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LASALLE PARISH SHERIFF

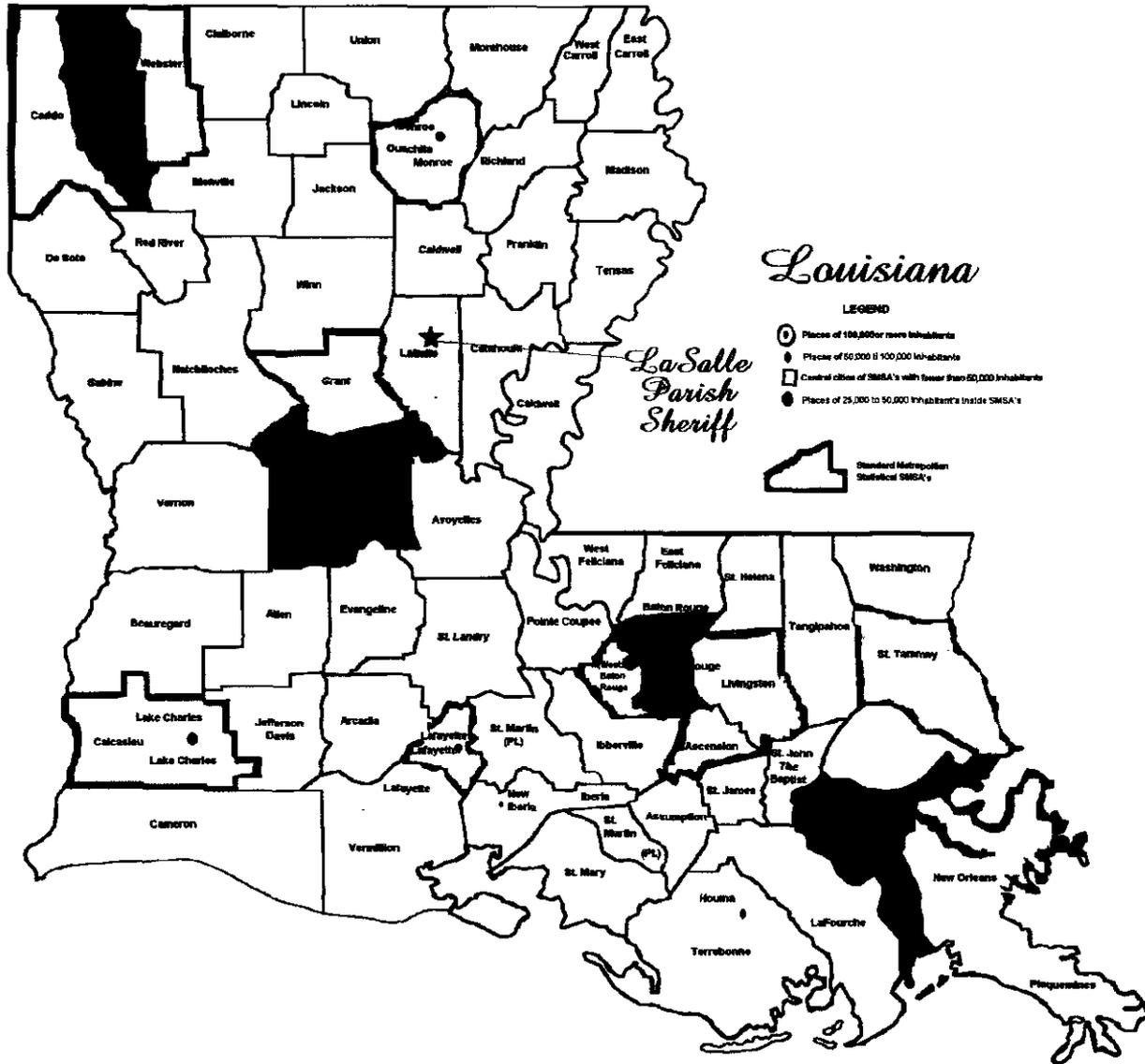
Annual Financial Statements

JUNE 30, 2004

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 12-29-04

LASALLE PARISH SHERIFF
Jena, Louisiana



- As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations, serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera, and provides assistance to other law enforcement agencies within the parish.

