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OUACHITA PARISH SHERIFF
Monroe, Louisiana

Financial Report

As of and For the Year Ended
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 1-19-05

**Ouachita Parish Sheriff
Monroe, Louisiana**

**Financial Statements
As of and for the Year Ended June 30, 2004**

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Ouachita Parish Sheriff
Monroe, Louisiana

Financial Statements
As of and for the Year Ended June 30, 2004

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Francis I. Huffman, CPA
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John L. Luffey, MBA, CPA (1963-2002)

INDEPENDENT AUDITORS' REPORT

Ouachita Parish Sheriff Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Ouachita Parish Sheriff Tax Collector Agency Fund which represents 73% of the cash and liabilities in the fiduciary funds on Statement G. The Tax Collector Agency Fund financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included on Statement G for the Tax Collector Agency Fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Sheriff as of June 30, 2004, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Sheriff has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments" and

**Ouachita Parish Sheriff
Monroe, Louisiana**

Statement No. 37, "Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments: Omnibus", as of July 1, 2003. This results in a change in the form and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2004 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The "Management's Discussion and Analysis" presented on pages 4 through 9 and the "Budgetary Information" presented on page 34 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We 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, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying information listed as other supplemental information as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This other supplemental information is the responsibility of management of the Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion and the opinion of the other auditors, the other supplemental information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



(A Professional Accounting Corporation)

December 29, 2004

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL HIGHLIGHTS

The Parish Sheriff's assets exceeded its liabilities by \$5,747,436 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of \$1,442,769 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets
2. Unrestricted net assets of \$4,304,667 represent the portion available to maintain the Parish Sheriff's continuing obligations to citizens and creditors.

The Parish Sheriff's governmental funds reported total ending fund balance of \$5,156,873 this year. This compares to the prior year ending fund balance of \$4,457,240 showing an increase of \$699,633 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,156,873, or 28% of total General Fund expenditures and 27% of total General Fund revenues including transfers.

Overall, the Parish Sheriff's office continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above 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 Parish 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 Parish Sheriff also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2004.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Parish Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Parish 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.

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 Parish 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 Parish Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Parish Sheriff would extend to other nonfinancial 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 Parish 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 Parish Sheriff's distinct activities or functions on revenues provided by the Parish Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Parish 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 11 - 12 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 Parish 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 Parish Sheriff's most significant funds rather than the Parish Sheriff as a whole.

The Parish Sheriff has one fund.

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 Parish 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 the 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 14 - 18 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 Parish Sheriff only reports agency funds.

The basic agency fund financial statement is presented on page 19 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 19 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 Parish Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. These statements and schedules demonstrate compliance with the Parish Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 34 of this report.

In addition, more detailed general fund budget information and details of the individual agency funds are presented as supplementary information presented on pages 36 of this report.

FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE (DOLLARS ARE IN THOUSANDS)

The Parish Sheriff implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. 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 Parish Sheriff as a whole.

The Parish Sheriff's net assets at fiscal year-end are \$5,747,436. The following table provides a summary of the Parish Sheriff's net assets:

Summary of Net Assets

	<u>Governmental Activities</u>	<u>Percentage Total</u>
Assets:		
Current assets and other assets	\$ 5,624,675	79%
Capital assets	1,442,769	21%
Total assets	<u>7,067,444</u>	<u>100%</u>
Liabilities:		
Current liabilities	467,802	35%
Long-term liabilities	852,206	65%
Total liabilities	<u>1,320,008</u>	<u>100%</u>
Net assets:		
Investment in capital assets, net of debt	1,442,769	25%
Unrestricted	<u>4,304,667</u>	<u>75%</u>
Total net assets	<u>\$ 5,747,436</u>	<u>100%</u>

The Parish Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 11.8 to 1.

The Parish Sheriff reported positive balances in net assets for the governmental activities. Assets increased \$927,519 for governmental activities in fiscal 2004.

Note that only 25% of the governmental activities' net assets are tied up in capital assets. The Parish Sheriff uses these capital assets to provide services to its citizen.

