. TAXES PAID UNDER PROTEST**

The net assets held for others in the Tax Collector agency fund at June 30, 2004, as reflected in Statement G, reflect taxes paid under protest, plus interest earned to date on these funds. These funds are held pending resolution of the protest.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
*General Fund Budgetary Comparison Schedule (GAAP Basis)*  
For the year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive(Negative)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Fees, Fines, Commissions and Charges for Services				
Local security contracts	\$ 266,600	\$ 266,600	\$ 266,600	-
Commissions-Sheriff's revenue sharing	51,500	52,000	52,066	66
Commissions-licenses, fines & bonds	66,700	70,050	75,332	5,282
Criminal fees	55,500	64,900	64,925	25
Civil fees	100,500	137,800	137,879	79
Court attendance	5,200	5,650	5,746	96
Transportation of prisoners	9,500	12,750	12,368	(382)
Feeding & keeping of prisoners	300,000	324,750	324,828	78
Community service reimbursements	6,700	44,550	43,917	(633)
Bond fees	83,800	99,150	99,308	158
Tax collections, etc.	10,500	16,700	16,740	40
Southern Research contract	35,500	97,900	123,601	25,701
Other fees charges & commissions	30,400	28,250	27,522	(728)
Fees, Fines, Commissions and Charges for Services	<u>1,022,400</u>	<u>1,221,050</u>	<u>1,250,832</u>	<u>29,782</u>
Operating Grants and Contributions				
Federal grants	17,000	33,250	33,245	(5)
State supplemental pay	240,140	226,550	226,549	(1)
State revenue sharing	57,000	55,200	55,185	(15)
Probation and Juvenile reimbursements	67,700	75,500	75,530	30
Operating Grants and Contributions	<u>381,840</u>	<u>390,500</u>	<u>390,509</u>	<u>9</u>
Capital Grants and Contributions	-	3,200	3,223	23
Revenue from Taxes				
Ad valorem taxes	2,235,000	2,222,250	2,222,283	33
Interest of taxes	1,500	1,000	1,319	319
Revenue from Taxes	<u>2,236,500</u>	<u>2,223,250</u>	<u>2,223,602</u>	<u>352</u>
State Not Restricted Grants and Contributions				
Video poker	34,500	61,500	61,521	21
Other state grants	5,000	2,200	2,200	-
State Not Restricted Grants and Contributions	<u>39,500</u>	<u>63,700</u>	<u>63,721</u>	<u>21</u>
Interest	32,500	22,800	23,631	831
Miscellaneous				
Sales produce	8,300	5,300	5,144	(156)
Other	250	25,100	38,672	13,572
Miscellaneous	<u>8,550</u>	<u>30,400</u>	<u>43,816</u>	<u>13,416</u>
<b>TOTAL REVENUES</b>	<u>3,721,290</u>	<u>3,954,900</u>	<u>3,999,334</u>	<u>44,434</u>
<b>EXPENDITURES</b>				
Public safety:				
Current				
Personal services	2,873,990	2,954,340	2,950,446	3,894
Operating services	329,100	355,150	356,202	(1,052)
Materials and supplies	340,550	363,900	360,249	3,651
Travel and other charges	25,350	27,050	28,699	(1,649)
Capital outlay	167,800	171,250	179,870	(8,620)
<b>TOTAL EXPENDITURES</b>	<u>3,736,790</u>	<u>3,871,690</u>	<u>3,875,466</u>	<u>(3,776)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(15,500)	83,210	123,868	40,658
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets and seized property	15,500	14,600	14,690	90
Compensation for damaged assets		33,400	33,431	31
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>15,500</u>	<u>48,000</u>	<u>48,121</u>	<u>121</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	131,210	171,989	40,779
<b>FUND BALANCES, BEGINNING OF YEAR</b>	2,618,245	2,618,245	2,618,245	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,618,245</u>	<u>\$ 2,749,455</u>	<u>\$ 2,790,234</u>	<u>\$ 40,779</u>

**SUPPLEMENTAL INFORMATION SCHEDULES**

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
Supplemental Information Schedules  
For the Year Ended June 30, 2004

**GOVERNMENTAL FUND TYPE – GENERAL FUND**

The general fund is the main operating fund of the Sheriff. This fund is used to account for all financial resources not accounted for in other funds.