LASALLE PARISH SHERIFF
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June 30, 2004

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LASALLE PARISH SHERIFF'S DEPARTMENT

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MANAGEMENT DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT

The annual report for the LaSalle Parish Sheriff's Department comprises several financial statements. These statements provide timely and crucial information concerning the activities of the department. In addition, management will use these statements in making decisions that will guide the department's future activities.

The department's overall long term financial condition is reflected in the statement of activities and the statement of net assets. Management can use these statements to recognize trends that are either beneficial or detrimental to the financial well being of the department.

Short term financial activities are reflected in the fund financial statements. In addition, future spending capabilities are determined through analysis of these statements.

Agency funds under the management of the department are reflected in the remaining financial statements.

FINANCIAL ACTIVITIES OF NOTE:

- Expenses for the year totaled \$7,486,426. Of this, general fund activities totaled \$3,875,028. Other funds totaled \$3,611,398.
- The sheriff's general fund operated with excess expenditures over revenues of \$301,757. The year ended with a fund balance of \$805,736. Personal services and related benefits accounted for a large portion of the current fiscal year deficit. Management has implemented a reduction in staff that will address this excess. In addition, management will reduce the capital outlay and closely monitor all other spending in order to address this excess.
- Sheriff's Department net assets suffered a \$282,263 decrease due to expenditures higher than revenue. Management expects an improvement this fiscal year due to above mentioned measures.

- Analysis of Sheriff's Department budgetary procedures reveals excess expenditures over appropriations of \$154,972 or 4%.
- The major capital outlay for the fiscal year was the purchase of vehicles. Management, as stated above, plans no major capital outlay projects. The department entered into a capital lease during the year for the procurement of vehicles.
- Management will generate a comparative analysis in future years as prior period information becomes available.
- This is the first year of implementation of "GASB 34".

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT:

This financial report is designed to provide the citizens and taxpayers of LaSalle Parish with an overview of the financial activities and practices of the LaSalle Parish Sheriff's Department. In addition, it shows accountability for the money entrusted this department. Creditors and Customers may also use this report when making decisions regarding this department. If you have questions about this report or would like additional information, contact Orlan Davidson, Chief Civil Deputy at the Sheriff's Office, phone number (318) 992-7351.

JOHN R. VERCHER PC
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Honorable Carl Smith, Sheriff
LaSalle Parish Sheriff
Jena, Louisiana

I have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of LaSalle Parish Sheriff, Jena, Louisiana, as of and for the year ended June 30, 2004 which collectively comprise the LaSalle Parish Sheriff, Jena, Louisiana, basic financial statements as listed in the table of contents. These financial statements are the responsibility of the LaSalle Parish Sheriff, Jena, Louisiana, management. My responsibility is to express opinions on these 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. 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 opinions.

The agency funds have been prepared on the cash basis of accounting instead of the modified accrual basis as required by accounting principles generally accepted in the United States of America.

In my opinion, except for the presentation of the agency funds on the cash basis as discussed in the third paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the aggregate remaining fund information of the LaSalle Parish Sheriff in Jena, Louisiana, as of June 30, 2004 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 30, 2004, on my consideration of the LaSalle Parish Sheriff in Jena, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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.

John R. Vercher

October 30, 2004
Jena, Louisiana

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

LaSalle Parish Sheriff
Jena, Louisiana

I have audited the financial statements of the governmental activities, and the business-type activities and the aggregate remaining fund information of the LaSalle Parish Sheriff, Jena, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the LaSalle Parish Sheriff, Jena, Louisiana, basic financial statements and have issued my report thereon dated October 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.

Compliance

As part of obtaining reasonable assurance about whether the LaSalle Parish Sheriff in Jena, Louisiana 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 statement 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*, except as follows and discussed in the schedule of findings and questioned costs on pages 27 and 28:

- 2004-C-1 Misappropriation of Fiduciary Funds by Personnel

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the LaSalle Parish Sheriff, Jena, Louisiana, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions 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 management and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties; however, this document is public record and its use is not limited.

