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**ACADIA PARISH SHERIFF
Crowley, Louisiana**

**ANNUAL
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL SCHEDULES**

FOR THE YEAR ENDED JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-26-05

ACADIA PARISH SHERIFF
Crowley, Louisiana

ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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ACADIA PARISH SHERIFF
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ANNUAL FINANCIAL STATEMENTS
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December 30, 2004

INDEPENDENT AUDITOR'S REPORT

**Acadia Parish Sheriff
Crowley, Louisiana**

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

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

In our opinion, 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 Acadia Parish Sheriff as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Sheriff has implemented a new reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as of June 30, 2004.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Acadia Parish Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis on pages 4 through 9 and the required supplementary budgetary information on page 36 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2004 on our consideration of the Acadia Parish Sheriff's internal control over financial reporting 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.

Broadhurst, Hamilton & Company
Certified Public Accountants

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

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$925,262 (net assets) for the fiscal year reported. Total net assets are comprised of the following:

- Capital assets of \$178,822 that includes property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase of capital assets.
- Unrestricted net assets of \$721,437 which represents the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.
- Restricted net assets of \$25,003 which represent amounts in the bond sinking fund to be used for payment of the bi-annual interest and principal payments for the long-term bonds.

The Sheriff's governmental funds report total ending fund balance of \$1,803,795 this year. This compares to the prior year ending fund balance of \$2,130,415, showing a decrease of \$326,620 for the current year. At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$1,797,061 or 23.53% of the total General Fund expenditures and 24.44% of total General Fund revenues including transfers. Overall, the Sheriff's office continues to maintain a strong financial position. The financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 12 and 13 of this report.

Management's Discussion and Analysis (Unaudited)

FUND FINANCIAL STATEMENTS

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

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 15-19 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds. The basic fiduciary fund financial statement is presented on page 20 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

OTHER INFORMATION

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This statement is a schedules demonstrating compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on pages 37-38 of this report. In addition, more detailed nonmajor fund (special revenue fund) information and details of the individual agency funds are presented as supplementary information presented on pages 41-43 of this report.

Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole. The following table provides a summary of the Sheriff's net assets:

SUMMARY OF NET ASSETS
As of June 30, 2004

	<u>Governmental Activities</u>	<u>Percentage of Total</u>
ASSETS		
Cash and cash equivalents	\$ 1,134,062	52.09%
Other receivables	859,508	39.48%
Prepaid items	4,749	0.22%
Capital assets, net	<u>178,822</u>	<u>8.21%</u>
TOTAL ASSETS	<u>\$ 2,177,141</u>	<u>100.0%</u>
LIABILITIES		
Current liabilities:		
Accounts and other accrued payables	\$ 194,524	15.54%
Long-term liabilities:		
Compensated absences	87,444	6.99%
Estimated medical liabilities	104,911	8.38%
Bonds payable	<u>865,000</u>	<u>69.09%</u>
TOTAL LIABILITIES	<u>\$ 1,251,879</u>	<u>100.0%</u>
NET ASSETS		
Invested in capital assets	\$ 178,822	
Restricted for debt service	25,003	
Unrestricted	<u>721,437</u>	
TOTAL NET ASSETS	<u>\$ 925,262</u>	

The Sheriff continues to maintain operations with long-term debt attributable only to the purchase of the Acadia Parish Detention Center (APDC). This is an indication of the Sheriff's ability to pay his obligations as they become due. The Sheriff reported positive balances in net assets for the governmental activities. Net assets decreased by \$137,683 for governmental activities in fiscal 2004. Also, note that only 19.33% of the governmental activities' net assets are tied up in capital assets. The Sheriff used these capital assets to provide services to its citizens.

ACADIA PARISH SHERIFF
Crowley, Louisiana

Management's Discussion and Analysis (Unaudited)

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

	<u>June 30, 2004</u>		<u>June 30, 2003</u>	
	<u>Governmental Activities</u>	<u>Percentage of Total</u>	<u>Governmental Activities</u>	<u>Percentage of Total</u>
REVENUES:				
Program:				
Charges for services/fines	\$ 2,080,025	27.65%	\$ 1,832,035	24.01%
Operating and capital grants	1,462,964	19.45%	1,260,095	16.52%
General:				
Sales taxes	2,565,946	34.11%	3,098,131	40.61%
Property taxes	1,287,156	17.11%	1,289,744	16.90%
Interest	5,919	0.07%	12,902	0.17%
Miscellaneous	121,366	1.61%	136,800	1.79%
TOTAL REVENUES	\$ 7,523,376	100.00%	\$ 7,629,707	100.00%
PROGRAM EXPENDITURES:				
Public safety	\$ (7,661,059)	100.00%	\$ (8,330,640)	100.00%
TOTAL EXPENDITURES	\$ (7,661,059)		\$ (8,330,640)	
CHANGE IN NET ASSETS	\$ (137,683)		\$ (700,933)	
BEGINNING NET ASSETS	1,062,945		1,763,878	
ENDING NET ASSETS	\$ 925,262		\$ 1,062,945	

Governmental Revenues - The Sheriff is heavily reliant on parish-wide property and sales tax revenues to support its operations. Property taxes provided 17.11% and sales taxes provided 34.11% of the Sheriff's total revenues. Because of the Sheriff's healthy financial position, we have been able to earn \$5,919 in interest earnings to support governmental activities. Also, note that program revenues cover only 47.10% of governmental operating revenues. This means that the government's taxpayers and the Sheriff's other general revenues fund 52.90% of its operations.

Governmental Functional Expenses - The total function of the Sheriff's office is public safety-law enforcement activities. Of the total costs, depreciation of the office equipment and vehicles was \$44,257 or .58% of total expenses.