**GOVERNMENTAL FUND TYPE – SPECIAL REVENUE FUNDS**

**DRUG TASK FORCE FUND**

The Drug Task Force Fund consists of a federal grant from the United States Department of Justice passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and local matching grants. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

**DRUG TASK FORCE FUND-PROGRAM INCOME**

The Drug Task Force Program Income Fund accounts for income from the sale of seized assets and contributions. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

**DARE FUND**

The DARE Fund consists of a state grant from the Louisiana Commission on Law Enforcement and public donations. The grant and donations are used to reduce illegal drug use among youth through educational programs.

**COMMISSARY FUND**

*The Commissary Fund accounts for the profit made from the inmate fund. These funds will be used to purchase necessary items for the inmates.*

**GRANT FUND**

The Grant Fund accounts for income related to federal grant monies for specific capital purchases and for grant monies paid to cover overtime paid to deputies for increased patrols during holiday seasons.

## **FIDUCIARY FUND TYPE - AGENCY FUNDS**

### **TAX COLLECTOR FUND**

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

### **CIVIL FUND**

The Civil Fund accounts for the collection of funds in 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.

### **CRIMINAL FUND**

The Criminal Fund is a depository for cash bonds, fines, and court costs which are posted in criminal and traffic cases and the collection of a \$15 bond fee charge levied for the processing of cash bonds. Bond fee charges are transferred to the Sheriff's General Fund and cash bonds are held until cases are heard in court and then either refunded to defendants, or distributed as directed by the court.

### **DRUG SEIZURES ESCROW FUND**

In accordance with Louisiana Revised Statute 40:2616, The District Attorney for the Eleventh Judicial District has appointed the DeSoto Parish Sheriff as administrator for the Drug Seizures Escrow Fund. This fund accounts for seized property subject to forfeiture to the law enforcement agencies that participated in the seizing process. The distributions to the appropriate agencies are made only upon order of the district attorney as approved by the court.

### **INMATE FUND**

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates.

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
**GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUNDS**  
Combining Balance Sheet  
June 30, 2004

	<u>Task Force Budget Fund</u>	<u>Task Force Program Income Fund</u>	<u>DARE Fund</u>	<u>Commissary Fund</u>	<u>Grant Fund</u>	<u>Total</u>
<b>ASSETS</b>						
Cash	\$ 32,027	\$ 48,611	\$ 43,617	\$ 5,009	\$ 23,986	\$ 153,250
Receivables			4,974			4,974
Prepaid expenses						-
<b>TOTAL ASSETS</b>	<u>\$ 32,027</u>	<u>\$ 48,611</u>	<u>\$ 48,591</u>	<u>\$ 5,009</u>	<u>\$ 23,986</u>	<u>\$ 158,224</u>
<b>LIABILITIES &amp; FUND EQUITY</b>						
Liabilities:						
Due to other taxing bodies	\$	\$	\$ 2,200	\$	\$	\$ 2,200
Interfund payables	28,300				23,958	52,258
<b>Total liabilities</b>	<u>28,300</u>	<u>-</u>	<u>2,200</u>	<u>-</u>	<u>23,958</u>	<u>54,458</u>
Fund equity:						
Fund balance:						
Reserved	3,727		46,391			50,118
Unreserved-undesignated		48,611		5,009	28	53,648
<b>Total Fund Equity</b>	<u>3,727</u>	<u>48,611</u>	<u>46,391</u>	<u>5,009</u>	<u>28</u>	<u>103,766</u>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<u>\$ 32,027</u>	<u>\$ 48,611</u>	<u>\$ 48,591</u>	<u>\$ 5,009</u>	<u>\$ 23,986</u>	<u>\$ 158,224</u>

The accompanying notes are an integral part of this statement.



**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
**GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUNDS**  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the year ended June 30, 2004

	Task Force Budget Fund	Task Force Program Fund	DARE Fund	Commissary Fund	Grant Fund	Total
<b>REVENUES</b>						
Fees, Fines, Commissions and Charges for Services	-	87,304	10,305	-	-	97,609
Operating Grants and Contributions						
Federal grants	48,737				35,260	83,997
State grants			21,206			21,206
Tri-Parish matching funds	18,522				3,918	22,440
Operating Grants and Contributions	67,259	-	21,206	-	39,178	127,643
Interest	-	-	325	-	13	338
Miscellaneous	-	-	-	14,615	-	14,615
<b>TOTAL REVENUES</b>	<u>67,259</u>	<u>87,304</u>	<u>31,836</u>	<u>14,615</u>	<u>39,191</u>	<u>240,205</u>
<b>EXPENDITURES</b>						
Public safety:						
Current						
Personal services and related benefits	10,458	300	19,310		39,178	69,246
Operating services	48,377	46,347	7,556	6,965		109,245
Materials and supplies	3,887	7,895	8,149	5,222		25,153
Travel and other charges	600	1,168	502			2,270
Capital outlay						-
<b>TOTAL EXPENDITURES</b>	<u>63,322</u>	<u>55,710</u>	<u>35,517</u>	<u>12,187</u>	<u>39,178</u>	<u>205,914</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,937	31,594	(3,681)	2,428	13	34,291
<b>FUND BALANCES, BEGINNING OF YEAR</b>	(210)	17,017	50,072	2,581	15	69,475
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 3,727</u>	<u>\$ 48,611</u>	<u>\$ 46,391</u>	<u>\$ 5,009</u>	<u>\$ 28</u>	<u>\$ 103,766</u>

