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**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

**WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

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

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Steve E. Pylant  
Franklin Parish Sheriff  
Winnsboro, Louisiana

We have audited the accompanying financial statements of the Franklin Parish Sheriff, as of June 30, 2004, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Franklin Parish Sheriff's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Franklin Parish Sheriff, as of June 30, 2004, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Notes 1 and 13 to the financial statements, the sheriff has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

Management's discussion and analysis, and supplementary information on pages 3-5 and 25-27, respectively 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 supplemental information and reviewing the source of selected information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the Franklin Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2004, on the Franklin Parish Sheriff's compliance with laws, regulations, contracts and grants, and our consideration of the agency's internal control over financial reporting. 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.

*Marcus, Robinson + Hassell*

MARCUS S. ROBINSON & HASSELL, CPAs

Winnsboro, Louisiana  
November 29, 2004

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART I**



**Steve E. Pylant**

Franklin Parish

SHERIFF // EX-OFFICIO TAX COLLECTOR

6556 MAIN STREET • WINNSBORO, LOUISIANA 71295  
TELEPHONE (318) 435-4505 • FAX (318) 435-5810

As Management of the Franklin Parish Sheriff's Department, I offer readers of the Franklin Parish Sheriff's Department financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Sheriff's Department for the fiscal year ended June 30, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

#### Financial Highlights

- Revenue of the sheriff exceeded expenditures by \$332,839.
- The sheriff refinanced the 1997 bond issue saving \$220,000 over the life of the bond.
- DOC inmates housing revenue was \$2,721,392 for the previous year.

#### Overview of the Financial Statements

This discussion and analysis provides an overview of the sheriff's basic financial statements. The statement of net assets and the statement of activities (Governmental-wide financial statements) provide information about the financial activities as a whole and illustrate a long-term view of the sheriff's finances. The balance sheet and statement of revenues, expenditures and changes in fund balance – Governmental fund tell how these services were financed in the short term as well as what remains for future. The report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditors Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditors Report should be used to judge the level of assurances provided for each portion in the financial section.

#### Government - wide Financial Statements

These financial statements are used to present a general over all look at the finances of the Franklin Parish Sheriff's Department similar to a private sector business.

Statement of Net Assets. By determining the difference between the assets and liabilities of the Franklin Parish Sheriff's Department "Net Assets" is determined. By

comparing statements of Net Assets over a period of time, the overall financial trend of the sheriff can be monitored.

*Statement of Activities.* This statement shows changes in the sheriff's net assets during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net assets as soon as the event affecting net assets occurs.

**Fund Financial Statements** -- To comply with finance related legal requirements, the Franklin Parish Sheriff's Department groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

Government Funds -- information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds -- these funds are used to manage monies and resources held by the sheriff on behalf of others, such as inmate trust deposits, taxes, fines and bonds. Since these resources do not belong to the sheriff and are not available to support the operations of the sheriff, they are not reflected on the government-wide financial statements.

**Notes to the Financial Statements** -- These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

**Other information** -- this report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Franklin Parish Sheriff's Department.

## **Government – wide Financial Analysis**

Net assets may be used to track the sheriff's financial trend over the course of several fiscal years. As of June 30, 2004, the Franklin Parish Sheriff's excess of assets over liabilities is \$7,439,460. Of the sheriff's assets, \$4,715,861 is fixed assets (land, buildings & equipment) and is not available for future spending. This fixed assets amount is approximately 42.79% of the total assets. Allowance has been taken for outstanding debt incurred for the purchase of these fixed assets. The value of capital outlay assets is calculated as net, after allowance for outstanding debt, but the revenue to repay this debt must be generated from other sources.

**Other portions of the sheriff's net assets are reserved for debt service.** The remaining net assets are affected by the future acquisition of fixed assets secured with borrowed funds and the first time depreciation on fixed assets currently reported in the Statement of Net Assets.

Because fiscal year 2004 is the first year this reporting model is being used, comparative information is unavailable for additional government-wide financial analysis. *A comprehensive comparative analysis of government-wide data will be presented after prior years information is retained.*

## **Financial Analysis of the Government's Funds**

Fund accounting is used by the Franklin Parish Sheriff's Department to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Franklin Parish Sheriff's Department's combined governmental fund balances as of June 30, 2004, is \$6,131,045. The June 30, 2003, combined governmental fund balances was \$5,798,206. This is an increase of \$332,839. Of the June 30, 2004, balances \$5,740,832 is unreserved and undesignated.

## **General Fund Budgetary Highlights**

While expenditures reported on the final budget are greater than projected expenditures at the beginning of the year, the final adopted budget for June 30, 2004 reflects an increase in revenue over the original budget for the fiscal year. This is the result of slight increases in most revenue generating resources but primarily from an increase in revenue from housing inmates.

## **Capital Asset and Debt Administration**

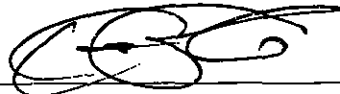


**Capital Assets:** The Franklin Parish Sheriff's Department's investment in capital assets for its governmental activities as of June 30, 2004 amounts to \$4,715,861 (net of accumulated depreciation). Fixed assets increased by \$121,502 for the year.