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the Parish Sheriff's changes in net assets:

GOVERNMENTAL REVENUES

The Parish Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 38% of the Parish Sheriff's total revenues. Because of the Parish Sheriff's healthy financial position, we have been able to earn \$68,325 in interest earnings to support governmental activities. Also, note that program revenues cover 36% of governmental operating expenses. This means that the government's taxpayers and the Parish Sheriff's other general revenues fund 64% of its operations.

GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of Parish Sheriff's office is public safety activities. Of the total costs, depreciation on the office equipment and vehicles was \$309,007 or 3% of total expenses.

FINANCIAL ANALYSIS OF THE PARISH SHERIFF'S FUNDS

Governmental funds

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. Governmental funds reported ending fund balances of \$5,156,873. All of this is unreserved indicating availability for continuing the Parish Sheriff activities.

The total ending fund balances of governmental funds shows an increase of \$699,633 or 16% from the prior year.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Parish Sheriff's only operating fund and the source of day-to-day service delivery.

The key factors contributing to this change were the Work Release Program, which generated \$1.9 million during the year, and a \$200,000 reduction in capital expenditures over last fiscal year.

Operating expenditures were approximately \$18.3 million or 17% greater than fiscal 2003. Unfortunately, the primary cause for this increase related to an increase in employees, benefits and insurance rates, all of which will likely continue to increase over time.

Although the General Fund's ending fund balance was higher than the prior year, we consider this amount adequate, representing the equivalent of 25% of annual expenditures.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund's original and final revenue budgets were less than the actual amounts reported in fiscal year 2001. The majority of the reduction related to the reduction in forfeiture monies as we discussed above.

The original expenditure budget reported an increase of 5% over the actual 2003 amounts. As we discussed above, the increases relate to personnel costs.

The final amended budget reported revenues increasing 14% over the original budget. The expenditure amended budget increased 16% over the original budget.

Some of the reasons for the changes in the expenditure budget included:

- 1 • An increase in employees
- 2 • *A correction in the amended budget to reflect Work Release revenues*
- 3 • An increase in both hospitalization and life insurance premiums
- 4 • A correction in the amended budget to increase the amount budgeted for liability insurance
- 5 • An increase in the prisoner feeding costs offset by increased reimbursement

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Parish Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$1,442,769. See Note 7 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

At June 30, 2004, the depreciable capital assets for governmental activities were 72% depreciated versus 76% in the prior year. The level of investment in Capital Assets indicates that the Parish Sheriff is replacing its assets at 186% of its depreciation costs.

The major additions to the vehicles account includes:

32 new vehicles	\$551,561	(an average cost of \$17,236)
4 used vehicles	\$ 31,485	(an average cost of \$7,871)

Long-term debt

At the end of the fiscal year, the Parish Sheriff had total Long term debt of \$852,206 which consists of the accrued annual vacation and compensated absences.

CONTACTING THE PARISH SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Parish Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Parish Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Richard L. Fewell, Sheriff, Ouachita Parish Sheriff and Tax Collector, P.O. Box 1810, Monroe, LA 71210.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**STATEMENT OF NET ASSETS
June 30, 2004**

ASSETS

Cash	\$ 1,524,661
Cash Investments	3,000,000
Due from other funds	120,363
Receivables	682,823
Prepaid expenses	295,842
Inventory	986
Capital assets, net	1,442,769
TOTAL ASSETS	<u><u>7,067,444</u></u>

LIABILITIES

Accounts payable	66,413
Accrued payroll & other	401,389
Long-term liabilities - due after one year	852,206
TOTAL LIABILITIES	<u><u>1,320,008</u></u>

NET ASSETS

Invested in capital assets	1,442,769
Unrestricted	<u>4,304,667</u>

TOTAL NET ASSETS	<u><u>\$ 5,747,436</u></u>
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The accompanying notes are an integral part of the basic financial statements.