John R. Vercher

October 30, 2004
Jena, Louisiana

BASIC FINANCIAL STATEMENTS

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET/STATEMENT OF NET ASSETS
JUNE 30, 2004**

	General Fund	Other Funds	Total	Adjustments Note 1	Statement of Activities
ASSETS					
Cash & Cash Equivalents	\$ 96,864	\$ 8,409	\$ 105,273	\$	\$ 105,273
Investments	776,083	-0-	776,083	-0-	776,083
Receivables	54,437	-0-	54,437	-0-	54,437
Due From Other Funds	5,553	-0-	5,553	-0-	5,553
Capital Assets, Net of Accum Depreciation	-0-	-0-	-0-	253,144	253,144
Total Assets	\$ 932,937	\$ 8,409	\$ 941,346	\$ 253,144	\$ 1,194,490
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 127,201	\$ -0-	\$ 127,201	\$ -0-	\$ 127,201
Due to Other Funds	-0-	5,553	5,553	-0-	5,553
Long-Term Liabilities (Note 12)					
Due Within One Year	-0-	-0-	-0-	26,827	26,827
Due After One Year	-0-	-0-	-0-	56,791	56,791
Total Liabilities	\$ 127,201	\$ 5,553	\$ 132,754	\$ 83,618	\$ 216,372
FUND BALANCES/ NET ASSETS					
Fund Balances:					
Unreserved, Reported In:					
General Fund	\$ 805,736	\$ -0-	\$ 805,736	\$ -0-	\$ -0-
Other Fund	-0-	2,856	2,856	-0-	-0-
Total Liabilities and Fund Balances	\$ 932,937	\$ 8,409	\$ 941,346	\$ -0-	\$ -0-
NET ASSETS					
Invested in Capital Assets, Net of Related Debt					\$ 169,526
Unrestricted					\$ 808,592
Total Net Assets					\$ 978,118

The accompanying notes are an integral part of this statement.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	General Fund	Other Funds	Total	Adjustments Note 1	Statement of Activities
Expenditures/Expenses					
Public Safety:					
Personal Services & Related Benefits	\$ 3,209,376	\$ 3,611,398	\$ 6,820,774	\$ -0-	\$ 6,820,774
Operating Services	263,754	-0-	263,754	-0-	263,754
Materials and Supplies	234,167	-0-	234,167	-0-	234,167
Travel and Other Charges	26,539	-0-	26,539	-0-	26,539
Capital Outlay	224,810	-0-	224,810	(224,810)	-0-
Debt Service	30,046	-0-	30,046	(30,046)	-0-
Depreciation	-0-	-0-	-0-	123,462	123,462
Total Expenditures	\$ 3,988,692	\$ 3,611,398	\$ 7,600,090	\$ (131,394)	\$ 7,468,696
Program Revenues					
Fines, reimbursements, and other fees	\$ 1,690,742	\$ 3,613,162	\$ 5,303,904		\$ 5,303,904
Net Program Expense	\$ (2,297,950)	\$ 1,764	\$ (2,296,186)		\$ (2,164,792)
General Revenues					
Property taxes	\$ 1,512,841	\$ -0-	\$ 1,512,841		\$ 1,512,841
Intergovernmental Revenue	345,529	-0-	345,529		345,529
Miscellaneous	24,159	-0-	24,159		24,159
Total General Revenues	\$ 1,882,529	\$ -0-	\$ 1,882,529		\$ 1,882,529
Excess (Deficiency) of Revenues Over (Under) Expenses Before Other Financing Sources					
	\$ (415,421)	\$ 1,764	\$ (413,657)		\$ (282,263)
Other Financing Sources (Uses)					
Loans	\$ 113,664	\$ -0-	\$ 113,664	\$ (113,664)	\$ -0-
Excess (Deficiency) of Revenues Over (Under) Expenses					
	\$ (301,757)	\$ 1,764	\$ (299,993)	\$ 17,730	\$ (282,263)
Fund Balance/Net Assets:					
Beginning of the Year	\$ 1,107,493	\$ 1,092	\$ 1,108,585		\$ 1,260,381
End of Year	\$ 805,736	\$ 2,856	\$ 808,592		\$ 978,118

The accompanying notes are an integral part of this statement.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004**