Major governmental Fund - The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's 2004 fund balance decreased by \$278,935. Several factors contributed to this fund decrease.

From a revenue standpoint, sales tax collections decreased \$532,185 or 17.18%, grant revenues increased \$202,869 or 16.10% and charges for services and fees increased \$247,990 or 13.54%. The remaining change in revenues was spread throughout various revenue categories. Expenditures reflect a decrease of \$669,581 from last year, or about 8.09%. Of this decrease \$219,050 was for debt service and other charges.

Non-major Governmental Funds - The non-major fund that the Sheriff's office maintains is the Grant Fund. The primary revenue stream in the Grant Fund is federal grants for narcotics investigations. The Grant Fund is used to account for grant monies received for specific equipment purchases and deputies' overtime pay related to criminal patrol. This past year, the Grant fund was utilized to fund overtime pay for deputies for criminal patrol.

Management's Discussion and Analysis (Unaudited)

The non-major Special Revenue Fund's revenues decreased by \$124,945 from 2003, while the expenditures decreased by \$45,845. The net effect, after other financing sources effects, was a fund balance decrease of \$47,685 for 2004 versus the 2003 net increase of \$31,414. Part of the changes that affected the Special Revenue Funds was an increase in forfeitures collected through the task force efforts.

BUDGETARY HIGHLIGHTS

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Total governmental funds reported ending fund balances of \$1,803,795. Of this year-end total, 98.61% is unreserved, indicating availability for continuing the Sheriff's activities. The total ending fund balances of governmental funds showed a decrease of \$326,620.

General Fund - The General Fund's original and final revenue budgets were less than the actual amounts reported in fiscal year 2004. The final amended budget reported revenues increasing 1.74% over the original budget and the actual was 7.10% above the final budget revenue. Some of the reasons for the increase in revenues include:

- An increase in federal grant funding
- An increase in fines & forfeitures
- An increase in feeding & keeping of prisoners

The final expenditure budget reported an increase of only 1.74% over the original budget amounts. The actual expenditures exceeded the final budget by 9.41%.

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$178,822. The net increase (additions, deductions and depreciation) for capital assets was approximately 100.00% for the Sheriff as a whole. The following table provides a summary of capital asset activity:

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
<u>Depreciable assets:</u>		
Office equipment, furniture & vehicles	\$ 1,374,641	\$ 1,314,887
APDC	<u>1,000,000</u>	<u>1,000,000</u>
Total depreciable assets	\$ 2,374,641	\$ 2,314,887
Less accumulated depreciation	<u>2,195,819</u>	<u>2,314,887</u>
Book value - depreciable assets	<u>\$ 178,822</u>	<u>\$ -</u>

At June 30, 2004, the depreciable capital assets for governmental activities were 92.47% depreciated versus 100.00% in the prior year. The reason that the assets are fully depreciated for fiscal year ended June 30, 2003 is that the Sheriff qualified for Phase III implementation of GASB 134. This qualification allowed all of the assets owned before July 1, 2004 to be completely depreciated. This comparison indicates that the Sheriff is replacing its assets at a rate that is faster than the overall rate of depreciation. If the rate of replacement continues at this

Management's Discussion and Analysis (Unaudited)

rate, the capital assets will continue to have a positive book value in the coming years. This percentage is a positive indicator. During the year ending June 30, 2004, the Sheriff purchased \$223,078 of new assets and disposed or junked \$163,324 of old assets.

The major additions to the vehicles account includes:
9 vehicles \$193,146 (average cost of \$21,411)

Debt Outstanding - At year end, the Sheriff's long-term debt is due and payable to employees for uncompensated absences and for the outstanding bonds payable issued for the purchase of the APDC.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Wayne Melancon, Sheriff, 500 NE Court Circle, Crowley, LA 70526

BASIC FINANCIAL STATEMENTS

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

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ACADIA PARISH SHERIFF
Crowley, Louisiana

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STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,134,062
Other receivables (Net of allowances)	859,508
Prepaid items	4,749
Capital assets, net of accumulated depreciation	<u>178,822</u>
TOTAL ASSETS	\$ <u>2,177,141</u>
LIABILITIES	
Current Liabilities:	
Trade accounts payable	\$ 123,650
LSA Grant payable	70,874
Long-term liabilities:	
Compensated absences	87,444
Estimated medical liabilities	104,911
Bonds payable	<u>865,000</u>
TOTAL LIABILITIES	\$ <u>1,251,879</u>
NET ASSETS	
Invested in capital assets, Net of related debt	\$ 178,822
Restricted for debt service	25,003
Unrestricted	<u>721,437</u>
TOTAL NET ASSETS	\$ <u>925,262</u>

The accompanying notes are an integral part of this statement

STATEMENT A

FUND FINANCIAL STATEMENTS (FFS)

ACADIA PARISH SHERIFF
Crowley, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,081,457	\$ 2,012,534	\$ 52,605	\$ 3,146,596
Receivables	859,508	-	-	859,508
Prepaid expenses	<u>4,749</u>	<u>-</u>	<u>-</u>	<u>4,749</u>
TOTAL ASSETS	<u>\$ 1,945,714</u>	<u>\$ 2,012,534</u>	<u>\$ 52,605</u>	<u>\$ 4,010,853</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Due to other taxing bodies	\$ -	\$ 1,857,553	\$ 70,874	\$ 1,928,427
Trade accounts payable	123,650	-	-	123,650
Held for other agencies	<u>-</u>	<u>154,981</u>	<u>-</u>	<u>154,981</u>
Total liabilities	<u>\$ 123,650</u>	<u>\$ 2,012,534</u>	<u>\$ 70,874</u>	<u>\$ 2,207,058</u>
Fund Balance:				
Reserved	\$ 25,003	\$ -	\$ -	\$ 25,003
Unreserved - undesignated	<u>1,797,061</u>	<u>-</u>	<u>(18,269)</u>	<u>1,778,792</u>
Total fund balance	<u>\$ 1,822,064</u>	<u>\$ -</u>	<u>\$ (18,269)</u>	<u>\$ 1,803,795</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 1,945,714</u>	<u>\$ 2,012,534</u>	<u>\$ 52,605</u>	<u>\$ 4,010,853</u>

