

RAPIDES PARISH SHERIFF

ALEXANDRIA, LOUISIANA

JUNE 30, 2004

RECEIVED
LEGISLATIVE AUDITOR
04 DEC 28 PM 12:40

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

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA**

JUNE 30, 2004

**TABLE OF CONTENTS
(Continued)**

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1-2
Required Supplemental Information- Part I		
Management's Discussion and Analysis		3-10
Basic Financial Statements		11
Government - Wide Financial Statements		12
Statement of Net Assets	A	13
Statement of Activities	B	14
Fund Financial Statements		15
Balance Sheet - Governmental Funds	C	16
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	D	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	18
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	19
Statement of Assets and Liabilities - Fiduciary Funds	G	20
Notes to Basic Financial Statements		21-38
	<u>STATEMENT</u>	
Required Supplemental Information- Part II		39
Budgetary Comparison Schedule - General Fund	H	40
Supplemental Information		41
General Fund		
Balance Sheet	I-1	42
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	I-2	43
Statement of Expenditures - Budget and Actual	I-3	44-47
Capital Projects Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balance	J	48

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA**

JUNE 30, 2004

**TABLE OF CONTENTS
(Concluded)**

	<u>STATEMENT</u>	<u>PAGE</u>
Nonmajor Governmental Funds		49
Combining Balance Sheet	K-1	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	K-2	51
Special Revenue Funds		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual		
Jail Commissary Fund	L-1	52
Work Release Facility Commissary Fund	L-2	53
Drug Enforcement Fund	L-3	54
Local Law Enforcement Block Grant Fund	L-4	55
Debt Service Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	M	56
Agency Funds		57
Combining Balance Sheet - Fiduciary Fund Types - All Agency Funds	N-1	58
Combining Statement of Changes in Assets and Liabilities - Fiduciary Fund Types - All Agency Funds	N-2	59
Other Reports Required by <i>Government Auditing Standards</i>		60
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		61-63
Schedule of Findings and Questioned Costs		64-65
Management's Summary Schedule of Prior Audit Findings		66
Management's Corrective Action Plan		67-68



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

INDEPENDENT AUDITOR'S REPORT

The Honorable William Earl Hilton
Rapides Parish Sheriff
Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Sheriff, Alexandria, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Rapides Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Sheriff, as of June 30, 2004, and the respective changes in financial position 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*, we have also issued our report dated November 3, 2004, on our consideration of the internal control over financial reporting of Rapides Parish Sheriff and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

MARVIN A. JUNEAU, C.P.A.	ROBERT L. LITTON, C.P.A.	MICHAEL A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A.	ROBERT W. DYORAK, C.P.A.	JAMES N. BALLARD, C.P.A.
ERNEST F. SASSER, C.P.A.	REBECCA B. MORRIS, C.P.A.	L. PAUL HOOD, C.P.A.



1419 METRO DRIVE • P.O. BOX 13200 • ALEXANDRIA, LA 71315-3200
PH: (318) 443-1893 • FAX: (318) 443-2515 • WWW.PMHCPA.COM



PAYNE, MOORE & HERRINGTON, LLP

The Honorable William Earl Hilton
Rapides Parish Sheriff
Alexandria, Louisiana

The management's discussion and analysis and budgetary comparison information presented on pages 3 through 10 and 40 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. 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 made for the purpose of forming opinions on the financial statements that collectively comprise the Rapides Parish Sheriff's basic financial statements. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Payne, Moore & Herrington, LLP

Certified Public Accountants

November 3, 2004

REQUIRED SUPPLEMENTAL INFORMATION – PART I
MANAGEMENT’S DISCUSSION AND ANALYSIS

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Rapides Parish Sheriff's financial performance provides an overview of the financial activity for the fiscal year ending June 30, 2004. This analysis should give the reader a snapshot of the financial health of the Rapides Parish Sheriff's Office as of that date and an indication of the strengths and weaknesses for the next few years.

FINANCIAL HIGHLIGHTS

- Fund Balance in the General Fund at June 30, 2004 is \$9.5 million, an increase of \$130,000 from the prior year. Revenues and transfers from other funds were \$29.66 million while expenditures and transfers out were \$29.53 million.
- The final amended budget for the year had revenues and other financing sources of \$29.1 million and expenditures and other financing uses of \$29.6 million, a \$500,000 projected budget loss. However, final revenues and other financing sources were \$550,000 more than budgeted and expenditures and other financing uses were slightly under budget resulting in net income being \$630,000 better than the budgeted loss of \$500,000.
- Sales tax receipts for fiscal year ending June 30, 2004 were \$9.2 million. This was \$300,000 higher than the final budget amount of \$8.9 million. Ad valorem taxes received during the fiscal year were \$7.2 million. The total of these two taxes accounted for \$16.4 million, or 56% of revenue in the General Fund.
- Debt payments for the fiscal year decreased \$150,000, or 35% from the prior fiscal year. The reason for this decrease is that much of the outstanding debt was paid off in fiscal year 2003.
- Total Assets and Net Assets on the Statement of Net Assets were virtually unchanged from the prior fiscal year. Both increased \$.2 million, less than a 1% change. Total Assets from all Governmental Fund activities at year end is \$26.4 million, liabilities \$2.1 million and Net Assets \$24.3 million.

UNDERTANDING THIS ANNAUL REPORT

The annual report consists of a series of financial statements and notes or explanations to those financial statements. The Statements of Net Assets and the Statement of Activities (on page 13 & 14) provide information about the Sheriff's Office as a whole. Fund financial statements, which present information for specific activities or objectives, begin on page 15. The Notes to the Financial Statements present information that help explain the transactions and balances shown in the Government-Wide Financial Statements and the individual Fund Financial Statements. The Notes begin on page 21.

After the Notes to the Financial Statements, this report contains some supplementary information. Some is required and some is provided because of the importance of the data. For example, the Statement of General Fund Expenditures beginning on page 44 reports departmental expenses and compares these to the budget allocated to these departments. This provides the reader a detailed analysis of the General Fund expenses and the budget management by those department managers.

One important method of analyzing the financial strength of any governmental entity is comparing current year data and balances to prior years. This will indicate the direction, or trend, in which the entity may be heading. This management's discussion and analysis will show some of those comparisons.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Reporting the Sheriff's Office as a Whole

As indicated earlier, the Statement of Net Assets and the Statement of Activities report information about the Sheriff's Office as a whole. The Statement of Net Assets reports the assets (cash, investments, receivables, inventories and capital assets) minus liabilities (accounts payable and other debt). The resulting sum is the net assets of the Sheriff's Office as of June 30, 2004.

An analysis of the components of the Statement of Net Assets from year to year will give the reader an indication of whether the Sheriff's financial position is improving or whether it is getting worse. There are, however, other indicators that are not in the financial statements that need to be taken into consideration when assessing financial condition. For instance, since more than 50% of the Sheriff's revenues are sales taxes and property taxes, the economic conditions in the area should also be considered.

The Statement of Activities is similar to a profit and loss statement that you would see in a business enterprise. However, instead of reporting net profit or loss, income less expenses is reported as the Change in Net Assets. The Statement shows the extent to which operations of the Sheriff's Office are supported by general revenues, such as taxes and investment earnings, and how much is funded by resources raised within the Sheriff's Office, mainly as charges for services.

- Reporting the Sheriff's Most Significant Funds

The Sheriff's financial statements as a whole are comprised of many individual funds. Significant funds, or major funds, are each reported in a separate column in the Fund Financial Statements so that they can be analyzed apart from the smaller funds. The remaining funds, or non-major funds, are combined into one column titled Other Governmental Funds.

The General Fund accounts for the majority of the day-to-day activities of the Sheriff's Office. It is the most significant fund of not only the Sheriff's Office, but of any government. All other funds account for resources dedicated for specific purposes or those in which the Sheriff's Office acts as Trustee. The General Fund, as well as all of the other governmental funds, are reported using an accounting method called modified accrual accounting, which reports revenues and expenses in the period earned or consumed, regardless of when cash is received or paid.

The Governmental Funds' Fund Balances (Reserves) are reconciled to Net Assets in a statement on page 17 of the financial statements. The two terms Net Assets and Reserves might seem to be referring to the same thing. However, Net Assets provide more of a long-term view of the Sheriff's financial picture and Governmental Fund Reserves focus on how the money flows in and out of those funds during the year and the balances available to fund future operations. The reconciliation shows the relationship between the two.

- The Sheriff as Trustee

The Sheriff's Office is also responsible for maintaining and reporting other funds of which it has a custodial responsibility. These monies are for specific purposes and must be reported separately. These funds consist of jail inmate balances, tax collections not yet distributed and Civil proceeding monies. These activities are reported in the Statement of Assets and Liabilities for Fiduciary Funds on page 20.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

ANALYSIS OF THE SHERIFF'S FINANCIAL STATEMENTS AS A WHOLE

The combined Net Assets of the Sheriff's Office as of June 30, 2004 was \$24.3 million, up \$.2 million from the previous year. The represents a 0.8% increase. Total assets at year end were \$26.4 million compared to liabilities of only \$2.1 million. The asset to liability ratio is a very strong 12.6:1. Table 1 below shows the combined net assets at June 30, 2004, and comparative amounts for June 30, 2003.

**Table 1
Net Assets**

	<u>6/30/03</u>	<u>6/30/04</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Cash and Investments	\$ 9,618,691	\$ 9,598,676	\$ (20,015)	-0.21%
Receivables	2,051,918	2,140,589	88,671	4.32%
Inventories	136,006	118,216	(17,790)	-13.08%
Prepaid Expenses	64,924	103,584	38,660	59.55%
Capital assets, net of depreciation	<u>14,315,571</u>	<u>14,445,023</u>	<u>129,452</u>	0.90%
Total Assets	26,187,110	26,406,088	218,978	0.84%
Payables	196,003	181,686	(14,317)	-7.30%
Deferred Revenue	63,759	78,270	14,511	22.76%
Other Liabilities	4,755	-	(4,755)	-100.00%
Compensated Absences	829,284	995,692	166,408	20.07%
Long-Term Debt	<u>1,030,000</u>	<u>892,360</u>	<u>(137,640)</u>	-13.36%
Total Liabilities	<u>2,123,801</u>	<u>2,148,008</u>	<u>24,207</u>	1.14%
Net Assets	\$24,063,309	\$24,258,080	\$ 194,771	0.81%

Net assets, as shown above, equal assets less liabilities. At first glance, the reader may look at the net asset figure above and interpret this to mean that the Sheriff's Office has a \$24.3 million reserve. However, only \$10.6 million is unrestricted, or available for operations. The remaining \$13.7 million is restricted to paying off debt and invested in capital assets.

With the very small change in net assets from the prior year to the current year, one can assume that the revenues and expenses of the Sheriff's Office were about equal. Program revenues and General revenues totaled \$30.2 million while expenses were \$30.0 million. This can be found in the Statement of Activities on page 14 of this report. In comparing revenues and expenses on the Statement of Activities, you will see that sales tax revenues increased from \$4.2 million to \$9.2 million. The latter amount reflects a full year of revenue compared to six months from the prior fiscal year. That additional \$5.0 million was used to hire the remaining school resource officers and provide a 3.2% pay increase to existing employees.

