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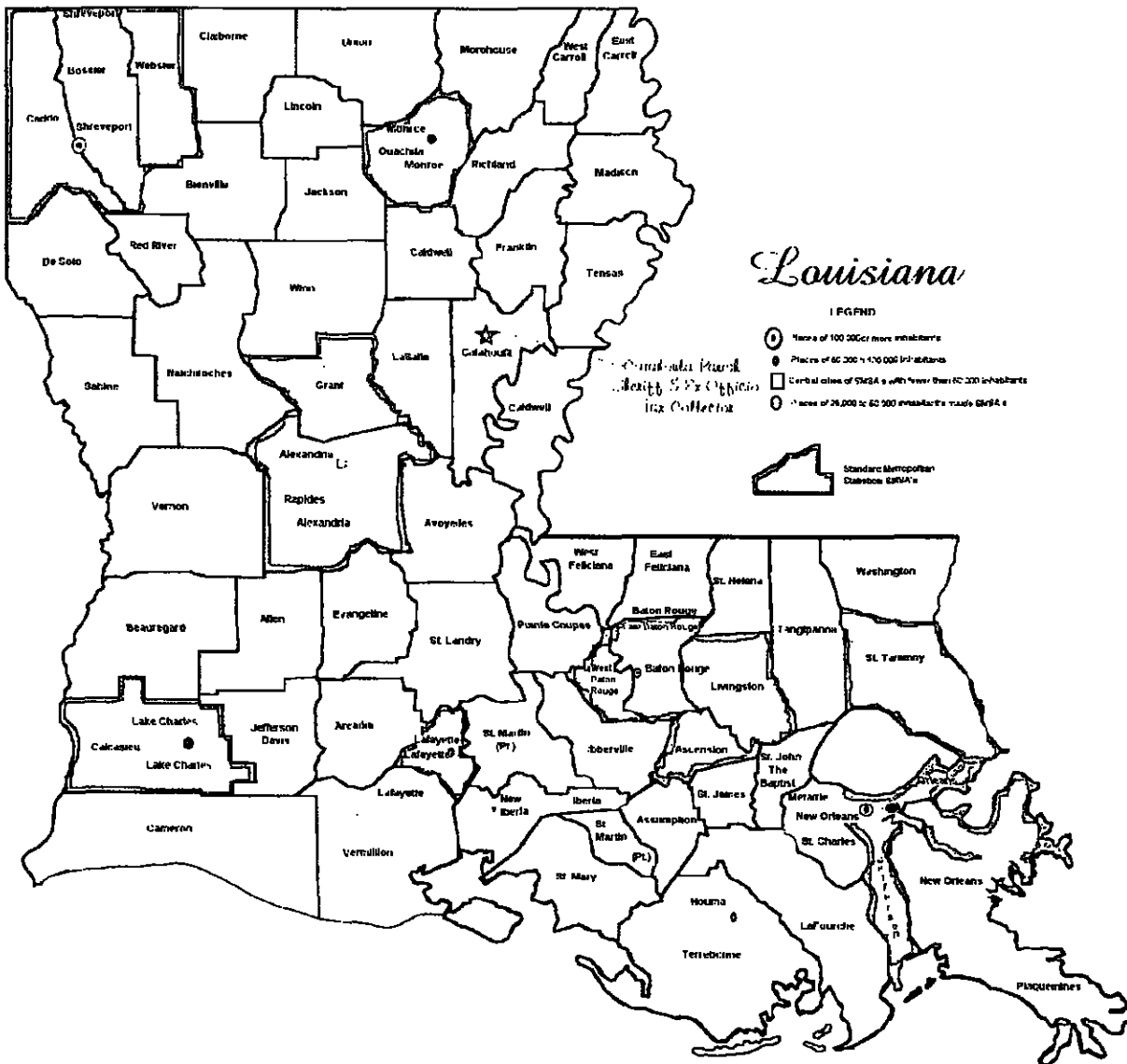
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CATAHOULA PARISH SHERIFF
Annual Financial Statements
JUNE 30, 2004

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

Release Date 1-26-05

CATAHOULA PARISH SHERIFF
Harrisonburg, Louisiana



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

CATAHOULA PARISH SHERIFF
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June 30, 2004

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CATAHOULA PARISH SHERIFF

Ronnie Book-Sheriff

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MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Sheriff's Office as a whole and present a longer view of the Sheriff's finances. Fund financial statements tell how the services were financed in the short term as well as what remains for future spending. The remaining statements provide financial information about the agency funds that are managed by the Sheriff's Office.