The accompanying notes are an integral part of this statement

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total Fund Balances for Governmental Funds at June 30, 2004		\$	1,803,795
<i>Amounts reported for governmental activities in the statement of net assets is different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			
Cost of Capital Assets	\$	2,374,641	
Less: Accumulated Depreciation		<u>2,195,819</u>	178,822
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Compensated absences payable	\$	(87,444)	
Estimated medical payments		(104,911)	
Bonds payable		<u>(865,000)</u>	<u>(1,057,355)</u>
Total Net Assets of Governmental Activities at June 30, 2004		\$	<u>925,262</u>

The accompanying notes are an integral part of this statement

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

	<u>General Fund</u>	<u>Nonmajor</u>	<u>Total</u>
REVENUES:			
Fees, Fines, Commissions and Charges for Services:			
Commissions - Fines & bonds	\$ 29,871	\$ -	\$ 29,871
Civil & criminal fees	287,318	-	287,318
Court attendance	13,974	-	13,974
Community service reimbursements	26,760	-	26,760
Bond fees	19,438	-	19,438
Transportation of prisoners	17,259	-	17,259
Feeding & keeping of prisoners	1,230,391	-	1,230,391
Tax notices, etc.	27,990	-	27,990
Other fees charges & commissions	293,349	-	293,349
Fines and forfeitures	133,675	-	133,675
	<u> </u>	<u> </u>	<u> </u>
Total Fees, Fines Commissions And Charges for services	\$ 2,080,025	\$ -	\$ 2,080,025
Operating Grants and Contributions:			
Federal grants	\$ 96,776	\$ 134,209	\$ 230,985
State grants	552,699	-	552,699
State supplemental pay	325,613	-	325,613
State revenue sharing	321,921	-	321,921
Matching funds	-	31,746	31,746
	<u> </u>	<u> </u>	<u> </u>
Total Operating Grants and Contributions	\$ 1,297,009	\$ 165,955	\$ 1,462,964
Revenue from Taxes:			
Sales taxes	\$ 2,565,946	\$ -	\$ 2,565,946
Ad valorem taxes	1,287,157	-	1,287,157
	<u> </u>	<u> </u>	<u> </u>
Total Revenue from taxes	\$ 3,853,103	\$ -	\$ 3,853,103
Miscellaneous:			
Interest	\$ 5,919	\$ -	\$ 5,919
Other	117,365	-	117,365
	<u> </u>	<u> </u>	<u> </u>
Total Miscellaneous	\$ 123,284	\$ -	\$ 123,284
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	\$ 7,353,421	\$ 165,955	\$ 7,519,376
EXPENDITURES:			
Personnel Salaries:			
Sheriff	\$ 134,908	\$ -	\$ 134,908
Deputies	3,674,582	108,461	3,783,043
Employee Related Benefits:			
Pension fund	314,297	-	314,297
Unemployment insurance	596	-	596
Medicare	51,331	-	51,331
Workman's compensation	817	-	817

The accompanying notes are an integral part of this statement

ACADIA PARISH SHERIFF
Crowley, Louisiana

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

EXPENDITURES (CONT.)			
Fringe benefits - Federal funds	-	17,597	17,597
Operating Services:			
Liability insurance	244,046	-	244,046
Hospitalization	1,288,779	-	1,288,779
Telephone	128,584	-	128,584
Operating & Maintenance:			
Boat expense	579	-	579
Computer expenditures	37,842	-	37,842
Office expenditures	201,065	-	201,065
Dues & subscriptions	12,964	-	12,964
Prisoner feeding and maintenance	527,223	-	527,223
Prisoner transportation	1,772	-	1,772
Professional services	15,209	-	15,209
Other direct cost - Federal grants	-	28,561	28,561
Deputy:			
Uniforms	32,806	-	32,806
Equipment and supplies	68,092	3,817	71,909
Training	42,583	-	42,583
Automobile:			
Repair and maintenance	238,907	-	238,907
Fuel and Oil	151,048	-	151,048
Sheriff's allowance	937	-	937
Criminal investigations	57,594	-	57,594
Juvenile programs	20,116	-	20,116
Radio maintenance	12,461	-	12,461
Canine maintenance	20,935	-	20,935
Rentals	6,762	-	6,762
Travel expenditures	19,423	49,496	68,919
Interest expense	60,449	-	60,449
Capital outlay	225,976	5,124	231,100
Depreciation	43,673	584	44,257
TOTAL EXPENDITURES	\$ 7,636,356	\$ 213,640	\$ 7,849,996
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (282,935)	\$ (47,685)	\$ (330,620)
OTHER FINANCING SOURCES (USES):			
Sale of assets and seized property	\$ 4,000	\$ -	\$ 4,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ 4,000	\$ -	\$ 4,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (278,935)	\$ (47,685)	\$ (326,620)
FUND BALANCES, BEGINNING OF YEAR	2,100,999	29,416	2,130,415
FUND BALANCES, END OF YEAR	\$ 1,822,064	\$ (18,269)	\$ 1,803,795