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
**GOVERNMENTAL FUND TYPE- NONMAJOR SPECIAL REVENUE FUNDS**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget (GAAP) Basis to Actual  
For the year ended June 30, 2004

	BUDGET			Variance with Final Budget Positive(Negative)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Fees, Fines, Commissions and Charges for Services	\$ 98,700	\$ 97,600	\$ 97,609	9
Operating Grants and Contributions				
Federal grants	83,997	83,997	83,997	-
State grants	19,585	21,200	21,206	6
Tri-Parish matching funds	22,440	22,440	22,440	-
Operating Grants and Contributions	126,022	127,637	127,643	6
Interest	400	325	338	13
Miscellaneous	14,600	14,600	14,615	15
<b>TOTAL REVENUES</b>	<u>239,722</u>	<u>240,162</u>	<u>240,205</u>	<u>43</u>
<b>EXPENDITURES</b>				
Public safety:				
Current				
Personal services	67,713	69,288	69,246	42
Operating services	110,430	108,325	109,245	(920)
Materials and supplies	25,100	25,100	25,153	(53)
Travel and other charges	3,200	3,200	2,270	930
Capital outlay				
<b>TOTAL EXPENDITURES</b>	<u>206,443</u>	<u>205,913</u>	<u>205,914</u>	<u>(1)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	33,279	34,249	34,291	42
<b>FUND BALANCES, BEGINNING OF YEAR</b>	69,475	69,475	69,475	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 102,754</u>	<u>\$ 103,724</u>	<u>\$ 103,766</u>	<u>\$ 42</u>

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
**FIDUCIARY FUND TYPE- AGENCY FUNDS**  
Combining Statement of Changes in Assets and Liabilities  
For the year ended June 30, 2004

	Tax Collector Fund	Civil Fund	Criminal Fund	Drug Seizures Escrow Fund	Inmate Fund	Total
<b>Unsettled balances at beginning of year</b>	\$ 467,228	\$ 55,374	\$ 241,788	\$ 11,601	\$ 2,843	\$ 778,834
<b>Additions:</b>						
Deposits:						
Sheriff's sales		221,378				221,378
Fines, Forfeitures, and costs			1,198,014			1,198,014
Garnishments		441,387				441,387
Seizures, bonds, etc			99,127	37,971		137,098
Taxes, fees, etc., received						
Ad valorem taxes:						
Current year	19,150,508					19,150,508
Prior year	31,350					31,350
Protested	136,665					136,665
State revenue sharing	548,488					548,488
Interest on:						
Operating account	144					144
Delinquent taxes	7,268					7,268
Prior year taxes	3,719					3,719
Cost of tax notices, etc.	19,094					19,094
Redemptions	40,655					40,655
Other additions	5,448				61,072	66,520
Total additions	<u>19,943,339</u>	<u>662,765</u>	<u>1,297,141</u>	<u>37,971</u>	<u>61,072</u>	<u>22,002,288</u>
<b>Reductions:</b>						
Settlement payments to:						
Louisiana Dept of Forestry	25,669					25,669
Red River Levee District	3,262					3,262
Louisiana Tax Commission	7,913					7,913
DeSoto Parish:						
Sheriff's General Fund	2,347,631	117,841	235,534			2,701,006
Clerk of Court	7,544	17,892	62,012			87,448
Police Jury	2,886,924		418,478			3,305,402
School Board	9,845,216					9,845,216
Parish Library	504,931					504,931
Assessor	596,601					596,601
Municipalities			2,782			2,782
District Attorney			178,491	36,041		214,532
Communications District	172,400					172,400
Criminal Court Fund			252,280			252,280
Litigants, attorneys		429,826				429,826
Pension Funds	550,839					550,839
Northwest Crime Lab			67,304			67,304
Northwest Juvenile Detention			45,368			45,368
Louisiana Rehabilitation			42,023			42,023
Fire Protection District No. 1	195,144					195,144
Fire Protection District No. 2	52,543					52,543
Fire Protection District No. 5	125,895					125,895
Fire Protection District No. 8	760,026					760,026
Fire Protection District No. 9	97,872					97,872
Water District No. 1	979,111					979,111
Ambulance Service District	651,575					651,575
Other Settlements			41,130			41,130
Refunds	41,425		52,068			93,493
Other reductions		100,624			62,199	162,823
Total reductions	<u>19,852,521</u>	<u>666,183</u>	<u>1,397,470</u>	<u>36,041</u>	<u>62,199</u>	<u>22,014,414</u>
<b>Unsettled balances at end of year</b>	\$ <u>558,046</u>	\$ <u>51,956</u>	\$ <u>141,459</u>	\$ <u>13,531</u>	\$ <u>1,716</u>	\$ <u>766,708</u>