Program revenues account for 43.4% of the \$30.2 million in total revenues; general revenues 56.6%. Program revenues are those that are derived directly from the program itself or from parties outside the Sheriff's taxpayers or citizenry, as a whole. They reduce the net cost of the function to be financed from the sheriff's general revenues. Program revenues consist of charges for services and operating and capital grants. All revenues that are not program revenues are considered general revenues. Sales taxes and property taxes are the most common general revenues.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Of the \$13.1 million in program revenues, \$8.2 million were derived in the three jails and the Work Release facility operated by the Sheriff as reimbursements for housing inmates. The remaining program revenues were \$2.6 million in other charges for services and \$2.3 million in Operating and Capital grants. Sales taxes and property taxes comprised \$16.4 million of the \$17.1 million in general revenues.

In analyzing the expenses by program/function in the Statement of Activities, you will see that total expenses increased from \$25.2 million in fiscal year 2003 to \$30.0 million in the current year. \$3.6 million, or 75%, of the increase was in public safety. The School Resource Officer program instituted after the sales tax passage accounts for the majority of the increase. The Statement of Activities for the current and prior fiscal year is summarized in Table 2 below.

**Table 2
Statement of Activities (Summary)**

	<u>6/30/03</u>	<u>6/30/04</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Program Revenues:				
Charges for Services-				
Correctional Facilities	\$ 8,253,704	\$ 8,190,092	\$ (63,612)	-0.77%
Charges for Services-Other Divisions	1,780,006	1,861,858	81,852	4.60%
Charges for Services-Commissary Sales	<u>695,548</u>	<u>732,579</u>	<u>37,031</u>	5.32%
 Total Charges for Services	 10,729,258	 10,784,529	 55,271	 0.52%
 Operating/Capital Grants-				
Uniform Division	1,215,815	1,409,811	193,996	15.96%
Operating/Capital Grants-				
Louisiana Youth Academy	699,166	744,221	45,055	6.44%
Operating/Capital Grants- Other	<u>236,124</u>	<u>186,622</u>	<u>(49,502)</u>	-20.96%
 Total Operating/Capital Grants	 <u>2,151,105</u>	 <u>2,340,654</u>	 <u>189,549</u>	 8.81%
 Total Program Revenues	 12,880,363	 13,125,183	 244,820	 1.90%
 General Revenues:				
Property Taxes	6,974,286	7,169,988	195,702	2.81%
Sales Taxes	4,198,218	9,182,756	4,984,538	118.73%
Other General Revenues	<u>853,101</u>	<u>738,909</u>	<u>(114,192)</u>	-13.39%
 Total General Revenues	 <u>12,025,605</u>	 <u>17,091,653</u>	 <u>5,066,048</u>	 42.13%
 Total All Revenues	 24,905,968	 30,216,836	 5,310,868	 21.32%

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses by Function/Program	<u>6/30/03</u>	<u>6/30/04</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Public Safety	9,520,387	13,116,497	3,596,110	37.77%
Correctional Facilities	11,445,937	12,456,506	1,010,569	8.83%
Administrative	3,625,953	3,862,409	236,456	6.52%
Commissary Expenses	489,094	524,266	35,172	7.19%
Grants to Other Governments	53,755	28,802	(24,953)	-46.42%
Debt Service	53,872	33,585	(20,287)	-37.66%
Total Expenses by Function/Program	<u>25,188,998</u>	<u>30,022,065</u>	<u>4,833,067</u>	19.19%
Change in Net Assets	\$ (283,030)	\$ 194,771	\$ 477,801	-168.82%

THE SHERIFF'S INDIVIDUAL FUNDS

Individual Fund statements begin on page 15 of the annual report. As mentioned earlier, the General Fund and other major funds are shown as separate columns, with all other funds combined in one column titled "Other Governmental Funds". The Capital Projects Fund is the only other major fund shown. As you can see from the Balance Sheet on page 16, the General Fund accounts for over 80% of the total assets, liabilities and fund balances.

Assets in the General Fund as of June 30, 2004 were \$9.7 million and liabilities \$.2 million. This leaves a Fund Balance of \$9.5 million, all of which is unreserved. Available fund balance is, therefore, 32.0% of the current annual budget. The Sheriff's management believes that this is a sufficient amount and would like to maintain it in order to meet the financial challenges that lie ahead.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Rapides Parish Sheriff's Office adopted a balanced budget in its General Fund for the fiscal year beginning July 1, 2003. Revenues and expenses were budgeted at \$28.1 million with an expected remaining fund balance of \$9.3 million. This budget was \$8.4 million, or 42.6% higher than the previous year's original budget. Once again, the ½ cent sales tax approved by the voters of Rapides Parish that went into effect January 1, 2003, accounted for all of the budget increase.

Expenditures in the original budget, as mentioned in the previous paragraph increased \$8.4 million from the prior year original budget. Salaries and fringe benefit increase accounted for \$7.2 million, or 86% of that amount. The School Resource Officer program, sales tax raises for the current employees, and other employees hired to implement programs when the sales tax passed were the reasons for this increase. None of those items were in the prior year original budget.

Operating expenses and capital outlay purchases increased \$600,000 and \$700,000, respectively, in the original budget. Increases in jail operating expenses (\$300,000), fuel costs (\$100,000), and various minor adjustments in expenses (\$200,000) were the reasons for the operating cost increase. The capital outlay increase can be attributed to radios and bulletproof vests for SRO's (\$235,000), electronic equipment for line vehicles (\$125,000), and additional police vehicles (\$318,000).

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The budget was amended one time during the fiscal year, in March 2004. The amendment increased revenues by \$1.0 million and expenses \$1.5 million, creating a \$500,000 deficit in the current year's budget. Sales taxes and ad valorem taxes were each increased by \$300,000 in the amended budget. Commissions on sheriff's sales, billing for housing inmates and supplemental pay increases from the State of Louisiana accounted for the remaining increase in revenues in the amended budget.

The hiring of the last 30 School Resource Officers during the fiscal year accounted for \$1.1 million of the increase in budgeted expenditures in the amended budget. The remaining \$.4 million in expense increases in the budget was used to fund the aforementioned 3.2% pay increase for existing Sheriff Department employees.

The debt portion of the amended budget did not change. You can read more about the Sheriff's Office existing debt in the Debt Administration section of the Management's Discussion and Analysis a few paragraphs later.

The amended budget projected using \$500,000 of fund balance. However, because of an increase in sales taxes and other revenues, fund balance in the General Fund increased by \$130,000 for the year.

Capital Assets and Debt Administration

Capital Assets

The Sheriff's Office spent more than \$1.3 million on capital assets during the fiscal year ending June 30, 2004. The majority of these purchases were for vehicles (\$765,000), vehicle tattletales (\$125,000), bio-terrorism preparedness equipment (\$70,000), and other various equipment (\$340,000). The following table summarizes the beginning and ending balances of capital assets.

	June 30, 2003	June 30, 2004
Land and Buildings	\$ 14,326,999	\$ 14,445,164
Vehicles	3,150,873	3,460,455
Radios	1,102,055	1,281,986
Other Equipment	<u>2,007,525</u>	<u>2,461,356</u>
	20,587,452	21,648,961
Less Depreciation	<u>(6,271,881)</u>	<u>(7,203,938)</u>
Assets, Net of Depreciation	\$ 14,315,571	\$ 14,445,023
Percent Undepreciated	69.54%	66.72%

The percent undepreciated balance gives the reader an indication of how old the capital assets are. The higher the percent undepreciated balance is, the newer the capital asset. The assets, therefore, at June 30, 2004 have about 2/3 of their useful life remaining. As this balance decreases, you can assume that more resources will have to be used to keep the capital assets in good working condition.

Debt Administration

The Sheriff's Office paid \$235,000 on the 1998 Series Certificates of Indebtedness during the fiscal year. The \$795,000 remaining balance due on this debt will be paid by March 2007. One twelfth of the annual principal and interest due on this debt is transferred monthly from the General Fund to the Debt Service Fund. The principal and interest payments are then paid out of the Debt Service Fund. The interest rates on the remaining certificates range from 1.85%-2.85%.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Sheriff's Office entered into eight leases for eleven copy machines over the past few years. It was determined, because of the language in the lease regarding ownership and buyout clauses, that these were capital leases instead of operating leases as originally recorded. The result was to add the copiers to Capital Assets and the corresponding debt to the debt schedule. All of the leases were for five years with a maturity date ranging from June 2005 – April 2009. At June 30, 2004, the balance owed on these eight leases is \$97,360.

Unused vacation pay and compensation time due to employees are also liabilities of the Sheriff's Office, however, most of that amount is never paid out. These amounts, known as compensated absences payable, are only paid when an employee retires or is terminated. During the fiscal year ending June 30, 2004, the compensated absences balance increased 20%, to \$995,692. Salary increases and more employees accumulating leave were the reasons for this increase.

The following summarizes the debt balances for the past two years.

	<u>June 30, 2003</u>	<u>June 30, 2004</u>
Certificate of Indebtedness, 1998	\$ 1,030,000	\$ 795,000
Capital Lease Payable		97,360
Compensated Absences Payable	<u>829,284</u>	<u>995,692</u>
Total	\$ 1,859,284	\$ 1,888,052

Summary

The financial condition of the Rapides Parish Sheriff's Office changed very little from the prior fiscal year. Net Assets and General Fund Balance, two key barometers of fiscal health, were virtually unchanged. General Fund revenues and expenses were both within 1% of the respective budgets, an indication that the Sheriff's Office and its managers plan and manage its finances well. It is the goal of the Sheriff's Office to maintain reserves at a level that would allow for an unexpected increase in expenses, such as pension and health care. By managing the resources that are available to us, we should be able to maintain those reserves.

Contacting the Sheriff's Management

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of how the Sheriff's finances are accounted for. If you have any specific questions about this report, contact Sheriff William Earl Hilton, or Finance Officer Mark Thibeaux, P. O. Box 1510, Alexandria, La 71309.