Statement B

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004**

<u>Activities</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
<u>GOVERNMENTAL ACTIVITIES</u>	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>GOVERNMENTAL ACTIVITIES</u>	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Public safety	\$ 18,048,653	\$ 9,637,410	\$ 1,932,902	\$ -
Total	<u>\$ 18,048,653</u>	<u>\$ 9,637,410</u>	<u>\$ 1,932,902</u>	<u>\$ -</u>
				<u>(6,478,341)</u>
				<u>(6,478,341)</u>
				<u>7,244,169</u>
				<u>68,325</u>
				<u>93,366</u>
				<u>7,405,860</u>
				<u>927,519</u>
				<u>4,819,917</u>
				<u>\$ 5,747,436</u>

General revenues:

Taxes -

Property taxes, levied for general purposes

Interest and investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets - July 1, 2003

Net assets - June 30, 2004

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
GENERAL FUND
June 30, 2004**

ASSETS

Cash	\$ 1,524,661
Cash Investments	3,000,000
Due from other funds	120,363
Receivables	682,823
Prepaid expenses	295,842
Inventories	<u>986</u>

TOTAL ASSETS \$ 5,624,675

LIABILITIES AND FUND BALANCES**Liabilities**

Accounts payable	\$ 66,413
Accrued payroll & other	<u>401,389</u>
Total Liabilities	<u>467,802</u>

Fund Balances

Fund balance - unreserved/ undesignated	<u>5,156,873</u>
Total Fund Equity	<u>5,156,873</u>

TOTAL LIABILITIES AND FUND BALANCES \$ 5,624,675

The accompanying notes are an integral part of the basic financial statements.

OUACHITA PARISH SHERIFF
Monroe, 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	\$	5,156,873
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$	5,091,320
Less: accumulated depreciation		<u>(3,648,551)</u>
		1,442,769
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the government funds		
Compensated absences payable		<u>(852,206)</u>
Total net assets of governmental activities at June 30, 2004	\$	<u><u>5,747,436</u></u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - GENERAL FUND
YEAR ENDED JUNE 30, 2004**

Revenues:	
Ad valorem taxes	\$ 7,244,169
Intergovernmental revenues:	
Federal grants	602,127
State grants:	
State revenue sharing (net)	340,443
State supplemental pay	918,553
D.A.R.E. grant	71,779
Fees, charges, and commissions for services	447,392
Civil and criminal fees	1,581,383
Commission on licenses and taxes	260,427
Court attendance	54,069
Transportation of prisoners	118,856
Feeding and keeping of prisoners	6,834,921
Tax notices, etc.	46,962
Use of money and property	68,325
Other	293,400
TOTAL REVENUES	<u>18,882,806</u>
EXPENDITURES	
Public safety	
Current:	
Personal services and related benefits	15,225,884
Operating services	1,328,291
Materials and supplies	1,047,603
Travel and other charges	10,117
Capital outlay	664,644
TOTAL EXPENDITURES	<u>18,276,539</u>
Excess (deficiency) of revenues over expenditures	<u>606,267</u>
Other Financing Sources	
Sale of assets	36,300
Compensation for damage to assets	57,066
Total other financing sources	<u>93,366</u>
Excess of Revenues and Other Sources Over Expenditures	699,633
Fund Balance at Beginning of Year	<u>4,457,240</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,156,873</u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

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

Total net changes in fund balance at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	699,633
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	\$ 664,644	
Depreciation expense for the year ended June 30, 2004	<u>(355,637)</u>	309,007
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures.		
Excess of compensated absences earned over compensated absences used		<u>(81,121)</u>
Total changes in net assets at June 30, 2004 per Statement of Activities	\$	<u><u>927,519</u></u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**STATEMENT OF NET ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
June 30, 2004**

ASSETS

Cash and cash equivalents	\$ <u>3,365,817</u>
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TOTAL ASSETS

<u>3,365,817</u>

LIABILITIES

Accounts payable	1,308,502
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Due to General Fund	120,363
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Due to taxing bodies and others	<u>1,936,952</u>
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TOTAL LIABILITIES

\$ <u>3,365,817</u>

The accompanying notes are an integral part of the basic financial statements.