The accompanying notes are an integral part of this statement

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Total Net Changes in Fund Balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (326,620)
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	134,566
In the statement of activities, certain operating expenses - compensated advances - 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 (amounts actually paid)	(5,744)
In the statement of activities, certain operating expenses - estimated medical payments - are measured by the amounts accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid)	10,115
Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	<u>50,000</u>
Total Changes in Net Assets at June 30, 2004	<u>\$ (137,683)</u>

The accompanying notes are an integral part of this statement

ACADIA PARISH SHERIFF
Crowley, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004

	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Prisoner's Fund</u>	<u>Civil Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,813,833	\$ 151,919	\$ 3,062	\$ 43,720	\$ 2,012,534
TOTAL ASSETS	<u>\$ 1,813,833</u>	<u>\$ 151,919</u>	<u>\$ 3,062</u>	<u>\$ 43,720</u>	<u>\$ 2,012,534</u>
LIABILITIES					
Due to other taxing bodies	\$ 1,813,833	\$ -	\$ -	\$ 43,720	\$ 1,857,553
Due to others pending court action	-	151,919	-	-	151,919
Due to prisoners	-	-	3,062	-	3,062
TOTAL LIABILITIES	<u>\$ 1,813,833</u>	<u>\$ 151,919</u>	<u>\$ 3,062</u>	<u>\$ 43,720</u>	<u>\$ 2,012,534</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

NOTES TO FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Sheriff's activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. The Sheriff is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Acadia Parish Police Jury maintains and operates the building in which the Sheriff's office is located and provides funds for some equipment and furniture of the Sheriff's office. Because the Sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

Acadia Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the Acadia Parish Sheriff.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Government - Wide Financial Statements (GWFS)

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

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

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

Governmental Fund Financial Statements (FFS)

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

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

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

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

General Fund:

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

Fiduciary Fund Financial Statements:

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

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal grants. Those revenues are legally restricted by grant agreements to expenditures for specified purposes. Per criteria for FFS above, these funds are presented as nonmajor funds in the governmental fund financial statements.

D. BUDGET PRACTICES

The proposed budget for the fiscal year ended June 30, 2004, was made available for public inspection on June 19, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 28 days prior to the public hearing, which was held at the Acadia Parish Sheriff's Office on July 17, 2003, for comments from taxpayers at which the budget was legally adopted. According to the minutes, an amended budget was made available for public inspection on May 13, 2004 in the official journal 28 days prior to the public hearing held at the Acadia Parish Sheriff's Office on June 10, 2004, at which the amended budget was legally adopted.

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

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

The cash amount included in the accompanying financial statements consist of demand deposits, interest bearing demand deposits, money markets and time deposits. Cash equivalents include financial instruments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. RESERVE FOR UNCOLLECTIBLE RECEIVABLES

Since the sheriff is required to provide civil department services for pauper cases, the sheriff has decided to establish a reasonable reserve for uncollectible receivables to cover both the pauper cases and other uncollectible receivables. As time passes, the sheriff adjusts this reserve based on historical performance.

G. INVESTMENTS

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States securities, government backed securities or certificates and time deposits as indicated in Note E above. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

H. COMPENSATED ABSENCES

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

Full-time deputies of the sheriff's office earn four to ten days of vacation leave each calendar year, depending on length of service. Vacation leave must be taken in the year earned and cannot be accumulated. However, unused vacation leave is paid upon termination of employment. Full-time deputies are allowed sick leave at the discretion of the sheriff.

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

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payment at termination or retirement.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability should be reported in the general long-term obligations account group.

I. CAPITAL ASSETS

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

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

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

J. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

K. PREPAID ITEMS

Prepaid items consist of insurance paid in the current year that will benefit future periods.

L. RESTRICTED NET ASSETS

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

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

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

M. FUND EQUITY

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

N. INTERFUND TRANSACTIONS

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

O. ESTIMATES

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

NOTE 2: LEVIED TAXES

The Sheriff was authorized an ad valorem tax millage of 7.74 mills and levied taxes of 7.74 mills for 2004. Ad valorem taxes are recorded in the year the taxes are assessed. The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed.

Total assessed value was \$17,025,114 in 2003. Louisiana state law exempts the first \$75,000 of the assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption amounted to \$4,308,956 of the assessed values for 2003.

NOTE 3: CASH AND CASH EQUIVALENTS

At June 30, 2004, the Sheriff has cash and cash equivalents in interest bearing and non-interest bearing accounts (book balance) totaling \$3,146,596 as follows:

Demand deposits	\$	3,145,746
Petty cash		<u>850</u>
Total Cash and Cash Equivalents	\$	<u>3,146,596</u>

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

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

At June 30, 2004, the Sheriff has \$3,782,865 in deposits (collected bank balances). These deposits are secured from risk by \$600,000 of federal deposit insurance and \$12,247,519 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

There is restricted cash of \$25,003 in the bond sinking fund which is to be used only for the retirement of the long-term bonds payable.

NOTE 4: RECEIVABLES

The receivables of the Acadia Parish Sheriff as of June 30, 2004, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Fees, charges, and commissions	\$ 275,476
Less: Allowance for Uncollectible Receivables	<u>89,017</u>
Net Fees, Charges, and Commissions	\$ 186,459
Ad Valorem taxes	6,974
Sales taxes	397,319
Prisoner maintenance	114,695
Due from deputies	1,278
Due from LSA Grant	70,011
Reimbursements	61,810
State/Parish appropriations	<u>20,962</u>
Net Receivables	<u>\$ 859,508</u>

NOTE 5: PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy. Plan members are required by state statute to contribute 8.7% of their annual covered salary and the Acadia Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 5.0% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Acadia Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Acadia Parish Sheriff's contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$314,297, \$237,271, and \$202,174, respectively, equal to the required contributions for each year.