FINANCIAL HIGHLIGHTS:

- Net assets of the Sheriff's overall statement of activities increased by \$15,865 during the year largely due to the activities of the Prison Enterprise Fund.
- The Sheriff's Office had overall expenses from governmental activities of \$1,787,658 and expenses from the Prison Fund of \$5,404,463 for a total expense for the year \$7,192,121.
- The general fund operated with excess expenditures over revenues of \$117,453 and ended the year with a in fund balance of \$63,336. The excess of expenditures over revenues was due largely in part to capital outlay of \$115,825.
- In the business-type activities, the Prison Fund had an operating income of \$111,873. The fund had a net change in assets of \$64,073 after transfers to the general fund of \$47,800.
- The Sheriff's Office amended its budget during the year and the final budget shows that there were excess expenditures over appropriations of \$81,853 or 4.8%. The general fund had a unfavorable revenue budget variance of \$225,979 or 15%.
- The Sheriff's Office had capital outlay of vehicles during the year. There was short-term debt activity during the year, but all short-term debt had been liquidated as of June 30, 2004.
- A comparative analysis will be provided in future years when prior year information is available.

CONTACTING THE SHERIFF'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's Office finances and to show that the Sheriff's Office's accountability for the money it receives. If you have questions about this report or need additional information, contact George Tosspon, Chief Civil Deputy at the Sheriff's Office, phone number (318)744-5411.

JOHN R. VERCHER PC
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Honorable Ronnie Book, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

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

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

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

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

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

In accordance with *Government Auditing Standards*, I have also issued my report dated September 15, 2004, on my consideration of the Catahoula Parish Sheriff in Harrisonburg, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

John R. Vercher

September 15, 2004

Jena, Louisiana

JOHN R. VERCHER PC
Certified Public Accountant

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

Catahoula Parish Sheriff
Harrisonburg, Louisiana

I have audited the financial statements of the governmental activities, and the business-type activities and the aggregate remaining fund information of the Catahoula Parish Sheriff, Harrisonburg, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Catahoula Parish Sheriff, Harrisonburg, Louisiana, basic financial statements and have issued my report thereon dated September 15, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Catahoula Parish Sheriff in Harrisonburg, Louisiana financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* except as shown below and discussed in the Schedule of Findings and Questioned Cost.

2004- C-1 Unfavorable Budget Variances in Excess of 5%

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Catahoula Parish Sheriff, Harrisonburg, Louisiana, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Catahoula Parish Sheriff, Harrisonburg, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items:

2004-I-1 Bond Fund Receipts

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. My 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, I believe the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties; however, this document is public record and its use is not limited.

John R. Vercher

September 15, 2004
Jena, Louisiana

BASIC FINANCIAL STATEMENTS

Statement A

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

	General Fund	Enterprise Fund	Adjustments Note 1	Statement of Activities
ASSETS				
Cash and cash equivalents	\$ 104,628	\$ 272,499	\$	\$ 377,127
Investments		254,757		254,757
Receivables	20,701	6,667		27,368
Other Receivables		480,406		480,406
Capital assets, net of accumulated depreciation			477,130	477,130
TOTAL ASSETS	<u>\$ 125,329</u>	<u>\$ 1,014,329</u>	<u>\$ 477,130</u>	<u>\$ 1,616,788</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 16,190	\$ 390,191		\$ 406,381
Salaries and benefits payable	45,803	60,194		105,997
TOTAL LIABILITIES	<u>\$ 61,993</u>	<u>\$ 450,385</u>		<u>\$ 512,378</u>
FUND BALANCES/NET ASSETS				
Fund balances:				
Unreserved, reported in:				
General Fund	\$ 63,336			
Enterprise Fund		\$ 563,944		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 125,329</u>	<u>\$ 1,014,329</u>		
NET ASSETS				
Invested in Capital Assets, Net of Related Debt				\$ 477,130
Unrestricted				\$ 627,280
TOTAL NET ASSETS				<u>\$ 1,104,410</u>