**OUACHITA PARISH SHERIFF
NOTES TO 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 Ouachita Parish Sheriff (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 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 programs such as neighborhood watch and anti-drug abuse. 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, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Ouachita Parish Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. 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. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

B. Basis of Presentation

The accompanying basic financial statements of the Ouachita 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. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). 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."

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.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

Fund Financial Statements (FFS)

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. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. 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. Both of the governmental funds of the Sheriff are considered to be major funds. The funds of the Sheriff are described below:

Governmental Funds -

General Fund - the primary operating fund of the Sheriff and its 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. The General Fund is the only major fund of the Sheriff.

Fiduciary Funds -

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 for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the General Fund 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 sources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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The amounts reflected in the General Fund 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 the 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred 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 government funds use the following practices in recording revenues and expenditures:

Revenues

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

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

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

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

D. Budgets

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

1. The chief financial deputy prepares a proposed budget for the general fund and submits it to the Sheriff for the fiscal year not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.
7. Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in the demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

F. Investments

Under state law, Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana.

G. 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.

H. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2004 are recorded as prepaid items.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available (or describe other method of valuation). 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 \$1,000 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 are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimate Useful Lives (Years)</u>
Office furniture and equipment	5
Vehicles	5
Machinery, Safety and Communications equipment	5-10
Buildings & building improvements	20-25

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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J. Compensated Absences

After one year of service, employees of the sheriff's office earn 8 days of vacation leave per year plus one day for each year of service, up to a maximum of 20 days. After three full months of service, employees earn sick leave at the rate of one day per month of service. There is no maximum number of hours that an employee may accumulate. Employees are not paid for accumulated sick leave upon separation from service. Comp-time is accrued at 1.5 hours for each hour worked and holiday time is accrued at 1.0 hours for each holiday hour worked. If an employee leaves the employment of the sheriff's office, all accrued vacation, comp-time and holiday pay are paid to the employee.

At June 30, 2004, employees of the sheriff's office have accumulated and vested \$852,206 of employee leave benefits, which was computed in accordance with GASB Codification C60. This amount is recorded in long-term liabilities on the statement of net assets.

K. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets 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.

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

M. Compensated Absences

The sheriff is exposed to various risks 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 its property, automobiles, law enforcement professional liability, and surety bond coverage. The police jury maintains insurance coverage on the building and its

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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contents. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2004.

(2) *Changes in Accounting Principles*

For the year ended June 30, 2004, the Sheriff has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the Sheriff's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Sheriff also implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, No. 37, *Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments: Omnibus*, No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. At June 30, 2003, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of "net assets" as follows:

Total fund balances - Governmental Funds at June 30, 2003		\$ 4,457,240
Add: Cost of capital assets at June 30, 2003	\$ 4,813,354	
Less: Accumulated depreciation at June 30, 2003	<u>(3,679,592)</u>	1,133,762
Less: Compensated absences payable at June 30, 2003		<u>(771,085)</u>
Net assets at June 30, 2003		<u>\$ 4,819,917</u>

(3) *Cash and Interest-Bearing Deposits*

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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At June 30, 2004, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$7,890,478, as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Noninterest-bearing deposits	\$ 1,144,918	\$ 838,330	\$ 1,983,248
Interest-bearing deposits	<u>3,379,743</u>	<u>2,527,487</u>	<u>5,907,230</u>
Total	<u>\$ 4,524,661</u>	<u>\$ 3,365,817</u>	<u>\$ 7,890,478</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004, are secured as follows:

Bank balances	<u>\$ 8,003,010</u>
Federal deposit insurance	1,845,414
Pledged securities (category 3)	<u>15,018,542</u>
Total	<u>\$ 16,863,956</u>

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

(4) Ad Valorem Taxes

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

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2004, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 11.52 mills on property with net assessed valuations totaling \$637,466,746.