BASIC FINANCIAL STATEMENTS

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

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES
JUNE 30, 2004**

EXHIBIT A

ASSETS		
Cash and cash equivalents		\$ 1,475,936
Investments		8,122,740
Receivables		1,864,612
Due from Fiduciary Funds		256,904
Interest receivable		19,073
Inventories		118,216
Prepaid expenses		103,584
Capital assets		
Land and construction in progress	549,440	
Other capital assets, net of depreciation	<u>13,895,583</u>	<u>14,445,023</u>
Total Assets		26,406,088
LIABILITIES		
Accounts payable		173,405
Payroll withholdings		2,615
Accrued interest payable		5,666
Deferred revenue		78,270
Long-term liabilities		
Due within one year		275,547
Due in more than one year		<u>1,612,505</u>
Total Liabilities		<u>2,148,008</u>
NET ASSETS		
Invested in capital assets, net of related debt		13,552,663
Restricted		
Debt service		90,449
Unrestricted		<u>10,614,968</u>
<u>Total Net Assets</u>		<u>\$ 24,258,080</u>

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

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
JUNE 30, 2004**

EXHIBIT B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Current					
Executive division	\$ 1,109,957	\$	\$ 2,374	\$	\$ (1,107,583)
Finance division	267,355				(267,355)
Youth programs	113,726				(113,726)
Personnel division	180,417				(180,417)
Tax department	355,534	129,940			(225,594)
Civil department	662,252	893,952			231,700
Maintenance road/crew	583,400				(583,400)
Correction division (DC-1)	2,952,588	1,323,876	5,505		(1,623,207)
Work release facility	2,628,933	3,062,679			433,746
Correction division (DC-2)	1,157,500	402,606			(754,894)
Detective division	1,820,720		30,480		(1,790,240)
Records division	492,208	24,834			(467,374)
Uniform division	8,298,655	791,682	1,338,167	71,644	(6,097,162)
Training division	274,654	9,000			(265,654)
Louisiana Youth Academy	1,111,823	35,360	744,221		(332,242)
School Resource Officers	2,529,772				(2,529,772)
Correction division (DC-3)	4,605,662	3,365,571			(1,240,091)
Warehouse	97,560				(97,560)
Cost of sales- commissaries	516,328	732,579			216,251
Bank charges- commissaries	7,938				(7,938)
Metro Narcotics Division	192,696	12,450	98,071		(82,175)
Grants to other governments	28,802		50,192		21,390
Debt Service					
Interest and fiscal charges	33,585	-	-	-	(33,585)
Total Governmental Activities	\$ 30,022,065	\$ 10,784,529	\$ 2,269,010	\$ 71,644	(16,896,882)
GENERAL REVENUES					
Taxes					
Ad valorem taxes levied for general purposes					7,169,988
Sales taxes levied for general purposes					9,182,756
Grants and contributions not restricted to specific programs					
State revenue sharing					558,518
Other					30,353
Interest earned					123,848
Rental income					20,400
Other					5,790
Total General Revenues					17,091,653
CHANGE IN NET ASSETS					194,771
NET ASSETS, BEGINNING OF YEAR					24,063,309
NET ASSETS, END OF YEAR					\$ 24,258,080

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

FUND FINANCIAL STATEMENTS

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

EXHIBIT C

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 784,302	\$ 442,737	\$ 248,897	\$ 1,475,936
Investments	6,750,000	1,372,740		8,122,740
Receivables	1,843,338		21,274	1,864,612
Due from other funds	269,320			269,320
Accrued interest receivable	17,623	1,450		19,073
Inventories	60,877		57,339	118,216
	<u>\$ 9,725,460</u>	<u>\$ 1,816,927</u>	<u>\$ 327,510</u>	<u>\$ 11,869,897</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 158,660	\$ 3,534	\$ 11,211	\$ 173,405
Payroll withholdings	2,615			2,615
Due to other funds			12,416	12,416
Deferred revenue	68,919		9,351	78,270
Total Liabilities	230,194	3,534	32,978	266,706
Fund Balances				
Reserved				
Debt service			90,449	90,449
Unreserved	9,495,266	1,813,393		11,308,659
Unreserved - reported in nonmajor Special Revenue Funds			204,083	204,083
Total Fund Balances	9,495,266	1,813,393	294,532	11,603,191
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 9,725,460</u>	<u>\$ 1,816,927</u>	<u>\$ 327,510</u>	<u>\$ 11,869,897</u>

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

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004**

EXHIBIT D

Total fund balances - Governmental Funds \$ 11,603,191

**Amounts reported for governmental activities in the
Statement of Net Assets are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds.

Cost of capital assets	21,648,961	
Less - Accumulated depreciation	<u>(7,203,938)</u>	14,445,023

Long-term liabilities are not due and payable in the current period. Accordingly, they are not reported as liabilities in the Governmental Funds. All liabilities are reported in the Statement of Net Assets.

Compensated absences payable	(995,692)	
Capital lease payable	(97,360)	
Certificate of indebtedness	<u>(795,000)</u>	(1,888,052)

Interest on long-term debt is accrued in the Statement of Net Assets, but not in the Governmental Funds.

Accrued interest payable		(5,666)
--------------------------	--	---------

Costs incurred which benefit more than one period are recorded as an expenditure in the Governmental Funds when paid. The portion relating to the next fiscal year is reported as prepaid expenses in the Statement of Net Assets.

Prepaid expenses		<u>103,584</u>
------------------	--	----------------

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 24,258,080**

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

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004**

EXHIBIT E

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Ad valorem	\$ 7,169,988	\$	\$	\$ 7,169,988
Sales	9,182,756			9,182,756
Intergovernmental	3,313,950		148,263	3,462,213
Fees, commissions, etc.	9,395,231		12,450	9,407,681
Sale of merchandise			732,579	732,579
Rental income	20,400			20,400
Interest earned	101,160	21,824	865	123,849
Other	138,338		497	138,835
Total Revenues	29,321,823	21,824	894,654	30,238,301
EXPENDITURES				
Current				
Executive division	1,037,220			1,037,220
Finance division	260,549			260,549
Youth programs	110,495			110,495
Personnel division	186,896			186,896
Tax department	349,673			349,673
Civil department	639,194			639,194
Maintenance road/crew	535,417			535,417
Correction division (DC-1)	2,914,376			2,914,376
Work release facility	2,542,010			2,542,010
Correction division (DC-2)	911,751			911,751
Detective division	1,769,678			1,769,678
Records division	494,138			494,138
Uniform division	7,897,179			7,897,179
Training division	260,671			260,671
Louisiana Youth Academy	1,093,306			1,093,306
School Resource Officers	2,384,749			2,384,749
Correction division (DC-3)	4,391,305			4,391,305
Warehouse	97,352			97,352
Cost of merchandise sold - commissaries			516,328	516,328
Bank charges - commissaries			7,938	7,938
Metro Narcotics Division			160,185	160,185
Grants to other governments			28,975	28,975
Capital Outlay	1,317,770	113,960	11,279	1,443,009
Debt Service	23,234		259,750	282,984
Total Expenditures	29,216,963	113,960	984,455	30,315,378
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	104,860	(92,136)	(89,801)	(77,077)
OTHER FINANCING SOURCES (USES)				
Transfers in	203,217		309,918	513,135
Transfers out	(309,918)		(203,217)	(513,135)
Sale of capital assets	20,745			20,745
Proceeds from capital leases	113,452			113,452
Total Other Financing Sources (Uses)	27,496	-	106,701	134,197
NET CHANGE IN FUND BALANCES	132,356	(92,136)	16,900	57,120
FUND BALANCES, BEGINNING OF YEAR	9,362,910	1,905,529	277,632	11,546,071
FUND BALANCES, END OF YEAR	\$ 9,495,266	\$ 1,813,393	\$ 294,532	\$ 11,603,191

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

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004**

EXHIBIT F

Net change in Fund Balances - Governmental Funds **\$ 57,120**

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period.

Capital outlays reported in the funds	1,443,009	
Less - depreciation reported in the Statement of Activities	<u>(1,271,347)</u>	171,662

Capital lease proceeds provide current financial resources to Governmental Funds, but incurring debt increases long-term liabilities in the Statement of Net Assets.

Capital lease proceeds		(113,452)
------------------------	--	-----------

Repayment of long-term liabilities is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal retirement		251,092
----------------------	--	---------

In the Statement of Activities, only the gain on the sale of the assets is reported, whereas in the Governmental Funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold.

Gain (loss) on sale of assets	(21,465)	
Less - proceeds from sale of assets	<u>(20,745)</u>	(42,210)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacation and sick leave), worker's compensation claims, and liability claims are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

(Increase) decrease in vacation and sick leave accrued		(166,408)
--	--	-----------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(Increase) decrease in accrued interest on certificate of indebtedness		(1,693)
--	--	---------

Prepaid costs are recognized as an expenditure when paid in the Governmental Funds. In the Statement of Activities, however, prepaid expenses are allocated over the period for which the expense is related.

Increase (decrease) in prepaid expenses		<u>38,660</u>
---	--	---------------

<u>CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES</u>		<u>\$ 194,771</u>
--	--	--------------------------

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

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2004**

EXHIBIT G

ASSETS	
Cash and cash equivalents	\$ 3,022,595
Receivables	<u>3,148</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,025,743</u>
LIABILITIES	
Due to General Fund	\$ 256,904
Due to taxing bodies, inmates, and others	<u>2,768,839</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 3,025,743</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27, of the Louisiana Constitution of 1974, the Rapides Parish Sheriff (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, serving subpoenas, et cetera.

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 Rapides Parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, and other law enforcement activities. The Sheriff also serves the residents of the parish through the establishment of neighborhood watch, anti-drug abuse, and other similar programs. When requested, the Sheriff, also provides assistance to other law enforcement agencies within the parish.

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

The financial statements of the Rapides Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Rapides Parish Sheriff's accounting policies are described below.

Reporting Entity

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Rapides Parish Sheriff is considered a primary government, since it is a special purpose government that has a separately elected official, is legally separate, and is fiscally independent of other state or local governments. As described in GASB Statement No. 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, account groups, and activities that are controlled by the Sheriff as an independently elected official. As such, 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. This report only includes all funds which are controlled by or dependent upon the Rapides Parish Sheriff.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Basis of Presentation

The Rapides Parish Sheriff's basic financial statements consist of Government-Wide Financial Statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The Government-Wide Financial Statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for the Sheriff as a whole.

Fiduciary activities are not included at the government-wide reporting level. Fiduciary funds are reported only in the Statement of Assets and Liabilities of Fiduciary Funds at the fund financial statement level. Individual funds are not displayed, but the statements distinguish governmental activities, which normally are supported by taxes and intergovernmental revenues, from business-like activities (if any), generally financed in whole or in part by fees or charges. The activity of internal service funds (if any) is eliminated to avoid duplicating revenues and expenses. The Rapides Parish Sheriff does not have any business-like activities or internal service funds.

The Statement of Net Assets presents the financial position of the governmental activities at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Sheriff does not allocate indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. Program revenues include: (1) charges for services which report fees and other charges to users of the Sheriff's services; (2) operating grants and contributions that are restricted to meeting the operational activities of a function; and (3) capital grants and contributions which fund the acquisition of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which particular function program revenue pertains, the determining factor for charges for services is which particular function generates the revenue. For grants and contributions, the determining factor is to which particular functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, sales tax, state revenue sharing, interest, and other unrestricted revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Sheriff.