NOTE 6: CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance</u> <u>07/01/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/2004</u>
Depreciable assets: Equipment, furniture & Vehicles APDC	\$ 1,314,887 <u>1,000,000</u>	\$ 223,078 <u>-</u>	\$ 163,324 <u>-</u>	\$ 1,374,641 <u>1,000,000</u>
Total Depreciable Assets	\$ 2,314,887	\$ 223,078	\$ 163,324	\$ 2,374,641
Less accumulated depreciation	<u>2,314,887</u>	<u>44,256</u>	<u>163,324</u>	<u>2,195,819</u>
Capital Assets, net	\$ <u>-</u>	\$ <u>178,822</u>	\$ <u>-</u>	\$ <u>178,822</u>

Depreciation expense in the amount of \$44,257 was charged to public safety.

NOTE 7: POST-EMPLOYMENT HEALTH CARE BENEFITS

The sheriff provides certain health care and life insurance benefits for retired employees. Substantially all of the sheriff's employees may become eligible for these benefits if they reach retirement age while working for the sheriff. The cost of retiree health care and life insurance benefits is not kept separate from active employees, therefore the cost of such benefits is not available at this time.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

NOTE 8: DEFERRED COMPENSATION PLAN

The sheriff offers his employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or to other beneficiary) solely the property and rights of the sheriff subject only to the claims of the sheriff's general creditors. Participants' rights under the plan are equal to those of the sheriff in an amount equal to the fair market value of the deferred account for each participant.

The sheriff has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The sheriff believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 9: RESTRICTED NET ASSETS/FUND BALANCE RESERVE

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

	<u>Fund Balance Reserve</u>		<u>Restricted Net Assets</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>	
Reserved Bond for Debt Payment	<u>\$ 25,003</u>	<u>\$ -</u>	<u>\$ 25,003</u>

NOTE 10: LITIGATION AND CLAIMS

At June 30, 2004, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. The Sheriff's legal counsel has reviewed the Sheriff's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if any, of the amount or range of potential loss to the Sheriff. As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board. All of the current claims have been classified as remote.

NOTE 11: RISK MANAGEMENT

Liability and Property Insurance

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the Sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Acadia Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The Sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during this year.

Group Self-Insurance Health Plan

The Sheriff provides health insurance coverage to its employees and their families through a partially self-insured plan. The Sheriff is liable for the first \$50,000 in claims per insured per year and the first \$1,000,000 in aggregate claims. The sheriff has purchased coverage from an insurance company for all costs above this limit per participant and in aggregate. As of June 30, 2004, pending claims amount to \$104,911. The pending claims payable at June 30, 2004 had already been paid by the completion of the audit and actual expenses were used to calculate pending claims.

	<u>Beginning of Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
Year Ended June 30, 2004	\$ 86,858	\$ 1,328,085	\$ 1,310,032	\$ 104,911

NOTE 12: CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2003, caused by the conversion to GASB Statement No. 34.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

	<u>Governmental Funds</u>
Fund Balances, June 30, 2003 as originally presented	\$ 2,130,415
GASB Statement No. 34 Adjustment:	
Capital assets, net	-
Long-term Liabilities	<u>(1,067,470)</u>
Governmental Activities Net Assets, June 30, 2003	<u>\$ 1,062,945</u>

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

NOTE 13: TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2004, as reflected in Statement G, include \$1,035,226 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$142,662. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

NOTE 14: EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the sheriff's office are paid by the Acadia Parish Police Jury and are not included in the accompanying financial statements. The sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse is paid for by the Acadia Parish Police Jury.

NOTE 15: FEDERAL FINANCIAL ASSISTANCE

The Acadia Parish Sheriff participates in various grant programs funded by state and federal governments. The following schedule provides selected information on various grant expenditures for the year ended June 30, 2004.

<u>FEDERAL GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
Enhanced Job Skills Program	B03-4-015 B02-4-018	\$ 16,745 2,177
Mentoring Program	J02-8-009 J01-8-010	14,895 4,647
Victim Assistance Program	C01-8-006 C02-8-006	7,179 13,968
Multi-Jurisdictional Task Force	B03-4-001	20,601
Violent Crime Unit	B03-8-001	155,915
D.A.R.E.	E04-4-001	21,748
Block Grants	2003-LB-BX-2014	12,576
Violent Crime Intelligence System	B02-8-001	17,598
Act 562 Training	P04-4-001	1,050
Bulletproof Vest Partnership Grant Act	16.607	<u>3,109</u>
Total Expenditures of Federal Awards		\$ <u>292,208</u>

(Continued)

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

NOTE 16: LONG TERM DEBT

The Revenue Bonds are collateralized by the revenue of the Acadia Parish Detention Center (APDC) and the other lawfully available funds available as established by the bond ordinance. The ordinance provides that the revenue of the APDC is to be used first to pay operating and maintenance expenses of the APDC and second to establish and maintain the APDC Bond Sinking Fund. Remaining revenues may then be used for any lawful purpose. It is also provided that the Issuer may use other lawfully available funds to supplement the cost of operating and maintaining the APDC.