(5) *Receivables*

Amounts due from other governmental units at June 30, 2004 consist of the following:

		<u>Total</u>
Federal grants	\$	138,158
Parish governments		487,809
State of Louisiana		23,393
Other		<u>33,463</u>
 Total	 \$	 <u><u>682,823</u></u>

(6) *Interfund Transactions*

A. *Receivables and Payables*

Interfund receivables and payables consisted of amounts due to/from other funds for fees earned for services performed. They consisted of the following at June 30, 2004:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 120,363	\$ -
Agency Funds:	-	-
Tax Collector Fund	-	-
Civil	-	-
Bond	-	3,995
Criminal	-	-
Clearing	-	-
Inmate	-	116,368
Total	<u>\$ 120,363</u>	<u>\$ 120,363</u>

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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(7) *Capital Assets*

Capital asset activity for the year ended June 30, 2004 was as follows:

	<u>Balance</u> <u>July 31, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
Governmental activities:				
Office, equipment and furniture	\$ 516,625	\$ 37,588	\$ 39,176	\$ 515,037
Vehicles	3,359,462	583,046	301,634	3,640,874
Machinery, Safety and Communications equipment	604,881	44,010	45,868	603,023
Buildings and building improvements	<u>332,386</u>	<u>-</u>	<u>-</u>	<u>332,386</u>
Total	<u>4,813,354</u>	<u>664,644</u>	<u>386,678</u>	<u>5,091,320</u>
Less: accumulated depreciation:	<u>3,679,592</u>	<u>355,637</u>	<u>386,678</u>	<u>3,648,551</u>
Net capital assets	<u>\$ 1,133,762</u>	<u>\$ 309,007</u>	<u>\$ -</u>	<u>\$ 1,442,769</u>

Depreciation expense in the amount of \$355,637 was charged to public safety.

(8) *Pension Plan*

Substantially all employees of the Ouachita Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (the 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 earn at 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 percent 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 per cent 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

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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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 and amended by state statute.

Plan members are required by state statute to contribute 9.8 percent of their annual covered salary and the Ouachita Parish Sheriff is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2003 was 7.75 percent of annual covered payroll and increased to 9.25 percent effective July 1, 2003. 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 Ouachita 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. In December 2000, the Sheriff began paying the employees' contribution amounts. The Ouachita Parish Sheriff's contributions to the system (including the employees' contributions) for the years ended June 30, 2004, 2003, and 2002 were \$2,578,811, \$1,569,543, and \$1,333,958, respectively.

The System issues an annual 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.

(9) Post Retirement Benefits

The Ouachita Parish Sheriff provides certain health care benefits for retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff's office. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the sheriff. The sheriff recognizes the cost of providing these benefits (the sheriff's cost of premiums) as an expenditure when the monthly premiums are due, which are \$1,916,641, for the year ended June 30, 2004. Of this amount, \$174,551 was for retiree benefits.

(10) Changes in Agency Fund Balances

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

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
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	Balance			Balance
	July 1, 2003	Additions	Reductions	June 30, 2004
Agency fund:				
Tax Collector \$	1,416,165	\$ 69,361,423	\$ 69,620,955	\$ 1,156,633
Civil	106,912	5,151,472	5,097,881	160,503
Bond	221,948	332,878	276,141	278,685
Criminal	-	69,505	7,154	62,351
Clearing	-	1,481,995	1,481,995	-
Inmate	313,377	2,321,265	2,355,862	278,780
	<u>313,377</u>	<u>2,321,265</u>	<u>2,355,862</u>	<u>278,780</u>
 Total	 \$ <u>2,058,402</u>	 \$ <u>78,718,538</u>	 \$ <u>78,839,988</u>	 \$ <u>1,936,952</u>

(11) *Taxes Paid Under Protest*

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2004, include \$1,156,079 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

(12) *Litigation and Claims*

At June 30, 2004, the Ouachita Parish Sheriff is involved in several lawsuits. The potential liability for other lawsuits pending cannot be reasonably estimated and accordingly no provision for any other liability resulting from the lawsuits has been made in the accompanying financial statements.