Fund Financial Statements – The financial transactions of the Sheriff are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with legal and contractual provisions.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types". The following fund types are used by the Rapides Parish Sheriff:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long-term debt (Debt Service Funds). The Fund Financial Statements report financial information by major funds and nonmajor funds. The following governmental funds are considered major funds:

General Fund - The General Fund is used to account for all activities of the general government not accounted for in some other fund. The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and is used to account for the operations of the Sheriff's office.

Capital Projects Fund - The Capital Projects Fund is used to account for funds designated for future expansion and acquisitions.

All other funds are considered nonmajor funds. Descriptions for these funds can be found at the beginning of the nonmajor governmental funds combining statements.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Sheriff accounts for its agency funds in this category. Agency funds consist of the Sheriff's Civil Fund, Tax Collector Fund, Cash Bond Fund, Fines and Costs Fund, and Jail Inmate Fund. They consist of monies deposited for civil suits, taxes, appearance bonds, fees, and funds held on behalf of inmates. Disbursements from the various funds are made to the appropriate agencies, litigants, and others as prescribed by statute.

Basis of Accounting/ Measurement Focus

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenditures are recognized when incurred.

Fund Financial Statements (FFS)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual governmental funds are reported as separate columns in the Fund Financial Statements.

Fund Financial Statements report detailed information about the Sheriff's office. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. All governmental fund types and agency funds use the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. 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 be used to pay liabilities of the current period. The Sheriff considers ad valorem taxes as available if they are collected within sixty (60) days after the fiscal year end. Sales taxes are accrued in accordance with Governmental Accounting Standards Board Statement No. 33. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Those revenues susceptible to accrual are ad valorem taxes, sales taxes, interest revenue and charges, commissions, and fees for service. Revenue recognition for cost reimbursement grants is recognized in accordance with GASB Statement 1. Grant revenue and expenditures are recognized in the period when all eligibility requirements have been met. Deferred revenues include amounts for which asset recognition criteria have been met. The Sheriff reports advance receipt of grant funds for use in the following period as deferred revenue.

Fiduciary Funds

The Sheriff has five agency funds. Unlike other types of funds, agency funds report only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus; however, they use the modified accrual basis of accounting to recognize receivables and payables.

Budgets

Budgets are adopted on the modified accrual basis of accounting, as discussed in the governmental funds. Annual appropriated budgets are usually adopted for the General, Special Revenue, and Debt Service Funds. All annual appropriations lapse at the end of the fiscal year. Budgets for capital projects are adopted on a project-length basis. Because these nonoperating budgets primarily serve as a management control function, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided in this document.

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

1. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published notifying the public that the proposed budget is available for public inspection. At the same time, the date of the public hearing is published.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

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 public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgets are controlled at the fund level and are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts shown in the financial statements are as originally adopted or as amended from time to time by the Sheriff.

Cash and Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the Rapides Parish Sheriff.

Investments represent certificates of deposit with a maturity date more than three months from the date acquired. Investments are stated at cost, which approximates market value.

Under state law, the Sheriff may deposit funds in demand deposits (interest bearing or non-interest bearing), money market accounts, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana. The Sheriff may invest in United States bonds, treasury notes, investments as stipulated in state law, or any other federally insured investments.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all receivables at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

Internal Balances (Due from/to Other Funds)

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 governmental funds Balance Sheet. These internal balances are eliminated for reporting in the Statement of Net Assets.

Inventories

Inventories consist of (1) items sold at the commissaries, (2) commodities, if any, to feed the prisoners, and (3) office supplies. Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Prepaid Expenses

In the Government-Wide Financial Statements insurance premiums paid prior to year-end for coverage included in the next fiscal year are reported as prepaid expenses since the expense benefits the next fiscal year. In the Fund Financial Statements, these premiums are recorded as expenditures when paid.

Capital Assets and Depreciation

In the Government-Wide Financial Statements capital assets are valued at historical cost or estimated cost if historical cost is not known. Donated assets, if any, are valued at estimated fair market value on date of donation. Capital assets are depreciated on a straight-line method over their estimated useful lives. A capitalization threshold of \$300 has been adopted for reporting purposes.

Capital assets provided by the Rapides Parish Police Jury are not recorded on the financial statements of the Rapides Parish Sheriff.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

In the Fund Financial Statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds. No provision is made for depreciation on capital assets in the Fund Financial Statements since the full cost is expensed at the time of purchase.

Deferred Revenue

The Rapides Parish Sheriff may report deferred revenue in its fund financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Sheriff before he has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Compensated Absences

Material vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. This includes payments that come due before the end of the reporting period upon the occurrence of employee resignation, retirement, or death that will be paid early in the following year. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported in the fund financial statements. The full liability and related costs are reported in the government-wide financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are not reported in the Balance Sheet for Fund Financial Statements. All liabilities, including long-term debt, are reported on the Statement of Net Assets in the Government-Wide Financial Statements. Interest expense on long-term debt is recognized in the Government-Wide Financial Statements as the interest accrues, regardless of when it is due.

Net Assets

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

In cases where the Sheriff receives restricted and unrestricted funds for the same purpose, the restricted funds are used first.

Fund Balances

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

Interfund Transactions

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

Interfund balances are eliminated in the Government-Wide Financial Statements.

Sales Taxes

On October 5, 2002, the voters of Rapides Parish elected to allow the Rapides Parish Law Enforcement District to levy and collect an additional 0.5% sales and use tax. This tax was levied effective January 1, 2003, in perpetuity, for the purpose of funding salaries and related benefits, as well as the purchase, lease, operation and maintenance of vehicles, furniture and fixtures, and equipment of the Rapides Parish Sheriff's Office as defined in Sections 301-317 of Title 47 of Louisiana Revised Statutes of 1950 (R.S. 47:301- 47:317).

Supplemental Wages

Certain employees receive supplemental wages from the State of Louisiana. These supplemental wages are recognized as intergovernmental revenues and salaries and related benefits. For the fiscal year ending June 30, 2004, the amount of supplemental wages received was \$1,175,622.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Estimates

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

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2004, the Sheriff had cash and cash equivalents and investments as follows:

Cash and cash equivalents - Governmental Funds	\$ 1,475,936
Cash and cash equivalents - Fiduciary Funds	3,022,595
Investments – certificates of deposit - Governmental Funds	<u>8,122,740</u>
	<u>\$ 12,621,271</u>

At year-end, the carrying amount of the Sheriff's deposits (demand deposits and certificates of deposit) was \$12,621,271. The bank balances totaled \$15,405,054, including certificates of deposit, and are categorized as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Insured (federal deposit insurance)	\$ 490,449	\$ 908	\$ 500,000	\$ 991,357
Collateralized (Category I)	<u>3,663,358</u>	<u>3,127,600</u>	<u>7,622,739</u>	<u>14,413,697</u>
	<u>\$ 4,153,807</u>	<u>\$ 3,128,508</u>	<u>\$ 8,122,739</u>	<u>\$ 15,405,054</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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 agent bank.

3. RECEIVABLES

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Security contracts	\$ 57,093	\$	\$ 57,093
Sales taxes	912,861		912,861
Grants	22,888	19,492	42,380
Housing and guarding inmates	557,065		557,065
Per diem for boot camp	186,055		186,055
Other	<u>107,376</u>	<u>1,782</u>	<u>109,158</u>
	<u>\$ 1,843,338</u>	<u>\$ 21,274</u>	<u>\$ 1,864,612</u>

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Amounts due from and due to other funds reported in the Fund Financial Statements at June 30, 2004, consist of the following:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 12,416
General Fund	Fiduciary Funds	<u>256,904</u>
		\$ 269,320

Balances at June 30, 2004, result from the routine timing differences between the dates that interfund goods or services are provided and the dates that reimbursement occurs.

Transfers shown in the Fund Financial Statements for the year ending June 30, 2004, were as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 203,217
Other Governmental Funds	General Fund	<u>309,918</u>
		\$ 513,135

Transfers are used to offset expenses of operating commissaries and to use unrestricted revenues in the General Fund to finance various programs.

5. INVENTORIES

Warehouse inventory	\$ 45,807
Office supplies	15,070
Commissary inventory	<u>57,339</u>
	\$ 118,216

6. CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended June 30, 2004:

	<u>July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2004</u>
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 16,218	\$ 113,960	\$ (16,218)	\$ 113,960
Land and improvements	<u>435,480</u>			<u>435,480</u>
Total Capital Assets Not Being Depreciated	451,698	113,960	(16,218)	549,440

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

	<u>July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2004</u>
Other Capital Assets				
Buildings and improvements	13,875,301	28,346	(7,923)	13,895,724
Vehicles	3,150,873	600,556	(290,974)	3,460,455
Radios	1,102,055	187,976	(8,045)	1,281,986
Boats	113,975		(500)	113,475
Office equipment	965,883	140,770	(57,656)	1,048,997
Camera/video	234,395	125,242	(7,971)	351,666
Other	533,309	190,665	(8,431)	715,543
Weapons	159,963	71,712		231,675
Total Other Capital Assets	<u>20,135,754</u>	<u>1,345,267</u>	<u>(381,500)</u>	<u>21,099,521</u>
Less				
Accumulated depreciation				
Buildings and improvements	(2,692,180)	(464,924)	3,698	(3,153,406)
Vehicles	(1,902,703)	(470,886)	260,546	(2,113,043)
Radios	(507,286)	(85,687)	6,637	(586,336)
Boats	(30,819)	(11,427)	302	(41,944)
Office equipment	(630,567)	(113,812)	52,657	(691,722)
Camera/video	(147,526)	(40,199)	7,507	(180,218)
Other	(274,988)	(62,722)	7,943	(329,767)
Weapons	(85,812)	(21,690)		(107,502)
Total Accumulated Depreciation	<u>(6,271,881)</u>	<u>(1,271,347)</u>	<u>339,290</u>	<u>(7,203,938)</u>
Other Capital Assets, Net	<u>13,863,873</u>	<u>73,920</u>	<u>(42,210)</u>	<u>13,895,583</u>
Governmental Activities				
Capital Assets, Net	\$ 14,315,571	\$ 187,880	\$ (58,428)	\$ 14,445,023

Depreciation expense was charged to functions as follows:

Governmental Activities	
Executive division	\$ 63,956
Finance division	5,365
Youth programs	3,503
Personnel division	2,946
Tax department	6,523
Civil department	21,992
Maintenance road/ crew	44,898
Correction division (DC-1)	28,516
Work release facility	96,586
Correction division (DC-2)	242,156
Detective division	83,951
Records division	3,151
Uniform division	378,843
Training division	17,791
Louisiana Youth Academy	17,898
School Resource Officers	23,208
Correction division (DC-3)	229,298
Warehouse	766
Total Depreciation Expense for Governmental Activities	<u>\$ 1,271,347</u>

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM LIABILITIES

During the year ended June 30, 2004, the following changes occurred in long-term liabilities:

	Balance July 1, 2003	Additions	Reductions	Balance June 30, 2004
Compensated absences payable	\$ 829,284	\$ 995,692	\$ (829,284)	\$ 995,692
Capital leases payable		113,452	(16,092)	97,360
Certificates of indebtedness				
Issued 1/22/98 - matures 2007	1,030,000		(235,000)	795,000
	<u>\$ 1,859,284</u>	<u>\$ 1,109,144</u>	<u>\$ (1,080,376)</u>	<u>\$ 1,888,052</u>

	Balance June 30, 2004	Due Within One Year	Due In More Than One Year
Compensated absences payable	\$ 995,692	\$	\$ 995,692
Capital lease payable	97,360	25,547	71,813
Certificates of indebtedness			
Issued 1/22/98	795,000	250,000	545,000
	<u>\$ 1,888,052</u>	<u>\$ 275,547</u>	<u>\$ 1,612,505</u>

Certificates Of Indebtedness

On January 22, 1998, certificates of indebtedness in the amount of \$2,000,000 were issued to the Law Enforcement District of Rapides Parish to finance the acquisition and construction of the new jail (DC-3) located near the Louisiana Youth Academy. This debt is to be repaid with General Fund excess revenues. The interest rate varied from 4.6% to 4.95% per annum. The Rapides Parish Law Enforcement District will transfer monthly to a debt service sinking fund one-sixth (1/6th) of the next interest payment due and one-twelfth (1/12th) of the next principal payment due. Interest is payable on September 1 and March 1, while principal payments are due March 1. During the year ended June 30, 2003, this certificate was renegotiated as follows: the interest rate varies from 1.53% to 2.85% per annum. All other terms, including principal repayments and due dates, remain the same.