Components of Restricted Cash

Current Maturities of Revenue Bonds	\$ 20,786
Revenue Bond's Accrued Interest Payable	<u>4,217</u>
Total Restricted Cash	<u>\$ 25,003</u>

At June 30, 2004, bonds payable consisted of the following issue:

Series 2000 Detention Center bonds, dated December 1, 2000, interest is due in semi-annual installments commencing June 1, 2001 and shall mature serially on December 1 of each year through December 1, 2015, bearing interest rates of 5.85%	<u>\$ 865,000</u>
--	-------------------

Annual requirements to retire debt obligations are as detailed below:

<u>Principal Interest Payment Dates</u>	<u>Interest Only Payment Dates</u>	<u>Principle</u>	<u>Interest</u>
December 1, 2004		\$ 50,000	\$ 25,301
	June 1, 2005	-	23,839
December 1, 2005		55,000	23,839
	June 1, 2006	-	22,230
December 1, 2006		60,000	22,230
	June 1, 2007	-	20,475
December 1, 2007		60,000	20,475
	June 1, 2008	-	18,720
December 1, 2008		65,000	18,720
June 1, 2009 thru December 1, 2015		<u>575,000</u>	<u>140,985</u>
Totals		<u>\$ 865,000</u>	<u>\$ 336,814</u>

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

NOTE 17: LEASES

Operating Leases

The sheriff is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the general fixed assets account group.

The Sheriff has operating leases of the following nature:

- a. The sheriff has a lease with Ignacio Garcia for an office building. This lease expired June 30, 2004 and has been renewed for another four years ending June 30, 2008. This lease has monthly lease payments of \$1,540.
- b. The sheriff has a lease with Daniel Richard for an office building. The lease expired June 30, 2004 and the sheriff exercised the option to renew the lease for an additional four (4) years through June 30, 2008. This lease has monthly lease payments of \$650.
- c. The sheriff has five (5) leases with Xerox for copiers. The leases expire on the following schedule:
 1. September 30, 2006 with a monthly lease payments of \$160 plus excess usage charges calculated quarterly.
 2. June 30, 2007 with a monthly lease payments of \$110 plus excess usage charges calculated quarterly.
 3. April 30, 2008 with a monthly lease payments of \$101 plus excess usage charges calculated quarterly.
 4. April 30, 2008 with a monthly lease payments of \$101 plus excess usage charges calculated quarterly.
 5. December 31, 2006 with a monthly lease payments of \$315 plus excess usage charges calculated quarterly.

The future minimum annual commitments under these non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	
2004-2005	\$ 35,724
2005-2006	35,724
2006-2007	32,394
2007-2008	<u>28,300</u>
Total Future Minimum Lease Commitments	\$ <u>132,142</u>

(Concluded)

REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH SHERIFF
Crowley, Louisiana

GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fees, Fines, Commissions and Charges for Services:				
Commissions - Fines & bonds	\$ 27,751	\$ 21,080	\$ 29,871	\$ 8,791
Civil & criminal fees	172,958	298,535	287,318	(11,217)
Court attendance	13,750	9,792	13,974	4,182
Community service reimbursements	21,408	17,840	26,760	8,920
Bond fees	16,758	14,204	19,438	5,234
Transportation of prisoners	18,000	1,930	17,259	15,329
Feeding & keeping of prisoners	1,103,376	1,123,637	1,230,391	106,754
Tax notices, etc.	913	-	27,990	27,990
Other fees charges & commissions	231,385	303,939	293,349	(10,590)
Fines and forfeitures	160,409	-	133,675	133,675
Total Fees, Fines Commissions And Charges for services	\$ 1,766,708	\$ 1,790,957	\$ 2,080,025	\$ 289,068
Operating Grants and Contributions:				
Federal grants	\$ 31,972	\$ 49,846	\$ 96,776	\$ 46,930
State grants	286,667	177,097	552,699	375,602
State supplemental pay	332,084	297,448	325,613	28,165
State revenue sharing	415,105	446,172	321,921	(124,251)
Total Operating Grants and Contributions	\$ 1,065,828	\$ 970,563	\$ 1,297,009	\$ 326,446
Revenue from Taxes:				
Sales taxes	\$ 2,610,017	\$ 2,716,995	\$ 2,565,948	\$ (151,049)
Ad valorem taxes	1,494,644	1,287,177	1,287,157	(20)
Total Revenue from taxes	\$ 4,104,661	\$ 4,004,172	\$ 3,853,103	\$ (151,069)
Miscellaneous:				
Interest	\$ 5,185	\$ 5,686	\$ 5,919	\$ 233
Other	101,174	58,060	117,365	59,305
Total Miscellaneous	\$ 106,359	\$ 63,746	\$ 123,284	\$ 59,538
TOTAL REVENUES	\$ 7,043,566	\$ 6,829,438	\$ 7,353,421	\$ 523,983
EXPENDITURES:				
Personnel Salaries:				
Sheriff	\$ 129,443	\$ 114,028	\$ 134,908	\$ (20,880)
Deputies	3,636,297	3,607,937	3,674,582	(66,645)
Employee Related Benefits:				
Pension fund	311,526	306,130	314,297	(8,167)
Unemployment insurance	634	140	598	(456)
Medicare	51,218	51,637	51,331	306
Workman's compensation	980	1,634	817	817
Operating Services:				
Liability insurance	247,674	323,834	244,046	79,788
Hospitalization	873,512	913,505	1,288,779	(375,274)
Telephone	121,741	111,467	128,584	(17,117)
Operating & Maintenance:				
Boat expense	408	397	579	(182)
Computer expenditures	25,946	27,076	37,842	(10,766)
Office expenditures	244,175	188,038	201,065	(13,027)
Dues & subscriptions	14,132	18,391	12,964	5,427
Prisoner feeding and maintenance	468,016	465,190	527,223	(62,033)
Prisoner transportation	1,570	1,715	1,772	(57)
Professional services	15,209	-	15,209	(15,209)
Deputy:				
Uniforms	28,058	25,135	32,806	(7,671)
Equipment and supplies	62,853	56,702	68,092	(11,390)
Training	45,370	49,925	42,583	7,342
Automobile:				
Repair and maintenance	221,775	208,282	238,907	(30,625)
Fuel and Oil	142,321	135,475	151,048	(15,573)