The accompanying notes are an integral part of this statement.

## **COMPLIANCE AND INTERNAL CONTROL**

*Deborah D. Dees, MBA, CPA*



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CERTIFIED PUBLIC ACCOUNTANT

**Report on Compliance and on Internal Control over Financial Reporting Based  
on an Audit of Financial Statements in Accordance with *Government  
Auditing Standards***

DeSoto Parish Sheriff  
Mansfield, Louisiana

I have audited the basic financial statements of the DeSoto Parish Sheriff as of and for the year ended June 30, 2004, and have issued my report thereon dated October 4, 2004. I conducted my 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 DeSoto Parish Sheriff's basic financial statements are free of material misstatement, I 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2004-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the DeSoto Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the DeSoto Parish Sheriff, management of the Sheriff's office and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Deborah D. Dees CPA*

Mansfield, Louisiana  
October 4, 2004

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
Schedule of Findings and Questioned Costs  
For the Year ended June 30, 2004

**SUMMARY OF AUDITOR'S REPORTS**

**INDEPENDENT AUDITOR'S REPORT:**

I have audited the financial statements of DeSoto Parish Sheriff as of and for the year ended June 30, 2004, and have issued my report thereon dated October 4, 2004. I conducted my 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. My audit of the financial statements as of June 30, 2004, resulted in an unqualified opinion.

**REPORT ON INTERNAL CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING:**

The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the schedule of findings below as item 2004-1

I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

There was a management letter issued.

**SCHEDULE OF FINDINGS—COMPLIANCE**

**2004-1** Under LSA Revised Statute 33:2929 bank balances must be secured by federal deposit insurance or the pledge of securities. Of the \$4,054,152 bank balance, \$25,063 or .6% of the balance was not secure.

Recommendation: The Sheriff should have the financial institution pledge enough securities to secure their deposits. This amount should be monitored monthly for proper compliance.

Management Response: Sheriff management has notified the bank and this issue has been resolved.

**DESOTO PARISH SHERIFF**  
**Mansfield, Louisiana**  
Schedule of Prior Year Findings  
For the Year ended June 30, 2004

There were no findings reported in the audit report for the year ended June 30, 2003.

*Deborah D. Dees, MBA, CPA*



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CERTIFIED PUBLIC ACCOUNTANT

DeSoto Parish Sheriff  
Mansfield, Louisiana

I have audited the accompanying financial statements of the DeSoto Sheriff as of and for the year ended June 30, 2004. I conducted my 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.

During the course of my examination, I became aware of the following matter which represents immaterial deviations of compliance or suggestions for improved internal control.

**Finding 2004-2** There are 19 old outstanding checks totaling \$846.94 issued in the tax collector fund over a year old. There is approximately \$1,500 in old outstanding checks in the civil fund. There are 12 checks totaling \$536.50 over a year outstanding in the criminal fund.

**Recommendation:** Since these checks represent refunds of taxes or fines, the Sheriff should attempt to contact the owners by letter or telephone. If unsuccessful in locating the owner, then the Sheriff should report these checks to the Treasurer of the State of Louisiana, Unclaimed Property Division as required by the Louisiana Uniform Unclaimed Property Act of 1997.

**Management response.** Management concurs.

I recommend management address the foregoing issue as an improvement to operations and the administration of public programs. I am available to further explain the suggestions.

A handwritten signature in cursive script that reads "Deborah D. Dees CPA".

Deborah D. Dees, CPA  
October 4, 2004