	Civil Fund	Tax Collection Fund	Bond Fund	Other Funds	Total
ASSETS					
Cash and Cash Equivalents	\$ 23,149	\$ 4,459	\$ 49,407	\$ 35,721	\$ 112,736
Investments	-0-	1,721,381	-0-	-0-	1,721,381
Total Assets	<u>\$ 23,149</u>	<u>\$ 1,725,840</u>	<u>\$ 49,407</u>	<u>\$ 35,721</u>	<u>\$ 1,834,117</u>
LIABILITIES					
Held for Others Pending Court Action	\$ 23,149	-0-	\$ 49,407	35,721	\$ 108,277
Held for Taxing Bodies		\$ 1,725,840	-0-	-0-	1,725,840
Total Liabilities	<u>\$ 23,149</u>	<u>\$ 1,725,840</u>	<u>\$ 49,407</u>	<u>\$ 35,721</u>	<u>\$ 1,834,117</u>
NET ASSETS	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004**

	Civil Fund	Tax Collection Fund	Bond Fund	Other Funds	Total
Additions					
Deposits	\$ 599,451	\$ -0-	\$ 113,305	\$ 214,049	\$ 926,805
Tax Collections	-0-	7,382,261	-0-	-0-	7,382,261
Total Additions	<u>\$ 599,451</u>	<u>\$ 7,382,261</u>	<u>\$ 113,305</u>	<u>\$ 214,049</u>	<u>\$ 8,309,066</u>
Deductions					
Taxes Distributed	\$ -0-	\$ 7,382,261	\$ -0-	\$ -0-	\$ 7,382,261
Fines and Forfeitures Distributed	-0-	-0-	113,305	-0-	113,305
Other	599,451	-0-	-0-	214,049	813,500
Total Deductions	<u>\$ 599,451</u>	<u>\$ 7,382,261</u>	<u>\$ 113,305</u>	<u>\$ 214,049</u>	<u>\$ 8,309,066</u>
Change in Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Assets-Beginning	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Assets-Ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

*NOTES
To
FINANCIAL STATEMENTS*

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED 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 administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

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

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

The Sheriff applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the LaSalle Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing 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.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

B. REPORTING ENTITY

The Sheriff is an independently elected official; however, the sheriff is fiscally dependent on the LaSalle Parish Police Jury. The police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Sheriff uses 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

Governmental funds account for all or most of the sheriff's general activities. These funds focus on the sources, used, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the sheriff. The following are the sheriff's governmental funds:

General Fund-The primary operating fund of the sheriff and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to sheriff policy.

Fiduciary Fund-Fiduciary fund reporting focuses on net assets and changes in 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 or deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, and use the cash basis of accounting, which is not in accordance with GAAP.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments 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. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on September 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when their related fund liability is incurred.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Deferred Revenues

Deferred revenues arise when resources are received by the sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

Government-Wide Financial Statements (GWFS)

The column labeled *Statement of Net Assets (Statement A)* and the column labeled *Statement of Activities (Statement B)* display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the column labeled *Statement of Activities (Statement B)* are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the *Statement of Activities (Statement B)* and *Statement of Net Assets (Statement A)* are as follows:

Capital Assets	\$ 253,144
Capital Outlay	\$ 224,810
Debt Service	\$ 30,046
Depreciation	\$ 123,462
Capital Leases (Loans)	\$ 113,664

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

E. BUDGET PRACTICES

The proposed budget for 2004 was made available for public inspection on June 30, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 30 days prior to the public hearing, which was held at the LaSalle Parish Sheriff on June 30, 2003, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff. The budget was amended for the year ended June 30, 2004.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance and budgeted as a revenue item.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made.

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost.

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:

Description	Estimated Lives
Furniture and fixtures	7-10 Years
Vehicles	7-10 Years

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

I. 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. Any designations of fund balance represent tentative management plans that are subject to change.

J. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

K. 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. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

L. 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 and expenses during the reporting period. Actual results could differ from those estimates.

(2) AD VALOREM TAXES

The Sheriff levies taxes on real and business personal property located within its boundaries. The Sheriff utilizes the services of the LaSalle Parish Tax Assessor to assess the property values and prepare the Sheriff's property tax roll. The Sheriff bills and collects its own property taxes.

Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

(2) AD VALOREM TAXES (cont)

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Law Enforcement	38.91	38.91	N/A

(3) CASH AND (INVESTMENTS – CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)

Deposits

It is the Sheriff's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Sheriff's deposits are categorized to give an indication of the level of risk assumed by the Sheriff at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Sheriff or by its agent in the Sheriff's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.
- **Category 3** – Uncollateralized.

Bank Balances	\$ <u>2,785,020</u>
Secured As Follows	
FDIC (<i>Category 1</i>)	\$ 300,000
Securities (<i>Category 2</i>)	<u>9,218,117</u>
Total	\$ <u>9,518,117</u>

(4) RECEIVABLES

The receivables of \$507,774 at June 30, 2004, are as follows:

Class Of Receivables	General Fund
Intergovernmental	\$ <u>54,437</u>

Allowance for doubtful accounts is considered not material and is not presented.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

(5) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004, is as follows:

Governmental Activities	Balance, July 1, 2003	Additions	Deletions	Balance, June 30, 2004
Furniture and Equipment	\$ 785,575	\$ 224,810	\$ (203,534)	\$ 806,851
Less Accumulated Depreciation	(443,356)	(123,462)	13,112	(553,706)
Capital Assets, Net	<u>\$ 342,219</u>	<u>\$ 101,348</u>	<u>\$ (190,422)</u>	<u>\$ 253,145</u>

(6) PENSION PLAN

Plan Description. Substantially all employees of the LaSalle Parish Sheriff are members of the Louisiana Sheriff's 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 are found to be physically fit, who can earn a least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all services rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent 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 terminated 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.

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.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

(6) PENSION PLAN (cont)

Funding Policy. Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the LaSalle Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 6.0 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 are required and available from insurance premium taxes. The contribution requirements of plan members and the LaSalle 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 LaSalle Parish Sheriff's contributions to the System for the years ending June 30, 2004, were \$211,138, equal to the required contributions for each year. (If the required contributions and the actual amount contributed do not equal, disclose the required contribution in dollars and the percentage of that amount contributed for the current year and each of the two preceding years.)

(7) ACCOUNTS PAYABLES

The payables of \$127,201 at June 30, 2004 are as follows:

		General Fund
Accounts	\$	127,201

(8) DUE FROM/TO OTHER FUNDS

		General Fund		Other Funds
Due From	\$	5,553	\$	-0-
Due To		-0-		5,553
Total	\$	5,553	\$	5,553

The interfund receivable resulted from revenue being deposited into the wrong account.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

(9) OTHER FUNDS

The following summarizes the activities occurring within other funds.

Balance Sheet, June 30, 2004							
	Prison Fund	Prisoner Work Fund	Crime Stoppers Fund	Inmate Account	Commissary	Cash Seizures	Totals
Assets							
Cash & Equivalents	\$ 5,590	\$ 356	\$ 750	\$ 1,004	\$ 50	\$ 659	\$ 8,409
Total Assets	\$ 5,590	\$ 356	\$ 750	\$ 1,004	\$ 50	\$ 659	\$ 8,409
Liabilities							
Due Other Funds	\$ 5,553	-0-	-0-	-0-	-0-	-0-	\$ 5,553
Total Liabilities	\$ 5,553	-0-	-0-	-0-	-0-	-0-	\$ 5,553
Fund Balances	\$ 37	\$ 356	\$ 750	\$ 1,004	\$ 50	\$ 659	\$ 2,856
Total Liabilities & Fund Balances	\$ 5,590	\$ 356	\$ 750	\$ 1,004	\$ 50	\$ 659	\$ 8,409