The sheriff has entered into various cancelable operating leases for vehicles, office and radio equipment. Rental expense under all cancelable operating leases for the year ended June 30, 2004 was approximately \$53,800.

(13) *On-Behalf Payments*

Certain employees of the Ouachita Parish Sheriff's department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$918,553.

(14) *Joint Operation of Hibernia Center For Law Enforcement Training*

On September 11, 1997, Hibernia National bank donated a building to the City of West Monroe, the Ouachita Parish Sheriff's Office and the City of Monroe, to be used solely

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

for law enforcement purposes with the primary emphasis on training. The donation was made subject to a restriction on use that requires that the property be used solely for law enforcement purposes for a period of ten years from the date of donation and that the building be designated as "The Hibernia Center for Law Enforcement Training." The Ouachita Parish Sheriff, the City of West Monroe, and the City of Monroe agreed to share equally the costs of improving and maintaining the building. The sheriff did not incur any expenditures related to the building during the year ended June 30, 2004.

(15) Expenditures of the Sheriff's Office Paid by the Parish Police Jury

The sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Ouachita Parish Police Jury.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

OUACHITA PARISH SHERIFF
Monroe, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2004

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes	\$ 7,250,000	\$ 7,250,000	\$ 7,244,169	\$ (5,831)
Intergovernmental revenues:				
Federal grants	186,000	453,000	602,127	149,127
State grants:				
State revenue sharing (net)	400,000	350,000	340,443	(9,557)
State supplemental pay	850,000	920,000	918,553	(1,447)
D.A.R.E grant	65,000	72,000	71,779	
Fees, charges, and commissions for services	340,000	450,000	447,392	(2,608)
Civil and criminal fees	1,505,000	1,590,000	1,581,383	(8,617)
Commission on licenses and taxes	200,000	300,000	260,427	(39,573)
Court attendance	87,000	60,000	54,069	(5,931)
Transportation of prisoners	36,000	120,000	118,856	(1,144)
Feeding and keeping of prisoners	5,192,000	6,835,000	6,834,921	(79)
Tax notices, etc.	42,000	50,000	46,962	(3,038)
Use of money and property	137,000	68,000	68,325	325
Other	94,000	216,000	293,400	77,400
TOTAL REVENUES	<u>16,384,000</u>	<u>18,734,000</u>	<u>18,882,806</u>	<u>148,806</u>
EXPENDITURES				
Public safety				
Current:				
Personal services and related benefits	13,142,200	15,530,000	15,225,884	(304,116)
Operating services	1,381,000	1,500,000	1,328,291	(171,709)
Materials and supplies	796,000	1,000,000	1,047,603	47,603
Travel and other charges	54,700	20,000	10,117	(9,883)
Capital outlay	812,000	700,000	664,644	(35,356)
TOTAL EXPENDITURES	<u>16,185,900</u>	<u>18,750,000</u>	<u>18,276,539</u>	<u>(473,461)</u>
Excess (deficiency) of revenues over expenditures	<u>198,100</u>	<u>(16,000)</u>	<u>606,267</u>	<u>622,267</u>
Other Financing Sources				
Sale of assets	16,000	16,000	36,300	20,300
Compensation for damage to assets	50,000	50,000	57,066	7,066
Total other financing sources	<u>66,000</u>	<u>66,000</u>	<u>93,366</u>	<u>27,366</u>
Excess of Revenues and Other Sources Over Expenditures	264,100	50,000	699,633	649,633
Fund Balance at Beginning of Year	<u>4,457,240</u>	<u>4,457,240</u>	<u>4,457,240</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,721,340</u>	<u>\$ 4,507,240</u>	<u>\$ 5,156,873</u>	<u>\$ 649,633</u>