Capital Lease Payable

The Rapides Parish Sheriff has entered into eight capital leases for the purchase of eleven copy machines and service contracts on these machines. The cost of the copy machines purchased under these capital leases is \$90,100 and is included in capital assets on the Statement of Net Assets net of accumulated depreciation of \$29,412. Each capital lease is for the term of 60 months with varied interest rates from 10.512% to 12.254% per annum and varied monthly payments from \$200 to \$646.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Annual debt service requirements to maturity for above debt (excluding compensated absences payable), including interest of \$68,242, are as follows:

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2005	\$ 275,547	\$ 30,244	\$ 305,791
2006	284,860	22,224	307,084
2007	299,118	12,779	311,897
2008	21,360	2,556	23,916
2009	11,475	439	11,914
	<u>\$ 892,360</u>	<u>\$ 68,242</u>	<u>\$ 960,602</u>

8. CHANGES IN AGENCY FUNDS

Balance, Beginning of Year	\$ 2,626,463
Additions	
Deposits	
Sheriff's sales, etc.	3,684,836
Bonds, fines, and costs	2,691,723
Other deposits	3,908,271
Taxes, fees, etc., paid to tax collector	53,003,665
Other additions	<u>7,017</u>
Total Additions	63,295,512
Reductions	
Taxes, fees, etc., distributed to taxing bodies and others	52,752,414
Deposits settled to:	
Sheriff's General Fund	2,766,911
Rapides Parish Police Jury	1,006,883
District Attorney	326,916
Indigent Defender	291,447
Clerk of Court	132,927
Litigants	2,133,092
Other settlements	899,019
Other reductions	<u>2,586,623</u>
Total Reductions	<u>62,896,232</u>
Balance, End of Year	\$ 3,025,743

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

**9. CHANGES IN BALANCES DUE TO TAXING BODIES AND OTHERS –
TAX COLLECTOR FUND**

Balance, Beginning of Year (Unsettled)	\$ 1,523,575
Additions (Collections)	
Ad valorem taxes	49,463,986
Prior year taxes	769,322
Interest on:	
<i>Interest bearing checking accounts</i>	34,343
Delinquent taxes	72,695
Tax certificates	13,773
State revenue sharing (See Note 10)	2,564,737
Tax notices, refunds, etc.	84,155
Other	<u>654</u>
Total Additions (Collections)	53,003,665
Reductions (Distributions)	
Rapides Parish:	
Police Jury	11,559,488
School Board	23,985,859
Gravity Drainage District No. 1	215,536
Waterworks No. 3	1
Ward Nine Recreation District	844,089
Ward Ten Recreation District	273,795
Library	2,710,909
Waterworks District No. 11-A	78,932
Clerk of Court	14,985
Sheriff	7,881,870
Assessor	934,665
Airport Authority	747
Fire District No. 12	56,494
State of Louisiana:	
Forestry Commission	27,160
Tax Commission	10,862
Red River Waterway Commission	1,142,665
Red River, Atchafalaya, and Bayou Bouef Levee District	1,134,108
Pension funds	1,506,021
Refunds - Other	<u>374,228</u>
Total Reductions (Distributions)	52,752,414
Balance, End of Year (Unsettled)	\$ 1,774,826

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

10. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property located within the parish as of January 1 of each year. Taxes are levied normally in November, and actually billed to the taxpayer during the same month. Billed taxes become delinquent on January 1 of the following year. As the tax collector of the parish, the Sheriff bills and collects its own property taxes using the assessed values determined by the tax assessor of Rapides Parish. Assets are recognized when an enforceable legal claim has arisen or when resources are received, whichever is first. Revenues from ad valorem taxes are budgeted in the year billed, and recognized in the period that the taxes are levied.

For the year ended June 30, 2004, taxes of 16.88 mills were levied on property with assessed values totaling \$584,021,178.

11. STATE REVENUE SHARING – TAX COLLECTOR FUND

The State of Louisiana Revenue Sharing Funds provided by Act No. 1134 of 2003 were distributed as follows:

Rapides Parish:

Police Jury	\$ 752,464
School Board	884,140
Gravity Drainage District No. 1	8,042
Ward Ten Recreation District	11,744
Library	163,228
Waterworks District No. 11-A	3,027
Sheriff	558,518
Assessor	54,512
Fire District No. 12	1,716
Red River, Atchafalaya, and Bayou Bouef Levee District	54,138
Pension funds	<u>73,208</u>
	\$ 2,564,737

12. UNSETTLED BALANCES – TAX COLLECTOR FUND

The unsettled balances at June 30, 2004, include the following:

Taxes received under protest, plus interest earned to date on these taxes	\$ 1,772,663
Interest earned on other tax collection accounts	<u>2,163</u>
	\$ 1,774,826

Taxes held under protest are maintained in a separate bank account pending resolution of the protested taxes. Interest earned on other monies is accumulated and distributed periodically.

13. OPERATING LEASES

The Sheriff is committed for more than a single year under leases for office equipment and building or office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2004, amounted to \$79,342, and consisted solely of minimum lease payments.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

Future minimum lease payments for noncancellable leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2005	\$ 62,673
2006	36,860
2007	36,660
2008	28,285
2009	<u>6,340</u>
	\$ 170,818

In addition to the noncancellable leases shown above, the Sheriff has one building lease and one parking lot lease that are paid on a month by month basis. The monthly rent for these leases is \$750.

14. RISK MANAGEMENT

The office of the Rapides Parish Sheriff is exposed to various risks of loss related to torts, theft, or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Sheriff carries commercial insurance for workmen's compensation, auto liability, commercial general liability, law enforcement officers' liability, and buildings and equipment. There have been no losses exceeding insurance coverage in any of the three preceding fiscal years.

The Sheriff covers all other losses, claim settlements, and judgments from General Fund resources. The Sheriff currently reports all of its risk management activities in its General Fund. *Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.*

The office of the Rapides Parish Sheriff is party to legal proceedings involving suits filed against the Sheriff for various reasons. Some of these suits claim damages that are material in amount. The amount of losses, if any, that may arise from these suits cannot be reasonably estimated. Management does not believe that the Sheriff is exposed to any material losses not covered by insurance. No provision for losses is included in the financial statements.

15. PENSION PLAN

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

All sheriffs and deputies who are found to be physically fit, who earn at least \$800 per month, and who are at least 18 years of age 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, or at any age with at least 30 years of creditable service, and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 3.33 percent of creditable service. In any case, the retirement benefit cannot exceed 100 percent of the final average salary. Final average salary is the employee's highest average salary over 36 consecutive or joined months that produces the highest average. Employees

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

who terminate with at least 12 years of service and who do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 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.

Employees who elected prior to July 1, 2001, could participate in the Deferred Retirement Option Plan (DROP), whereby in lieu of terminating employment and accepting a service retirement allowance, any member with twelve or more years of service and at least age 55, or 30 years of service and at least age 53, could defer the receipt of benefits for up to 3 years.

Effective July 1, 2001, the regular DROP option mentioned above was replaced by the Back DROP option. Instead of declaring in advance your DROP intentions, a member now declares at the end of the DROP period that he/she wants to participate in the Back DROP. The DROP period in the Back DROP is any time up to three years after a member is eligible to retire. The number of years in the Back DROP period is then subtracted from the number of years of creditable service to determine the retirement allowance for the member. The benefit allowable in the Back DROP is equal to the number of months in the DROP period times the monthly benefit calculated using the maximum retirement benefit.

Contributions to the System include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and one-tenth of one percent of the net direct premiums received in the state by casualty insurers doing business in the state. State statute requires covered employees to contribute 9.8% of their salaries to the System and requires an employer contribution equal to 9.25% of each covered employee's salary.

The Sheriff's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802.

The Sheriff made the following required contributions to the Sheriff's Pension and Relief Fund:

<u>Fiscal Year Ending</u>	<u>Amount</u>
6/30/04	\$ 1,670,721
6/30/03	1,109,471
6/30/02	795,498

16. POSTRETIREMENT HEALTH CARE BENEFITS

The Rapides Parish Sheriff provides postretirement benefits to retired deputies with at least fifteen years of service who are at least fifty-five years of age or with at least thirty years of service at any age. State statute provides that the premium costs of group hospital, surgical, medical expense, and dental insurance and the first ten thousand dollars of life insurance shall be paid from the Sheriff's General Fund for deputies meeting those requirements.

**RAPIDES PARISH SHERIFF
JUNE 30, 2004**

NOTES TO BASIC FINANCIAL STATEMENTS

The Rapides Parish Sheriff pays the health and life insurance cost, as applicable, of the retired deputies and their spouses directly to the benefit provider. The Louisiana Sheriff's Pension System reimburses the Sheriff for the spouses' portion of those costs, which have been deducted from the retirees' monthly pension check.

For the fiscal year ending June 30, 2004, the Rapides Parish Sheriff expended \$88,603 on net postretirement benefits for thirty-seven retirees. The annual cost per retiree of these postretirement health care benefits and the number of retirees receiving those benefits as of June 30, 2004 is as follows:

	<u>Cost</u>	<u>Retirees</u>
Health insurance for retiree not receiving Medicare benefits	\$ 3,151	15
Health insurance for retiree receiving Medicare benefits	2,149	17
Dental benefits	191	34
Life insurance (first \$10,000 only)	50	37

17. EXPENSES OF THE SHERIFF PAID BY OTHERS

The Rapides Parish Police Jury, as governing authority of the Parish, is required to provide certain facilities, services, and supplies necessary for the Sheriff to carry out the responsibilities of the office. Consequently, expenditures for those costs, such as office space, parish jail, certain equipment and supplies, and related expenses necessary for the use, operation, and maintenance of these facilities, are not included in the financial statements of the Sheriff.