Statement of Revenues, Expenditures and Changes in Fund Balance, June 30, 2004							
	Prison Fund	Prisoner Work Fund	Crime Stoppers Fund	Inmate Account	Commissary	Cash Seizures	Totals
Expenditures	\$3,610,575	\$ 75	\$ 250	\$ 479	\$ 19	\$ -0-	\$3,611,398
Program Revenues	\$3,610,575	\$ 35	\$ 1,000	\$ 1,483	\$ 69	\$ -0-	\$3,613,162
Excess of Revenues Over Expenditures	\$ -0-	\$ (40)	\$ 750	\$ 1,004	\$ 50	\$ -0-	\$ 1,764
Fund Balance:							
Beginning of Year	\$ 37	\$ 396	\$ -0-	\$ -0-	\$ -0-	\$ 659	\$ 1,092
End of Year	\$ 37	\$ 356	\$ 750	\$ 1,004	\$ 50	\$ 659	\$ 2,856

(10) PROTESTED TAXES

The net assets held for others in the agency funds at June 30, 2004, as reflected on Statement D, include \$1,316,204 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$405,177. These funds are held pending resolution of the protest and are accounted for in the Tax Collection Agency Fund.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

(11) DISCLOSURE REQUIRED BY LRS 42:283-286

	<u>General Fund</u>	<u>Prison Fund</u>
Sheriff's Salary	\$ 112,379	\$
Deputies Salaries & Related Costs	3,096,997	3,610,575
Operating Services	263,754	
Materials & Supplies	181,878	
Travel	26,539	
Feeding prisoners	52,289	
Capital Outlay	141,192	
Total Expenditures/Expenses	\$ 3,875,028	\$ 3,610,575

(12) CAPITAL LEASES

The Sheriff's Office entered into a capital lease with Ford Motor Credit for the purchase of patrol vehicles. The terms of the lease was \$113,664 total principal payable in four annual installments of \$30,046 with the first payment in advance, interest at 3.85%. Following is a summary of debt activity:

<u>Debt</u>			<u>Balance</u>
<u>6-30-03</u>	<u>Additions</u>	<u>Payments</u>	<u>6-30-04</u>
\$-0-	\$113,664	\$30,146	\$83,518

Future debt activity including interest of \$6,620 is as follows:

2005	\$	30,046
2006		30,046
2007		30,046
Total	\$	90,138

***REQUIRED SUPPLEMENTAL
INFORMATION***

**LASALLE PARISH SHERIFF
JENA, LOUISIANA
GOVERNMENTAL FUND-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Fines and Other Fees	\$ 209,880	\$ 186,900	\$ 251,001	\$ 64,101
Taxes	1,470,000	1,512,800	1,512,841	41
Intergovernmental Revenue	366,300	369,307	339,976	(29,331)
Prison Payroll Reimbursement	1,358,125	1,438,000	1,445,294	7,294
Other	40,000	20,300	24,159	3,859
Total Revenues	\$ 3,444,305	\$ 3,527,307	\$ 3,573,271	\$ 45,964
Expenditures				
Personal Services & Related Benefits	\$ 2,967,375	\$ 3,162,528	\$ 3,209,376	\$ (46,848)
Operating Services	198,000	280,000	263,754	16,246
Materials & Services	185,000	225,000	234,167	(9,167)
Travel & Other Charges	20,000	28,000	26,539	1,461
Capital Outlay	45,000	138,192	224,810	(86,618)
Debt Service	-0-	-0-	30,046	(30,046)
Total Expenditures	\$ 3,415,375	\$ 3,833,720	\$ 3,988,692	\$ (154,972)
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,930)	\$ (306,413)	\$ (415,421)	\$ (109,008)
Other Financing Sources (Uses)				
Transfers From Other Funds			\$ -0-	
Loans			113,664	
Excess (Deficiency) of Revenues an Other Sources Over Expenditures and Other Uses			\$ (301,757)	
Fund Balance (Deficit)-Beginning			\$ 1,107,493	
Fund Balance (Deficit)-Ending			\$ 805,736	

OTHER REPORTS

**LASALLE PARISH SHERIFF
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2004**

I have audited the basic financial statements of the LaSalle Parish Sheriff, Jena, Louisiana, as of and for the year ended June 30, 2004 and have issued my report thereon dated October 30, 2004. I conducted my audit in accordance with generally accepted auditing standards 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. My audit of the financial statements as of June 30, 2004 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not-Applicable)

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)
-----------------	--------------------------------------

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**LASALLE PARISH SHERIFF
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2004**

**Section II Financial Statement Findings Required To Be Reported In Accordance With
GAGAS Summary of Auditor’s Reports**