OTHER SUPPLEMENTAL INFORMATION

OUACHITA PARISH SHERIFF
Monroe, Louisiana

General Fund
Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
<i>Public safety -</i>				
<i>Personal services and related benefits:</i>				
Sheriff salary	\$ 87,000	\$ 108,000	\$ 107,548	\$ 452
Sheriff expense allowance	-	10,000	9,849	151
Deputies salaries	9,526,000	10,700,000	10,503,767	196,233
Other salaries	300,000	450,000	423,273	26,727
Pension, medical and payroll taxes	3,229,200	4,262,000	4,181,447	80,553
Total personal services and related benefits	13,142,200	15,530,000	15,225,884	304,116
<i>Operating services:</i>				
Liability insurance (auto and employee)	400,000	650,000	552,855	97,145
Publications / legal notices	4,000	10,000	2,398	7,602
Membership dues	11,000	20,000	16,542	3,458
Postage and box rent	42,000	60,000	51,849	8,151
Telephone	88,000	65,000	56,495	8,505
Radio / communications	52,000	50,000	43,407	6,593
Vehicle maintenance	200,000	8,000	6,421	1,579
Maintenance of office equipment	41,000	40,000	37,474	2,526
Buildings utilities / maintenance	13,000	100,000	94,827	5,173
Work release	420,000	10,000	8,902	1,098
Medical	10,000	6,000	4,621	1,379
Legal, auditing and professional fees	100,000	70,000	67,309	2,691
Sheriff's Louisiana pension fund contribution	-	160,000	149,366	10,634
Equipment rent	-	35,000	30,539	4,461
Training	-	156,000	154,810	1,190
Community relations	-	20,000	18,008	1,992
Other	25,000	40,000	32,468	7,532
Total operating services	1,406,000	1,500,000	1,328,291	171,709
<i>Materials and supplies:</i>				
Computer programs	33,000	-	-	-
Office supplies	166,000	170,000	171,029	(1,029)
Education / training	146,000	5,000	4,624	376
Dare	22,000	17,000	16,476	524
Uniforms	62,000	73,000	72,799	201
Range	26,000	-	-	-
Vehicle Gas / Oil	300,000	310,000	353,811	(43,811)
Law enforcement supplies	11,000	42,000	42,134	(134)
Ammunition	26,000	25,000	25,673	(673)
Investigative expenses	4,000	7,000	6,281	719
Shop supplies	-	95,000	93,860	1,140
Work release food and other supplies	-	246,000	251,266	(5,266)
Other	-	10,000	9,650	350
Total materials and supplies	796,000	1,000,000	1,047,603	(47,603)
<i>Travel and other charges</i>	46,000	20,000	10,117	(9,883)
<i>Capital outlay:</i>				
Motor vehicles	450,000	600,000	588,662	(11,338)
Range	225,000	-	-	-
Work release	25,000	-	-	-
Office furniture	5,000	10,000	9,338	(662)
Communications	40,000	20,000	12,996	(7,004)
Public safety	25,000	35,000	30,643	(4,357)
Computers	25,000	10,000	8,746	(1,254)
Other	17,000	25,000	14,259	(10,741)
Total Capital outlay	812,000	700,000	664,644	(35,356)
Total expenditures	\$ 16,202,200	\$ 18,750,000	\$ 18,276,539	\$ 473,461

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS**

**COMBINING BALANCE SHEET
June 30, 2004**

	Tax Collector Fund	Civil Fund	Bond Fund	Criminal Fund	Clearing Fund	Inmate Funds	Total
ASSETS							
Cash and cash equivalents	\$ 2,465,135	\$ 160,503	\$ 282,680	\$ 62,351	\$ -	\$ 395,148	\$ 3,365,817
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,465,135</u>	<u>\$ 160,503</u>	<u>\$ 282,680</u>	<u>\$ 62,351</u>	<u>\$ -</u>	<u>\$ 395,148</u>	<u>\$ 3,365,817</u>
LIABILITIES							
Due to General Fund	\$ -	\$ -	\$ 3,995	\$ -	\$ -	\$ 116,368	\$ 120,363
Accounts Payable	1,308,502	-	-	-	-	-	1,308,502
Due to taxing bodies and others	1,156,633	160,503	278,685	62,351	-	278,780	1,936,952
TOTAL LIABILITIES	<u>\$ 2,465,135</u>	<u>\$ 160,503</u>	<u>\$ 282,680</u>	<u>\$ 62,351</u>	<u>\$ -</u>	<u>\$ 395,148</u>	<u>\$ 3,365,817</u>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND OMB CIRCULAR A-133**