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
AND
STATEMENT OF ENTERPRISE FUND REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	General Fund	Prison Enterprise Fund	Adjustments Note 1	Statement of Activities
Expenditures/Expenses				
Public Safety:				
Administration	\$ 1,444,003	\$ 5,404,463	\$	\$ 6,848,466
Capital Outlay	115,825		(115,825)	-0-
Debt Service	227,830		(215,000)	12,830
Depreciation			46,580	46,580
Total Expenditures/Expenses	\$ 1,787,658	\$ 5,404,463	\$ 284,245	\$ 6,907,876
Program Revenues				
Fines, forfeitures, and other fees	\$ 222,711	\$ 5,510,057		\$ 5,732,768
Net Program Expense	\$ (1,564,947)	\$ 105,594		\$ (1,175,108)
General Revenues				
Property taxes	\$ 760,998			\$ 760,998
Intergovernmental Revenue	420,789			420,789
Investment Earnings		6,279		6,279
Miscellaneous	2,907			2,907
Total General Revenues	\$ 1,184,694	\$ 6,279		\$ 1,190,973
Excess (deficiency) of Revenues Over (Under) Expenditures	\$ (380,253)	\$ 111,873		\$ 15,865
Other Financing Sources (Uses)				
Transfers In/(Out)	\$ 47,800	\$ (47,800)	\$	\$ -0-
Loans	215,000		(215,000)	-0-
Excess (deficiency) of Revenues Over (Under) Expenditures/Expenses	\$ (117,453)	\$ 64,073		\$ 15,865
Fund Balance/Net Assets:				
Beginning of the Year	\$ 180,789	\$ 499,871		\$ 1,088,545
End of Year	\$ 63,336	\$ 563,944		\$ 1,104,410

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
STATEMENT OF CASH FLOWS, PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS Prison Fund
Cash Flows From Operating Activities	
Receipts from interfund services provided	\$ 5,534,503
Payments to Employees	(3,709,379)
Payments to Suppliers	(1,545,131)
Net Cash Provided by Operating Activities	\$ 279,993
Cash Flows From NonCapital Financing Activities	
Transfers to Other Funds	\$ 47,800
Cash Flows From Investing Activities	
Purchase of investments	\$ (254,756)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (22,563)
Cash and Cash Equivalents, Beginning of Year	\$ 295,062
Cash and Cash Equivalents, End of Year	\$ 272,499
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities	
(Increase) Decrease in Accounts Receivable	\$ 111,873
(Increase) Decrease in inventories	\$ 18,167
(Increase) Decrease in Accounts Payable	\$ 75,569
Total Adjustments	\$ 74,384
Net Cash Provided by Operating Activities	\$ 279,993

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004**

	Civil Fund	Tax Collection Fund	Bond Fund	Total
ASSETS				
Cash and cash equivalents	\$ 1,407	\$ 13,326	\$ 195,945	\$ 210,678
Investments		86,530		86,530
Total Assets	\$ 1,407	\$ 99,856	\$ 195,945	\$ 297,208
LIABILITIES				
Held for others pending court action	\$ 1,407		\$ 195,945	\$ 197,352
Held for taxing bodies		\$ 99,856		99,856
Total Liabilities	\$ 1,407	\$ 99,856	\$ 195,945	\$ 297,208
NET ASSETS	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The accompanying notes are an integral part of this statement.

CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

	Civil Fund	Tax Collection Fund	Bond Fund	Total
Additions				
Deposits	\$ 293,177		\$ 286,351	\$ 579,528
Tax Collections		\$ 2,738,774		2,738,774
Total Additions	\$ 293,177	\$ 2,738,774	\$ 286,351	\$ 3,318,302
Deductions				
Taxes distributed		\$ 2,738,774		\$ 2,738,774
Fines and forfeitures distributed			286,351	286,351
Other	293,177			293,177
Total Deductions	\$ 293,177	\$ 2,738,774	\$ 286,351	\$ 3,318,302
Change in Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Assets-Beginning	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Assets-Ending	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The accompanying notes are an integral part of this statement.