Reference	Description of Finding	Recommendation
2004-C-1	<p style="text-align: center;"><u>Misappropriation of Fiduciary Funds By Personnel</u></p> <p>In February 2004, the Legislative Auditor received notification from the LaSalle Parish Sheriff of a possible misappropriation of public funds. The Legislative Auditor’s office conducted an audit to determine the propriety of this information. The Auditors discovered that during the period September 2002 to February 2004 that at least \$54,649 collected by the LaSalle Parish Sheriff was not deposited into the Sheriff’s Office bank accounts. These collections were the result of traffic fines, cash bonds, restitution payments, and misdemeanor probation fees. According to the findings of the Legislative Auditor’s report, the former court bailiff at the Sheriff’s office admitted to personally using and not replacing the collections.</p>	<p>I recommend that the Sheriff’s office discontinue accepting cash payments from the public for fines, cash bonds, restitution payments, misdemeanor probation fees, license, and tax payments. I recommend that the office accept only money orders, cashiers checks, or personal checks made out to the LaSalle Parish Sheriff’s Office.</p>

Section III Internal Control

No items to report.

Section IV Federal Awards Findings and Questioned Costs

Not Applicable.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2004**

Reference	Description of Finding	Contact Person	Anticipated Completion Date
2004-C-1	Misappropriation of Fiduciary Funds By Personnel	Carl Smith	June 30, 2005

Corrective Action Planned:

(The Sheriff's Department no longer accepts cash payments for fines, cash bonds, restitution payments, misdemeanor probation fees, license, or tax collections. The Office requires payment to be made in the form of money orders, cashier checks, or personal or business checks.)

Our office has purchased a cash register system to handle the recording of revenues received by the LaSalle Parish Sheriff's Department. At the present time, all collection of court and traffic monies is handled through this cash register. In addition, bond fees, game license, and cash tax payments are handled through this system. We have adopted a strict no-cash policy in matters related to criminal, traffic, and bond collections. In the event we authorize a cash payment, every effort is made to immediately secure and deposit the cash.

The above mentioned system will keep a record of receipts by type, and will also keep a running total of each clerk's activity. At the end of processing, a report is generated that shows the amount of checks and cash respectively, the amount that each clerk keyed in, and the amount posted to each revenue class. This report is used to reconcile the receipts that have been collected. In the event that a mistake is made, each clerk is responsible to report the keying error.

Upon reconciliation, the deposit is prepared and taken to the bank. Our limited staff prevents a dedicated deputy for this job, so a copy of each deposit slip is presented, along with copies of all tickets and receipts, to the personnel responsible for keying the information into our traffic and court distribution system. In addition, the bank issued receipt is attached to the remaining carbon copy to verify receipt by the bank. We have also adopted the policy of writing a receipt for all payments regardless if hand-delivered or mailed. In addition, this receipt information is placed in a database that allows us to search specific entries without consulting each individual receipt book.

**LASALLE PARISH SHERIFF
JENA, LOUISIANA**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the LaSalle Parish Sheriff, Jena, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2003.

PRIOR YEAR FINDINGS

***2003-I-1* Finding: Reconciliation of Escrow in Agency Funds**

The liability accounts in the bond and civil funds were not being reconciled to the cash being held for those funds. This weakness makes these funds susceptible to errors and abuse by personnel.

Corrective Action:

(The office's civil department began a review of the transactions in this fund and noted and found evidence of possible misappropriation of monies in these funds. The Sheriff's Office then notified the Legislative Auditor's Office of its finding and requested an audit be performed by the fraud section of their office. The Sheriff's Office has implemented procedures to discontinue accepting cash payments from the public for payments into this fund. The Office now only accepts money orders, cashiers check, or personal or business checks.)

Our office has purchased a cash register system to handle the recording of revenues received by the LaSalle Parish Sheriff's Department. At the present time, all collection of court and traffic monies is handled through this cash register. In addition, bond fees, game license, and cash tax payments are handled through this system. We have adopted a strict no-cash policy in matters related to criminal, traffic, and bond collections. In the event we authorize a cash payment, every effort is made to immediately secure and deposit the cash.

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