The accompanying notes are an integral part of this statement

ACADIA PARISH SHERIFF
Crowley, Louisiana

GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

EXPENDITURES (CONT.)				
Sheriff's allowance	1,124	1,874	937	937
Criminal investigations	61,630	14,673	57,594	(42,921)
Juvenile programs	22,324	18,626	20,116	(1,490)
Radio maintenance	13,898	15,403	12,461	2,942
Canine maintenance	13,576	18,975	20,935	(1,960)
Rentals	9,891	12,103	6,762	5,341
Travel expenditures	20,556	20,603	19,423	1,180
Interest expense	-	53,035	60,449	(7,414)
Capital outlay	254,521	156,185	226,976	(69,791)
Depreciation	-	-	43,673	(43,673)
	<u>7,040,378</u>	<u>6,918,115</u>	<u>7,636,356</u>	<u>(718,241)</u>
TOTAL EXPENDITURES	\$	\$	\$	\$
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,178	(88,677)	(282,935)	(194,258)
OTHER FINANCING SOURCES (USES)	\$	\$	\$	\$
Sale of assets and seized property	4,800	-	4,000	4,000
TOTAL OTHER FINANCING SOURCES (USES)	4,800	-	4,000	4,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	7,978	(88,677)	(278,935)	(190,258)
FUND BALANCES, BEGINNING OF YEAR	<u>2,100,999</u>	<u>2,100,999</u>	<u>2,100,999</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>2,108,977</u>	<u>2,012,322</u>	<u>1,822,064</u>	<u>(190,258)</u>

The accompanying notes are an integral part of this statement

OTHER SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2004

GOVERNMENTAL FUND TYPE - GENERAL FUND:

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

GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND:

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

FIDUCIARY FUND TYPE - AGENCY FUNDS:

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

CIVIL FUND - The Civil Fund accounts for the collection of funds in civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

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

PRISONERS' FUND - The Prisoners' Fund accounts for funds that belong to the inmates and use them to purchase personal items to be used by the inmates.

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
JUNE 30, 2004

	<u>GRANT FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 52,605</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Loan payable	\$ 70,874
Fund Equity:	
Fund balance	<u>(18,269)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 52,605</u>

The accompanying notes are an integral part of this statement

ACADIA PARISH SHERIFF
Crowley, Louisiana

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GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2004

	<u>GRANT FUND</u>
REVENUES:	
Federal grants	\$ 134,209
Matching funds	<u>31,746</u>
TOTAL REVENUES	\$ 165,955
EXPENDITURES:	
Public safety:	
Current	
Deputy salaries	\$ 108,461
Fringe benefits	17,597
Other direct costs	28,561
Materials and supplies	3,817
Travel expenditures	49,496
Capital outlay	5,124
Depreciation	<u>584</u>
TOTAL EXPENDITURES	\$ 213,640
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (47,685)
FUND BALANCES, BEGINNING OF YEAR	<u>29,416</u>
FUND BALANCES, END OF YEAR	<u>\$ (18,269)</u>

The accompanying notes are an integral part of this statement

ACADIA PARISH SHERIFF
Crowley, Louisiana

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FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>CIVIL FUND</u>	<u>TAX COLLECTOR</u>	<u>BOND FUND</u>	<u>PRISONERS' FUND</u>	<u>TOTAL</u>
BALANCES AT BEGINNING OF YEAR	\$ 38,701	\$ 1,360,481	\$ 96,339	\$ 6,084	\$ 1,501,605
<u>ADDITIONS:</u>					
Deposits:					
Sheriff's sales	\$ 871,886	\$ -	\$ -	\$ -	\$ 871,886
Bonds	-	-	733,252	-	733,252
Advance deposits (suits)	78,286	-	-	-	78,286
Garnishments	215,213	-	-	-	215,213
Sequestration	100,552	-	-	-	100,552
Other deposits	-	-	-	109,320	109,320
Taxes, fees, etc., paid to tax collector	-	14,409,490	-	-	14,409,490
Interest earned	-	38,993	-	-	38,993
Total additions	\$ 1,265,937	\$ 14,448,483	\$ 733,252	\$ 109,320	\$ 16,556,992
Total Beginning Balance and Additions	\$ 1,304,638	\$ 15,808,964	\$ 829,591	\$ 115,404	\$ 18,058,597
<u>REDUCTIONS:</u>					
Taxes, fees, etc., distributed to taxing bodies and others	\$ -	\$ 13,995,131	\$ -	\$ -	\$ 13,995,131
Deposits settled to:					
Sheriff's general fund	149,733	-	101,624	-	251,357
Policy Jury	-	-	227,002	-	227,002
District Attorneys	-	-	100,151	-	100,151
Clerk of Court	70,099	-	44,340	-	114,439
Indigent Defender Board	-	-	87,065	-	87,065
Litigants	780,807	-	2,504	-	783,311
Attorneys, appraisers, etc.	193,672	-	-	-	193,672
Other settlements	50,448	-	77,262	112,342	240,052
Other reductions:					
Refunds	16,159	-	36,882	-	53,041
NSF checks	-	-	842	-	842
Total Reductions	\$ 1,260,918	\$ 13,995,131	\$ 677,672	\$ 112,342	\$ 16,046,063
BALANCES AT END OF YEAR	\$ 43,720	\$ 1,813,833	\$ 151,919	\$ 3,062	\$ 2,012,534

The accompanying notes are an integral part of this statement

COMPLIANCE AND INTERNAL CONTROL

BROADHURST, HAMILTON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

44

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December 31, 2004

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

Acadia Parish Sheriff
Crowley, Louisiana

We have audited the basic financial statements of the Acadia Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated December 30, 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 Acadia 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as 2004-01.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Acadia Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Acadia Parish Sheriff's Office in a separate letter dated December 30, 2004.