*Notes
To
Financial Statements*

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

INTRODUCTION

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

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

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

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

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

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

B. REPORTING ENTITY

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

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

C. FUND ACCOUNTING

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

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

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

Proprietary Fund

Enterprise Fund-The Prison Fund accounts for the operations of the prison by a private management company where the objective is to bill the management company with the cost of sheriff employees employed with the prison.

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

C. FUND ACCOUNTING (cont)

Fiduciary Fund-Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the sheriff are agency funds. The agency funds account for assets held by the sheriff as an agent for various taxing bodies (tax collections) and or deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, and use the cash basis of accounting, which is not in accordance with GAAP.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

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

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

Revenues

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

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

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (cont)

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

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

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

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

Deferred Revenues

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

Government-Wide Financial Statements (GWFS)

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

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (cont)

Program Revenues

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

Reconciliation

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

Capital Assets	\$	477,130
Capital Outlay	\$	115,825
Debt Service	\$	215,000
Depreciation	\$	46,580

E. BUDGET PRACTICES

The proposed budget for 2004 was made available for public inspection on June 20, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 30 days prior to the public hearing, which was held at the Catahoula Parish Sheriff on June 20, 2003, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff. The budget was amended for the year ended June 30, 2004.

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

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

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

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

G. INVESTMENTS

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

II. CAPITAL ASSETS

Capital assets are capitalized at historical cost.

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

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

I. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

J. EXTRAORDINARY AND SPECIAL ITEMS

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

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

K. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. *Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.* All other interfund transactions are reported as transfers.

L. ESTIMATES

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

M. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2004:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General	\$ 1,502,190	\$ 1,705,805	\$ 1,787,658	\$ (81,853)

(2) AD VALOREM TAXES

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

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

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

(2) AD VALOREM TAXES (cont)

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law Enforcement	26.74	26.74	N/A

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

Deposits

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

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

Bank Balances	\$	<u>929,361</u>
Secured As Follows		
FDIC (<i>Category 1</i>)	\$	100,000
Securities (<i>Category 2</i>)		<u>2,702,532</u>
Total	\$	<u>2,802,532</u>

(4) RECEIVABLES

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

<u>Class Of Receivables</u>	<u>General Fund</u>	<u>Prison Fund</u>	<u>Total</u>
Intergovernmental	\$ 20,701	\$ 487,073	\$ 507,774

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

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

(5) CAPITAL ASSETS

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

Governmental Activities	Balance, July 1, 2003	Additions	Balance, June 30, 2004
Furniture and equipment	\$ 407,885	\$ 115,825	\$ 523,710
Less accumulated depreciation:			
Buildings	-0-	(46,580)	(46,580)
Capital assets, net	\$ <u>407,885</u>	\$ <u>69,245</u>	\$ <u>477,130</u>

(6) PENSION PLAN

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

All Sheriffs and all deputies who are found to be physically fit, who can earn a least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all services rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminated with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

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

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

(6) PENSION PLAN (cont)

Funding Policy. Plan members are required by state statute to contribute 8.7 percent of their annual covered salary and the Catahoula Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 6.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Catahoula Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Catahoula Parish Sheriff's contributions to the System for the years ending June 30, 2003 and 2004, were \$50,110 and \$49,154, respectively, equal to the required contributions for each year. (If the required contributions and the actual amount contributed do not equal, disclose the required contribution in dollars and the percentage of that amount contributed for the current year and each of the two preceding years.)

(7) ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$512,378 at June 30, 2004 are as follows:

	General Fund	Prison Fund	Total
Salaries	\$ 40,757	\$ 54,883	\$ 95,640
Withholdings	5,046	5,312	10,358
Accounts	16,190	390,190	406,380
Total	\$ 61,993	\$ 450,385	\$ 512,378

(8) SHORT-TERM DEBT

GASB Statement No. 38 requires details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans.

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

(8) SHORT-TERM DEBT (cont)

- a. A schedule of changes in short-term debt, disclosing beginning and end-of-year balances, increases, and decreases is as follows:

Beginning Debt	Increases	Decreases	Ending Debt
\$ -0-	\$ 215,000	\$ 215,000	\$ -0-

- b. The purpose for which the short-term debt being issued was for operating purposes.