REQUIRED SUPPLEMENTAL INFORMATION – PART II

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2004**

STATEMENT H

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes				
Ad valorem	\$ 6,800,000	\$ 7,100,000	\$ 7,169,988	\$ 69,988
Sales	8,600,000	8,900,000	9,182,756	282,756
Intergovernmental				
Federal	188,900	195,000	203,305	8,305
State	2,376,100	2,569,700	2,577,957	8,257
Local	469,200	522,200	532,688	10,488
Fees, commissions, etc.				
Fees	747,000	737,000	744,816	7,816
Feeding and maintaining prisoners	7,591,000	7,668,000	7,777,487	109,487
Commissions	735,000	824,500	872,928	48,428
Rental income	20,400	20,400	20,400	-
Interest earned	120,000	90,000	101,160	11,160
Other	225,400	260,000	138,338	(121,662)
Total Revenues	27,873,000	28,886,800	29,321,823	435,023
EXPENDITURES				
Current				
Executive division	1,068,011	1,034,892	1,037,220	(2,328)
Finance division	247,621	254,723	260,549	(5,826)
Youth programs	117,225	118,350	110,495	7,855
Personnel division	166,899	181,694	186,896	(5,202)
Tax department	341,414	347,567	349,673	(2,106)
Civil department	614,673	645,136	639,194	5,942
Maintenance road/crew	512,816	532,346	535,417	(3,071)
Correction division (DC-1)	2,866,255	2,899,565	2,914,376	(14,811)
Work release facility	2,394,811	2,535,083	2,542,010	(6,927)
Correction division (DC-2)	955,132	953,798	911,751	42,047
Detective division	2,178,275	1,856,977	1,769,678	87,299
Records division	525,202	535,897	494,138	41,759
Uniform division	7,369,991	7,955,845	7,897,179	58,666
Training division	245,707	275,255	260,671	14,584
Louisiana Youth Academy	1,089,309	1,093,876	1,093,306	570
School Resource Officers	1,336,175	2,399,886	2,384,749	15,137
Correction division (DC-3)	4,267,581	4,366,174	4,391,305	(25,131)
Warehouse	89,797	96,483	97,352	(869)
Capital outlay	1,358,106	1,217,253	1,317,770	(100,517)
Debt service				
Principal	-	-	16,092	(16,092)
Interest	-	-	7,142	(7,142)
Total Expenditures	27,745,000	29,300,800	29,216,963	83,837
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	128,000	(414,000)	104,860	518,860
OTHER FINANCING SOURCES (USES)				
Transfers in				
Jail Commissary Fund	130,000	140,000	140,000	-
Work Release Facility Commissary Fund	42,000	42,000	42,000	-
Local Law Enforcement Block Grant Fund	-	21,200	21,217	17
Transfers out				
Drug Enforcement Fund	(52,400)	(47,100)	(47,133)	(33)
Debt Service Fund	(263,000)	(262,800)	(262,785)	15
Sale of capital assets	15,400	20,700	20,745	45
Proceeds from capital leases	-	-	113,452	113,452
Total Other Financing Sources (Uses)	(128,000)	(86,000)	27,496	113,496
CHANGE IN FUND BALANCE	-	(500,000)	132,356	632,356
FUND BALANCE, BEGINNING OF YEAR	9,362,910	9,362,910	9,362,910	-
FUND BALANCE, END OF YEAR	\$ 9,362,910	\$ 8,862,910	\$ 9,495,266	\$ 632,356

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

SUPPLEMENTAL INFORMATION

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
BALANCE SHEET
GENERAL FUND
JUNE 30, 2004**

STATEMENT I-1

ASSETS

Cash and cash equivalents	\$	784,302
Investments		6,750,000
Receivables		1,843,338
Due from other funds		
Jail Commissary Fund		1,809
Drug Enforcement Fund		10,607
Sheriff's Civil Fund		69,974
Tax Collector Fund		1,500
Fines and Costs Fund		30,657
Jail Inmate Fund		154,773
Accrued interest receivable		17,623
Supplies inventory		60,877
		60,877
<u>TOTAL ASSETS</u>	\$	<u>9,725,460</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$	158,660
Payroll withholdings		2,615
Deferred revenue		68,919
		68,919
Total Liabilities		230,194

FUND EQUITY

Fund balance - Unreserved and undesignated		9,495,266
Total Fund Equity		9,495,266

TOTAL LIABILITIES AND FUND EQUITY

\$ 9,725,460

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004**

STATEMENT I-2

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes			
Ad valorem	\$ 7,100,000	\$ 7,169,988	\$ 69,988
Sales	8,900,000	9,182,756	282,756
Intergovernmental			
Federal	195,000	203,305	8,305
State	2,569,700	2,577,957	8,257
Local	522,200	532,688	10,488
Fees, commissions, etc.			
Fees	737,000	744,816	7,816
Feeding and maintaining prisoners	7,668,000	7,777,487	109,487
Commissions	824,500	872,928	48,428
Rental income	20,400	20,400	-
Interest earned	90,000	101,160	11,160
Other	260,000	138,338	(121,662)
Total Revenues	28,886,800	29,321,823	435,023
EXPENDITURES			
Current			
Executive division	1,034,892	1,037,220	(2,328)
Finance division	254,723	260,549	(5,826)
Youth programs	118,350	110,495	7,855
Personnel division	181,694	186,896	(5,202)
Tax department	347,567	349,673	(2,106)
Civil department	645,136	639,194	5,942
Maintenance road/crew	532,346	535,417	(3,071)
Correction division (DC-1)	2,899,565	2,914,376	(14,811)
Work release facility	2,535,083	2,542,010	(6,927)
Correction division (DC-2)	953,798	911,751	42,047
Detective division	1,856,977	1,769,678	87,299
Records division	535,897	494,138	41,759
Uniform division	7,955,845	7,897,179	58,666
Training division	275,255	260,671	14,584
Louisiana Youth Academy	1,093,876	1,093,306	570
School Resource Officers	2,399,886	2,384,749	15,137
Correction division (DC-3)	4,366,174	4,391,305	(25,131)
Warehouse	96,483	97,352	(869)
Capital outlay	1,217,253	1,317,770	(100,517)
Debt service			
Principal	-	16,092	(16,092)
Interest	-	7,142	(7,142)
Total Expenditures	29,300,800	29,216,963	83,837
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(414,000)	104,860	518,860
OTHER FINANCING SOURCES (USES)			
Transfers in			
Jail Commissary Fund	140,000	140,000	-
Work Release Facility Commissary Fund	42,000	42,000	-
Local Law Enforcement Block Grant Fund	21,200	21,217	17
Transfers out			
Drug Enforcement Fund	(47,100)	(47,133)	(33)
Debt Service Fund	(262,800)	(262,785)	15
Sale of capital assets	20,700	20,745	45
Proceeds from capital leases	-	113,452	113,452
Total Other Financing Sources (Uses)	(86,000)	27,496	113,496
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(500,000)	132,356	632,356
FUND BALANCE, BEGINNING OF YEAR	9,362,910	9,362,910	-
FUND BALANCE, END OF YEAR	\$ 8,862,910	\$ 9,495,266	\$ 632,356

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004**

**STATEMENT I-3
(Continued)**

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Executive Division			
Current			
Salaries and related benefits	\$ 828,592	\$ 823,948	\$ 4,644
Operating expenses	206,300	213,272	(6,972)
Capital outlay	44,441	45,412	(971)
Total Executive Division	1,079,333	1,082,632	(3,299)
Finance Division			
Current			
Salaries and related benefits	238,323	244,411	(6,088)
Operating expenses	16,400	16,138	262
Capital outlay	14,301	16,122	(1,821)
Total Finance Division	269,024	276,671	(7,647)
Youth Programs			
Current			
Salaries and related benefits	63,850	63,842	8
Operating expenses	54,500	46,653	7,847
Capital outlay	21,162	21,163	(1)
Total Youth Programs	139,512	131,658	7,854
Personnel Division			
Current			
Salaries and related benefits	135,694	136,089	(395)
Operating expenses	46,000	50,807	(4,807)
Capital outlay	2,303	11,303	(9,000)
Debt service			
Principal	-	1,682	(1,682)
Interest	-	1,288	(1,288)
Total Personnel Division	183,997	201,169	(17,172)
Tax Department			
Current			
Salaries and related benefits	245,567	245,522	45
Operating expenses	102,000	104,151	(2,151)
Capital outlay	14,301	14,301	-
Total Tax Department	361,868	363,974	(2,106)

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004**

**STATEMENT I-3
(Continued)**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Civil Department			
Current			
Salaries and related benefits	\$ 566,736	\$ 558,431	\$ 8,305
Operating expenses	78,400	80,763	(2,363)
Capital outlay	1,547	897	650
Total Civil Department	646,683	640,091	6,592
Maintenance/Road Crew			
Current			
Salaries and related benefits	447,946	447,884	62
Operating expenses	84,400	87,533	(3,133)
Capital outlay	38,288	36,482	1,806
Total Maintenance/Road Crew	570,634	571,899	(1,265)
Correction Division (DC-1)			
Current			
Salaries and related benefits	2,284,565	2,285,261	(696)
Operating expenses	615,000	629,115	(14,115)
Capital outlay	49,914	49,914	-
Total Correction Division (DC-1)	2,949,479	2,964,290	(14,811)
Work Release Facility			
Current			
Salaries and related benefits	1,753,083	1,750,704	2,379
Operating expenses	782,000	791,306	(9,306)
Capital outlay	86,471	96,033	(9,562)
Debt service			
Principal	-	440	(440)
Interest	-	300	(300)
Total Work Release Facility	2,621,554	2,638,783	(17,229)
Correction Division (DC-2)			
Current			
Salaries and related benefits	741,998	701,155	40,843
Operating expenses	211,800	210,596	1,204
Capital outlay	32,978	40,578	(7,600)
Debt service			
Principal	-	1,610	(1,610)
Interest	-	328	(328)
Total Correction Division (DC-2)	986,776	954,267	32,509

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004**

**STATEMENT I-3
(Continued)**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Detective Division			
Current			
Salaries and related benefits	\$ 1,670,677	\$ 1,629,385	\$ 41,292
Operating expenses	186,300	140,293	46,007
Capital outlay	123,898	115,736	8,162
Debt service			
Principal	-	110	(110)
Interest	-	35	(35)
Total Detective Division	1,980,875	1,885,559	95,316
Records Division			
Current			
Salaries and related benefits	482,797	443,950	38,847
Operating expenses	53,100	50,188	2,912
Capital outlay	3,198	3,198	-
Total Records Division	539,095	497,336	41,759
Uniform Division			
Current			
Salaries and related benefits	7,113,145	7,043,537	69,608
Operating expenses	842,700	853,642	(10,942)
Capital outlay	517,950	560,571	(42,621)
Debt service			
Principal	-	3,670	(3,670)
Interest	-	1,555	(1,555)
Total Uniform Division	8,473,795	8,462,975	10,820
Training Division			
Current			
Salaries and related benefits	164,555	164,453	102
Operating expenses	110,700	96,218	14,482
Capital outlay	15,588	22,587	(6,999)
Debt service			
Principal	-	448	(448)
Interest	-	302	(302)
Total Training Division	290,843	284,008	6,835