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

**Ouachita Parish Sheriff
Monroe, Louisiana**

We have audited the financial statements of the Ouachita Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. We did not audit the financial statements of the Ouachita Parish Sheriff Tax Collector Agency Fund which represents 73% of the cash and liabilities in the fiduciary funds on Statement G. The Tax Collector Agency Fund financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included on Statement G for the Tax Collector Agency Fund, is based on the report of the other auditors.

Compliance

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over

**Ouachita Parish Sheriff
Monroe, Louisiana**

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

This report is intended for the information of management of the Sheriff, Federal and State awarding agencies and other entities granting funds to the Sheriff and the Legislative Auditor for the state of Louisiana and is not intended to be used and should *not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.*



(A Professional Accounting Corporation)

December 29, 2004

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

**Ouachita Parish Sheriff
Monroe, Louisiana**

Compliance

We have audited the compliance of the Ouachita Parish Sheriff (the Sheriff) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Sheriff's compliance with those requirements.

In our opinion, the Sheriff, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

**Ouachita Parish Sheriff
Monroe, Louisiana**

Internal Control Over Compliance

The Sheriff is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Sheriff and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

December 29, 2004

**OUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Pass-Through Grantor Number	Grant Identification Number	Federal Expenditures
U. S. Department of Justice:				
Direct Programs:				
Local Law Enforcement Block Grant	16.592	N/A	2003-LB-BX-1429	\$ 108,222
Safe Streets Task Force - Federal Overtime Program	N/A	N/A	N/A	24,299
COPS - Universal Hiring Program	16.710	N/A	2003-UMWX-0048	303,405
COPS - Homeland Security Overtime Program	16.710	N/A	2003-UMWX-0041	75,725
				<u>511,651</u>
Pass-Through Programs:				
Louisiana Commission on Law Enforcement:				
Project Safe Neighborhoods	16.609	F03-8-005	2003-GPCX-0550	25,000
Domestic Violence Investigation	16.588	M00-2-001	2000-WFBX-0173	11,585
Domestic Violence Investigation	16.588	M01-2-001	2001-WFBX-0173	41,677
Domestic Violence Investigation	16.589	M02-2-001	2002-WFBX-0173	12,214
				<u>90,476</u>
Total Expenditures of Federal Awards				\$ 602,127

See notes to Schedule of Expenditures of Federal Awards

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2004

1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal Awards programs of the Ouachita Parish Sheriff, (the Sheriff) Monroe, Louisiana. The Sheriff's reporting entity is defined in Note 1 to the Sheriff's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Sheriff's financial statements.

**OUACHITA PARISH SHERIFF
Monroe, Louisiana**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2004

Section 1 – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? __Yes XNo

Reportable Condition(s) identified not considered to be material weaknesses? __Yes XNone reported

Noncompliance material to financial statements noted? __Yes XNo

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? __Yes XNo

Reportable condition(s) identified not considered to be material weakness(es)? __Yes XNone Reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? __Yes XNo

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee? XYes __No

Identification of Major Programs:

CFDA #
16.710

PROGRAM TITLE
Community Oriented Policing Services (COPS) – Universal Hiring
Program

Section II – Financial Statement Findings and Questioned Costs:

None reported.

Section III – Federal Awards Findings and Questioned Costs:

None reported.

**OUACHITA PARISH SHERIFF
SUMMARY STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

Findings:

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

Management Letter:

Monthly Financial Reporting

Resolved