(9) INTERFUND TRANSFERS

Transfers were made from the prison fund to the general fund for the purchase of fixed assets.

Required Supplemental Information

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)
	Original	Final		
Revenues				
Fines and Other Fees	\$ 172,468	\$ 107,165	\$ 222,711	\$ 115,546
Taxes	721,604	830,358	760,998	(69,360)
Intergovernmental Revenue	278,528	339,964	420,789	80,825
Other	331,590	355,897	2,907	(352,990)
Total Revenues	\$ <u>1,504,190</u>	\$ <u>1,633,384</u>	\$ <u>1,407,405</u>	\$ <u>(225,979)</u>
Expenditures				
Public Safety Administration	\$ 1,393,138	\$ 1,443,896	\$ 1,444,003	\$ (107)
Capital Outlay	31,599	23,244	115,825	(92,581)
Debt Service	77,453	238,665	227,830	10,835
Total Expenditures	\$ <u>1,502,190</u>	\$ <u>1,705,805</u>	\$ <u>1,787,658</u>	\$ <u>(81,853)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,000	\$ (72,421)	\$ (380,253)	\$ (307,832)
Other Financing Sources (Uses)				
Transfers From Other Funds			\$ 47,800	
Loans			215,000	
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses			\$ (117,453)	
Fund Balance (Deficit)-Beginning			\$ 180,789	
Fund Balance (Deficit)-Ending			\$ <u>63,336</u>	

*Other Supplemental Information
and Reports*

CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
GOVERNMENTAL FUNDS
SCHEDULE OF GOVERNMENTAL FUND EXPENDITURES AND ENTERPRISE FUND
EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004

<i>Disclosure Required by LRS 42:283-286</i>	General Fund	Prison Fund
Sheriff's salary	\$ 109,559	\$
Deputies salaries	1,052,468	1,545,128
Office supplies and furnishings	26,189	
Purchase of automobiles and other vehicles	115,825	
Maintenance and upkeep of automobiles	61,384	
Transporting prisoners, fugitives, and insane person	13,937	
Feeding prisoners	8,585	
Other expenditures	399,711	3,859,335
Total Expenditures/Expenses	\$ <u>1,787,658</u>	\$ <u>5,404,463</u>

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

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

I have audited the basic financial statements of the CATAHOULA PARISH SHERIFF, Harrisonburg, Louisiana, as of and for the year ended June 30, 2004 and have issued my report thereon dated September 15, 2004. I conducted my audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2004 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not-Applicable)

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

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

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

Yes No

c. Identification Of Major Programs:

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

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

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

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

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

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

Reference	Description of Finding	Recommendation
<i>2004-C-1</i>	<p><u>Unfavorable Budget Variances in Excess of 5%</u></p> <p>The Sheriff over budgeted its general fund revenues for year ended June 30, 2004 by \$225,979 or 14%.</p>	<p>When revenues fail to meet budgeted revenues or expenditures exceed the budget by 5% or more, the budget should be amended.</p>

Section III Internal Control

Reference	Description of Finding	Recommendation
<i>2004-I-1</i>	<p><u>Bond Fund Receipts</u></p> <p>During testing of the bond fund receipts, I found that approximately 60 receipts had been voided during the year and the disposition of those voided receipts were not documented. I believe this weakness could allow errors and abuse of monies by personnel.</p>	<p>I recommend that all voided receipts be documented as to the employee voiding the receipt and the individual's name to which the receipt pertains and the reasons and justification for the receipt being voided.</p>

Section IV Federal Awards Findings and Questioned Costs

Not Applicable.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

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

Reference	Description of Finding	Corrective Action Planned	Contact Person	Anticipated Completion Date
2004-C-1	Budgets	The Sheriff will begin monitoring actual revenues and expenditures in relation to the budget can be amended when revenues fail to meet budgeted revenues or expenditures exceed the budget by 5% or more.	Ronnie Book	June 30, 2005
2004-I-1	Bond Fund Receipts	The Sheriff's personnel will begin documenting and retaining all canceled or voided receipts issued or prepared for the bond fund.	Ronnie Book	June 30, 2005

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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

The management of the CATAHOULA PARISH SHERIFF, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2003.

There were no prior year comments.