This report is intended solely for the information and use of the audit committee, management, Louisiana Commission on Law Enforcement and Administration on Criminal Justice and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broadhurst, Hamilton & Company
Certified Public Accountants

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

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weaknesses	<u> </u>	Yes	<u> X </u>	No
Reportable Conditions	<u> </u>	Yes	<u> X </u>	No

Compliance

Compliance Material to Financial Statements	<u> X </u>	Yes	<u> </u>	No
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Section II - Financial Statement Findings

2004-01: Budget Amendments

Finding:

Louisiana Revised Statute 39:1310 requires that budgets be adopted for the General Fund and Special Revenue Funds with legally adopted budgets and that amendments be made and properly adopted when variances to the budget amounts are in excess of five percent. The Sheriff's Office failed to adequately amend the budget for the General Fund.

Recommendation:

We recommend the Sheriff's Office implement procedures to monitor budget to actual comparisons and amend as necessary in order to comply with the Louisiana Local Government Budget Act.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the year ended June 30, 2004

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

No findings on internal control and compliance material to the financial statements have been reported.

Section II. Internal Control and Compliance Material to Federal Awards

No findings on internal control and compliance material to the federal awards have been reported.

Section III. Management Letter

2003ML-01: Separation of Duties

Recommendation:

Management should remain constantly aware of the problems that the lack of separation of duties can cause and try whenever feasible to separate conflicting duties. Constant review of personnel assignments by management should be made a priority and implemented on a continuous basis.

Follow Up:

Partially resolved. The Sheriff and the Chief Financial Officer are aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties. Constant review of personnel assignments by management is considered a priority and is implemented on a continuous basis. See current year management letter comment 2004ML-02

BROADHURST, HAMILTON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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December 30, 2004

Acadia Parish Sheriff
Crowley, Louisiana

In planning and performing our audit of the general purpose financial statements of the Acadia Parish Sheriff for the year ended June 30, 2004, we considered the internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of certain matters involving the internal control structure, compliance issues, and other operational matters that are presented for your consideration. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure, compliance, or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience. Our comments and suggestions are summarized as follows:

ACCOUNTING RECORDS

2004ML-01:

For the last several years, the reconciliation of the account "Accounts Receivable - Other" has contained old uncleared items now totaling \$11,594.27. These items represent payments made for other governmental entities that have not been repaid or were incorrectly recorded when payments were received. These items should be either collected, corrected or charged off the accounting records.

SEPARATION OF DUTIES

2004ML-02:

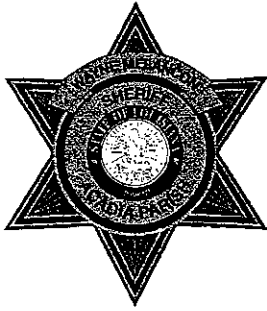
There are instances where the assigned duties of personnel were not adequately separated from conflicting duties. Management needs to be constantly aware of the problems that inadequate separation of duties can cause. Constant review of personnel assignments and rotation of duties can provide acceptable control if monitored and adjusted on a continuous basis. We recommend that management remain aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties.

This letter does not affect our report dated December 30, 2004, on the financial statements of the Acadia Parish Sheriff.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Broadhurst, Hamilton & Company
Certified Public Accountants



ACADIA PARISH SHERIFF'S OFFICE

WAYNE A. MELANCON
Sheriff and Ex-Officio Tax Collector

WALTER J. HARRINGTON
Chief Deputy

CORRECTIVE ACTION PLAN

JUNE 30, 2004

Louisiana Legislative Auditor

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

The findings for the June 30, 2004 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Finding 2004-01: Budget Amendments

Recommendation: The Sheriff's Office should implement procedures to monitor budget to actual comparisons and amend as necessary in order to comply with the Louisiana Local Government Budget Act.

Action Taken: Management has implemented procedures to insure that budgets are properly amended to stay in compliance with all applicable state statutes. During the current year, budget to actual analysis is being performed and the budgets are being amended as deemed necessary.

The recommendations from the June 30, 2004 Management Letter issued as a part of our audit are discussed below. The recommendations are numbered consistently with the numbers assigned in the letter.

2004ML-01

Recommendation: The reconciliation of the account "Accounts Receivable - Other" has contained old uncleared items now totaling \$11,594.27. These items represent payments made for other governmental entities that have not been repaid or were incorrectly recorded when payments were received. These items should be either collected, corrected or charged off the accounting records.

Action Taken: These items will be analyzed and appropriate actions taken to either collect the receivables, correct any possible miscodings in our records or charge off any remaining balances that are deemed to be uncollectible.

2004ML-02

Recommendation: There are instances where the assigned duties of personnel were not adequately separated from conflicting duties. Management needs to be constantly aware of the problems that inadequate separation of duties can cause. Constant review of personnel assignments and rotation of duties can provide acceptable control if monitored and adjusted on a continuous basis. We recommend that management remain aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties.

Action Taken: Management has been and will continue to monitor all employees performing conflicting duties while rotating and separating these conflicting duties whenever possible.

If the Louisiana Legislative Auditor has any questions regarding this plan, please call Ed Duthile, Chief Financial Officer of the Acadia Parish Sheriff at (337) 788-8760.

Sincerely Yours,



Edmond Duthile
Chief Finance Officer
Acadia Parish Sheriff