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2004**

**STATEMENT I-3
(Concluded)**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Louisiana Youth Academy			
Current			
Salaries and related benefits	\$ 895,176	\$ 898,725	\$ (3,549)
Operating expenses	198,700	194,581	4,119
Capital outlay	-	16,053	(16,053)
Debt service			
Principal	-	4,831	(4,831)
Interest	-	983	(983)
Total Louisiana Youth Academy	1,093,876	1,115,173	(21,297)
School Resource Officers			
Current			
Salaries and related benefits	2,325,686	2,328,390	(2,704)
Operating expenses	74,200	56,359	17,841
Capital outlay	203,558	201,990	1,568
Total School Resource Officers	2,603,444	2,586,739	16,705
Correction Division (DC-3)			
Current			
Salaries and related benefits	3,234,474	3,223,810	10,664
Operating expenses	1,131,700	1,167,495	(35,795)
Capital outlay	47,355	65,430	(18,075)
Debt service			
Principal	-	3,301	(3,301)
Interest	-	2,351	(2,351)
Total Correction Division (DC-3)	4,413,529	4,462,387	(48,858)
Warehouse			
Current			
Salaries and related benefits	64,383	64,525	(142)
Operating expenses	32,100	32,827	(727)
Total Warehouse	96,483	97,352	(869)
<u>TOTAL EXPENDITURES</u>	\$ 29,300,800	\$ 29,216,963	\$ 83,837

See independent auditor's report.

RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2004

	STATEMENT J
REVENUES	
Interest earned	\$ 21,824
EXPENDITURES	
Capital outlay	<u>113,960</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(92,136)
FUND BALANCE, BEGINNING OF YEAR	<u>1,905,529</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 1,813,393</u>

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Special revenue funds account for the receipt and disbursement of earmarked monies.

Jail Commissary Fund - This fund accounts for the purchases and sales of cigarettes, candies, and notions for prisoners housed in the Rapides Parish Detention Centers (DC-1, DC-2, and DC-3), as well as items purchased with the gross profits from the sale of the merchandise.

Work Release Facility Commissary Fund - This fund accounts for the purchases and sales of cigarettes, candies, and notions for prisoners housed at the Work Release Facility located on Highway 28 West, as well as items purchased with the gross profits from the sale of the merchandise.

Drug Enforcement Fund - This fund accounts for the activities and transactions related to the Metro Narcotics Task Force.

Local Law Enforcement Block Grant Fund – This fund accounts for grant money that is to be used for law enforcement purposes by the Rapides Parish Sheriff as well as the other sub-recipients.

DEBT SERVICE FUND - The Debt Service Fund is used to account for the accumulation of resources and payment of principal and interest on the two million dollar certificates of indebtedness issued for the construction of the new jail (DC-3) located near the Louisiana Youth Academy.

RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

STATEMENT K-1

SPECIAL REVENUE FUNDS

		<u>Jail Commissary Fund</u>	<u>Work Release Facility Commissary Fund</u>	<u>Drug Enforcement Fund</u>	<u>Local Law Enforcement Block Grant Fund</u>	<u>Total Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS								
Cash	\$	48,205	\$ 44,519	\$ 52,816	\$ 12,908	\$ 158,448	\$ 90,449	\$ 248,897
Receivables				21,274		21,274		21,274
Merchandise inventory		43,216	14,123			57,339		57,339
TOTAL ASSETS	\$	91,421	\$ 58,642	\$ 74,090	\$ 12,908	\$ 237,061	\$ 90,449	\$ 327,510
LIABILITIES AND FUND EQUITY								
LIABILITIES								
Accounts payable	\$	5,639	\$ 1,048	\$ 967	\$ 3,557	\$ 11,211	\$	\$ 11,211
Due to General Fund		1,809		10,607		12,416		12,416
Deferred revenue					9,351	9,351		9,351
Total Liabilities		7,448	1,048	11,574	12,908	32,978	-	32,978
FUND EQUITY								
Fund Balances - Reserved for debt service							90,449	90,449
Fund Balances - Unreserved		83,973	57,594	62,516	-	204,083	-	204,083
TOTAL LIABILITIES AND FUND EQUITY	\$	91,421	\$ 58,642	\$ 74,090	\$ 12,908	\$ 237,061	\$ 90,449	\$ 327,510

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004**

STATEMENT K-2

	SPECIAL REVENUE FUNDS						
	Jail Commissary Fund	Work Release Facility Commissary Fund	Drug Enforcement Fund	Local Law Enforcement Block Grant Fund	Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$
Fees, commissions, etc.			98,071	50,192	148,263		148,263
Sale of merchandise	521,483	211,096	12,450		12,450		12,450
Interest earned	521				732,579	344	732,579
Other		273	224		521		865
Total Revenues	522,004	211,369	110,745	50,192	894,310	344	894,654
EXPENDITURES							
Current							
Cost of merchandise sold - commissaries	370,013	146,315			516,328		516,328
Bank charges - commissaries	7,936	2			7,938		7,938
Metro Narcotics Division			160,185		160,185		160,185
Grants to other governments				28,975	28,975		28,975
Capital outlay			11,279		11,279		11,279
Debt service						235,000	235,000
Principal						24,750	24,750
Interest						259,750	259,750
Total Expenditures	377,949	146,317	171,464	28,975	724,705	259,750	984,455
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	144,055	65,052	(60,719)	21,217	169,605	(259,406)	(89,801)
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out	(140,000)	(42,000)	47,133	(21,217)	47,133	262,785	309,918
Total Other Financing Sources (Uses)	(140,000)	(42,000)	47,133	(21,217)	(156,084)	262,785	(203,217)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	4,055	23,052	(13,586)	-	13,521	3,379	16,900
FUND BALANCES, BEGINNING OF YEAR	79,918	34,542	76,102	-	190,562	87,070	277,632
FUND BALANCES, END OF YEAR	83,973	57,594	62,516	-	204,083	90,449	294,532

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL COMMISSARY FUND
YEAR ENDED JUNE 30, 2004**

STATEMENT L-1

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
<i>Sale of merchandise</i>	\$ 517,000	\$ 521,483	\$ 4,483
Interest earned	500	521	21
Total Revenues	517,500	522,004	4,504
EXPENDITURES			
Current			
Cost of merchandise sold	379,500	370,013	9,487
Bank charges	8,000	7,936	64
Total Expenditures	387,500	377,949	9,551
EXCESS OF REVENUES OVER EXPENDITURES	130,000	144,055	14,055
OTHER FINANCING USES			
Transfer out			
General Fund	(140,000)	(140,000)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(10,000)	4,055	14,055
FUND BALANCE, BEGINNING OF YEAR	79,918	79,918	-
<u>FUND BALANCE, END OF YEAR</u>	\$ 69,918	\$ 83,973	\$ 14,055

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORK RELEASE FACILITY COMMISSARY FUND
YEAR ENDED JUNE 30, 2004**

STATEMENT L-2

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Sale of merchandise	\$ 192,000	\$ 211,096	\$ 19,096
Other	200	273	73
Total Revenues	<u>192,200</u>	<u>211,369</u>	<u>19,169</u>
 EXPENDITURES			
Current			
Cost of merchandise sold	150,200	146,315	3,885
Bank charges	-	2	(2)
	<u>150,200</u>	<u>146,317</u>	<u>3,883</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 42,000	 65,052	 23,052
 OTHER FINANCING USES			
Transfer out			
General Fund	<u>(42,000)</u>	<u>(42,000)</u>	<u>-</u>
 EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	 -	 23,052	 23,052
 FUND BALANCE, BEGINNING OF YEAR	 <u>34,542</u>	 <u>34,542</u>	 <u>-</u>
 <u>FUND BALANCE, END OF YEAR</u>	 <u>\$ 34,542</u>	 <u>\$ 57,594</u>	 <u>\$ 23,052</u>

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2004**

STATEMENT L-3

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental			
Federal grants	\$ 81,993	\$ 80,657	\$ (1,336)
Local matches	17,414	17,414	-
Commission on forfeited assets	6,525	12,450	5,925
Other	230	224	(6)
Total Revenues	106,162	110,745	4,583
EXPENDITURES			
Current			
Salaries and related benefits	78,054	78,259	(205)
Building lease	20,400	20,400	-
Utilities	6,871	8,376	(1,505)
Telephone	13,608	13,385	223
Informants and undercover operations	21,000	21,000	-
Undercover supplies	2,736	3,510	(774)
Office expense	11,207	11,575	(368)
Vehicle expense	2,402	3,352	(950)
Insurance	456	228	228
Training	-	100	(100)
Capital outlay	5,289	11,279	(5,990)
Total Expenditures	162,023	171,464	(9,441)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,861)	(60,719)	(4,858)
OTHER FINANCING SOURCES			
Transfer in			
General Fund	47,100	47,133	33
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(8,761)	(13,586)	(4,825)
FUND BALANCE, BEGINNING OF YEAR	76,102	76,102	-
<u>FUND BALANCE, END OF YEAR</u>	\$ 67,341	\$ 62,516	\$ (4,825)

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2004**

STATEMENT L-4

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal grants	\$ 46,618	\$ 50,192	\$ 3,574
EXPENDITURES			
Grants to other governments	25,418	28,975	(3,557)
EXCESS OF REVENUES OVER EXPENDITURES	21,200	21,217	17
OTHER FINANCING USES			
Transfer out General Fund	(21,200)	(21,217)	(17)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
<u>FUND BALANCE, END OF YEAR</u>	\$ -	\$ -	\$ -

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2004**

STATEMENT M

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest earned	\$ 500	\$ 344	\$ (156)
EXPENDITURES			
Debt service			
Principal	235,000	235,000	-
Interest	24,750	24,750	-
Total Expenditures	<u>259,750</u>	<u>259,750</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(259,250)	(259,406)	(156)
OTHER FINANCING SOURCES			
Transfers in			
General Fund	<u>262,800</u>	<u>262,785</u>	<u>(15)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	3,550	3,379	(171)
FUND BALANCE, BEGINNING OF YEAR	<u>87,070</u>	<u>87,070</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 90,620</u>	<u>\$ 90,449</u>	<u>\$ (171)</u>

See independent auditor's report.

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governmental entities, and/or other funds.

Sheriff's Civil Fund - This fund is used to account for cash received from sheriff's sales, garnishment of wages, and services provided to other governmental units. Also, certain amounts are held pursuant to judicial orders pending finalization of legal suits.

Tax Collector Fund - This fund is used to account for collection of assessed ad valorem taxes and redemptions of ad valorem taxes and the disposition to the applicable taxing bodies.

Cash Bond Fund - This fund is used to account for cash bonds received for prisoners' release pending trial.

Fines and Costs Fund - This fund is used to account for fines and costs on traffic and other legal violations received by the Sheriff to be distributed in accordance with specific laws and regulations.

Jail Inmate Fund - This fund is used to account for cash held for each prisoner in the jail and the Work Release Facility. This money may be used by the prisoner for commissary purchases, and any remaining cash is returned to the prisoner when he/she is released.

RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES - ALL AGENCY FUNDS
JUNE 30, 2004

STATEMENT N-1

		Tax Collector Fund	Cash Bond Fund	Fines and Costs Fund	Jail Inmate Fund	Total
ASSETS						
Cash and cash equivalents	\$	285,747	1,774,826	152,730	\$	224,905
Due from inmates					\$	584,387
					\$	3,148
	\$	<u>285,747</u>	<u>1,774,826</u>	<u>152,730</u>	<u>\$</u>	<u>224,905</u>
					\$	587,535
	\$	<u>285,747</u>	<u>1,774,826</u>	<u>\$</u>	<u>\$</u>	<u>3,025,743</u>
					\$	3,025,743
					\$	154,773
					\$	30,657
					\$	1,773,326
					\$	432,762
					\$	562,751
	\$	<u>215,773</u>	<u>152,730</u>	<u>194,248</u>	<u>\$</u>	<u>224,905</u>
					\$	587,535
	\$	<u>285,747</u>	<u>1,774,826</u>	<u>\$</u>	<u>\$</u>	<u>3,025,743</u>
					\$	3,025,743
LIABILITIES						
Due to General Fund	\$	69,974	1,500	\$	\$	256,904
Unsettled balances due to taxing bodies and others			1,773,326			
Due to inmates					\$	432,762
Due to others					\$	194,248
	\$	<u>215,773</u>	<u>152,730</u>	<u>194,248</u>	<u>\$</u>	<u>224,905</u>
					\$	587,535
	\$	<u>285,747</u>	<u>1,774,826</u>	<u>\$</u>	<u>\$</u>	<u>3,025,743</u>
					\$	3,025,743

See independent auditor's report.

**RAPIDES PARISH SHERIFF
ALEXANDRIA, LOUISIANA
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FIDUCIARY FUND TYPES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004**

STATEMENT N-2

	Sheriff's Civil Fund	Tax Collector Fund	Cash Bond Fund	Fines and Costs Fund	Jail Inmate Fund	Total
BALANCES, BEGINNING OF YEAR	\$ 258,707	\$ 1,523,575	\$ 111,259	\$ 181,809	\$ 551,113	\$ 2,626,463
ADDITIONS						
Deposits						
Sheriff's sales, etc.	3,684,836					3,684,836
Bonds, fines, and costs			127,104	2,564,619		2,691,723
Other deposits	12,760				3,895,511	3,908,271
Taxes, fees, etc., paid to tax collector		53,003,665				53,003,665
Other additions			1,158	1,343	4,516	7,017
Total Additions	3,697,596	53,003,665	128,262	2,565,962	3,900,027	63,295,512
REDUCTIONS						
Taxes, fees, etc., distributed to taxing bodies and others		52,752,414				52,752,414
Deposits settled to:						
Sheriff's General Fund	889,637		74	342,263	1,534,937	2,766,911
Rapides Parish Police Jury				1,006,883		1,006,883
District Attorney				326,916		326,916
Indigent Defender				291,447		291,447
Clerk of Court	132,927					132,927
Litigants	2,133,092					2,133,092
Other settlements	343,662			555,357		899,019
Other reductions	171,238		86,717		2,328,668	2,586,623
Total Reductions	3,670,556	52,752,414	86,791	2,522,866	3,863,605	62,896,232
BALANCES, END OF YEAR	\$ 285,747	\$ 1,774,826	\$ 152,730	\$ 224,905	\$ 587,535	\$ 3,025,743

See independent auditor's report.

**OTHER REPORTS REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

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

The Honorable William Earl Hilton
Rapides Parish Sheriff
Alexandria, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Sheriff, Alexandria, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Rapides Parish Sheriff's basic financial statements and have issued our report thereon dated November 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Rapides Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as Findings 2004-01 and 2004-02.

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 opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Sheriff's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as Finding 2004-03.

MARVIN A. JUNEAU, C.P.A.	ROBERT L. LITTON, C.P.A.	MICHAEL A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A.	ROBERT W. DVORAK, C.P.A.	JAMES N. BALLARD, C.P.A.
ERNEST F. SASSER, C.P.A.	REBECCA D. MORRIS, C.P.A.	L. PAUL HOOD, C.P.A.



1419 METRO DRIVE • P.O. BOX 13200 • ALEXANDRIA, LA 71315-3200
PH: (318) 443-1893 • FAX: (318) 443-2515 • WWW.PMHCPA.COM



PAYNE, MOORE & HERRINGTON, LLP

The Honorable William Earl Hilton
Rapides Parish Sheriff
Alexandria, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected *within a timely period by employees in the normal course of performing their assigned functions*. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Payne, Moore & Herrington, LLP

Certified Public Accountants

November 3, 2004

**RAPIDES PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable conditions identified that are not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
<i>Management's Corrective Action Plan</i>	See Attached	
<i>Management's Summary Schedule of Prior Audit Findings</i>	See Attached	
<i>Memorandum of Recommendations and Other Comments</i>	None	

Federal Awards

Not Applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

FINDING 2004-01

Criteria: Louisiana Revised Statute 38:2212 provides in part that all purchases on any materials or supplies in excess of threshold amounts must be purchased in accordance with statutory guidelines.

Condition: During the year ended June 30, 2004, the Sheriff purchased some materials and supplies exceeding the threshold amounts in the public bid law, which were not advertised and let by contract to the lowest responsible bidder. In addition, telephone or facsimile quotations were not always obtained and documented, when applicable, by the Louisiana Revised Statutes.

Recommendation: We recommend compliance with Louisiana Revised Statutes in regards to purchasing requirements for all purchases made.

Management's response: See management's corrective action plan.

**RAPIDES PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004**

FINDING 2004-02

Criteria: Louisiana Revised Statutes 42:283 through 42:286 establish specific reporting requirements for sheriffs, clerks of court, assessors, coroners, registrars of voters, boards of health, boards of equalization, levee districts, and drainage districts in the state, Orleans Parish excepted.

Condition: It is our understanding that the reports should be made available to the Police Jury and Clerk of Court within thirty days after the close of the fiscal year. Rapides Parish Sheriff has not complied with the established reporting requirements for the year ending June 30, 2004.

Recommendation: We recommend compliance with Louisiana Revised Statutes in regards to these required reports.

Management's response: See management's corrective action plan.

FINDING 2004-03

Criteria: The Sheriff should maintain adequate controls over assets with increased susceptibility to misappropriation in order to decrease the risk of fraud.

Condition: Employees in the bonds and fines department process large amounts of cash. These same employees are capable of making adjustments to individual accounts in the computer system. This condition increases the opportunity for fraud.

Recommendation: Only limited personnel should have access to the individual accounts to make adjustments. Any changes should be password protected to prevent others from having access to making adjustments on accounts in the computer system. Someone independent of the cashier function should verify that all adjustments made have documented support for the adjustment from the appropriate governmental agency.

Management's response: See management's corrective action plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

**RAPIDES PARISH SHERIFF
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2004**

FINDING 2003-01

Condition: Louisiana Revised Statutes 38:2212.1 provides in part that all purchases on any materials or supplies in excess of the threshold amount must be purchased in accordance with statutory guidelines.

Current Status: A purchasing agent was hired in May 2004. Subsequent to June 30, 2004, purchasing procedures were implemented, and he is in the process of ensuring compliance with the Louisiana bid law for all applicable purchases. See schedule of findings and questioned costs 2004-01.

FINDING 2003-02

Condition: Louisiana Revised Statutes 42:283 through 42:286 establish specific reporting requirements for sheriffs, clerks of court, assessors, coroners, registrars of voters, boards of health, boards of equalization, levee districts, and drainage districts in the state, Orleans Parish excepted.

It is our understanding that the reports should be made available to the Police Jury and Clerk of Court within thirty days after the close of the fiscal year. Rapides Parish Sheriff has not complied with the established reporting requirements for the year ending June 30, 2003.

Current Status: The Sheriff remains in noncompliance with these reporting requirements. See schedule of findings and questioned cost 2004-02.

**RAPIDES PARISH SHERIFF
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2004**

The Rapides Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 2004.

Independent Public Accounting Firm: Payne, Moore & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71315-3200
(318) 443-1893

Auditee Contact Person: Mark Thibeaux
Rapides Parish Sheriff Office
P.O. Box 1510
Alexandria, LA 71309-1519
(318) 473-6810

Audit period: July 1, 2003 through June 30, 2004

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

Reportable Condition:

FINDING 2004-01

Condition: During the year ended June 30, 2004, the Sheriff purchased some materials and supplies exceeding the threshold amounts in the public bid law, which were not advertised and let by contract to the lowest responsible bidder. In addition, telephone or facsimile quotations were not always obtained and documented, when applicable, by the Louisiana Revised Statutes.

Recommendation: The Sheriff comply with Louisiana Revised Statutes in regards to purchasing requirements for all purchases.

Action taken: A purchasing manager with many years of experience in public bid law was hired in May, 2004. Since his hiring, we are almost in full compliance with the Louisiana purchasing requirements. The main item yet to be let for public bid is the food items for the jails that we run. We will be in full compliance before the end of the current fiscal year that ends June 30, 2005.

FINDING 2004-02

Condition: It is our understanding that the reports should be made available to the Police Jury and Clerk of Court within thirty days after the close of the fiscal year. Rapides Parish Sheriff has not complied with the established reporting requirements for the year ending June 30, 2004.

Recommendation: The sheriff comply with Louisiana Revised Statutes in regards to these required reports.

**RAPIDES PARISH SHERIFF
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2004**

Action taken: The Rapides Parish Sheriff's Office will comply with this requirement and furnish the necessary documents to the appropriate agencies in Rapides Parish.

FINDING 2004-03

Condition: Employees in the bonds and fines department process large amounts of cash. These same employees are capable of making adjustments to individual accounts in the computer system. This condition increases the opportunity for fraud.

Recommendation: Only limited personnel should have access to the individual accounts to make adjustments. Any changes should be password protected to prevent others from having access to making adjustments on accounts in the computer system. Someone independent of the cashier function should verify that all adjustments made have documented support for the adjustment from the appropriate governmental agency.

Action taken: We agree with the recommendation in the audit. Only certain employees, namely supervisors, will have password authority to make adjustments to accounts. The Finance Officer for the Sheriff's Office will independently monitor all adjustments that are made to ensure that each adjustment has the appropriate documentation.