**Long-Term Debt:** Total outstanding long-term debt for the Franklin Parish Sheriff's Department as of June 30, 2004 is \$3,520,199. Of this amount \$540,000 will be paid during fiscal year 2005. Outstanding debt was decreased by \$661,709 during fiscal year 2004 and the remaining balance will be paid according to the debt agreements.

### **Request for Information**

This report may be used by all persons with an interest in the financial status of the Franklin Parish Sheriff's Office. It is designed to help the reader gain a general overall view of the sheriff's finances. Any question or request for additional information should be addressed to the Franklin Parish Sheriff's Office, 6556 Main Street, Winnsboro, Louisiana, 71295.



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Kevin W. Cobb,  
Chief Financial Officer

**BASIC FINANCIAL STATEMENTS**

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

## STATEMENT A

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

ASSETS

Cash and Cash Equivalents	5,629,714
Accounts Receivable	116,537
Inventories	26,585
Restricted Cash	52,269
Restricted Investments	350,012
Bond Premiums	1,538
Bond Discounts	16,237
Bond Issuance Costs	112,753
Capital Assets (net of accumulated depreciation)	<u>4,715,861</u>
TOTAL ASSETS	11,021,506

LIABILITIES

Due to Others	663
Payroll Liabilities	4,756
Bond Premium	56,428
Long-Term Liabilities	
Due Within One Year	560,199
Due in More than One Year	<u>2,960,000</u>
TOTAL LIABILITIES	<u>3,582,046</u>

NET ASSETS

Invested in Capital Assets, net of related debt	1,215,861
Restricted for:	
Inventory	26,585
Debt Service	363,627
Unrestricted	<u>5,833,387</u>
TOTAL NET ASSETS	<u>7,439,460</u>

See Notes to Financial Statements

## STATEMENT B

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF ACTIVITIES  
JUNE 30, 2004

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
		<u>OPERATING GRANTS</u>	<u>CAPITAL GRANTS</u>	
<u>FUNCTIONS/PROGRAMS:</u>				
<u>Public Safety:</u>				
Personal Services	3,282,132	67,120	-0-	3,215,012
Operating Services	742,010	4,852	-0-	737,158
Materials and Supplies	1,072,066	-0-	-0-	1,072,066
Travel and Other Charges	95,005	3,228	-0-	91,777
Debt Service - Interest	204,817	-0-	-0-	204,817
Debt Service - Amortization	8,840	-0-	-0-	8,840
Depreciation	<u>289,049</u>	<u>-0-</u>	<u>-0-</u>	<u>289,049</u>
Total Government Activities	5,693,919	75,200	-0-	5,618,719
<u>PROGRAM REVENUES:</u>				
Commissions				82,994
Civil & Criminal Fees				122,891
Housing Prisoners				3,154,259
Other				<u>89,738</u>
Total Program Revenues				<u>3,449,882</u>
Net Program Expenses				( 2,168, 837)
<u>GENERAL REVENUES:</u>				
Taxes - Ad Valorem				791,301
Taxes - Sales Tax				1,863,293
Taxes - State Revenue Sharing				44,836
Interest				124,583
State Supplemental Pay				198,179
Intergovernmental Revenues:				
Federal Sources				37,377
State and Local Sources				24,948
Other				<u>24,074</u>
Total General Revenues				<u>3,108,591</u>
<u>CHANGES IN NET ASSETS</u>				939,754
<u>NET ASSETS AT BEGINNING OF YEAR</u>				<u>6,499,706</u>
<u>NET ASSETS AT END OF YEAR</u>				<u>7,439,460</u>

See Notes to Financial Statements

**BASIC FINANCIAL STATEMENTS:**  
**FUND FINANCIAL STATEMENTS (FFS)**

## STATEMENT C

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2004

<u>ASSETS</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
Cash and Cash Equivalents	5,629,714	-0-	5,629,714
Accounts Receivable	116,537	-0-	116,537
Inventories	26,585	-0-	26,585
Restricted Assets:			
Cash	-0-	52,269	52,269
Investments	-0-	350,012	350,012
Bond Premiums	-0-	1,538	1,538
Bond Discounts	-0-	16,237	16,237
<b>TOTAL ASSETS</b>	<b><u>5,772,836</u></b>	<b><u>420,056</u></b>	<b><u>6,192,892</u></b>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Due to Others	663	-0-	663
Payroll Tax Liabilities	4,756	-0-	4,756
Bond Premiums	-0-	56,428	56,428
<b>Total Liabilities</b>	<b>5,419</b>	<b>56,428</b>	<b>61,847</b>
Fund Balances:			
Reserved For:			
Debt Service	-0-	363,628	363,628
Inventory	26,585	-0-	26,585
Unreserved	5,740,832	-0-	5,740,832
<b>Total Fund Balance</b>	<b><u>5,767,417</u></b>	<b><u>363,628</u></b>	<b><u>6,131,045</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>5,772,836</u></b>	<b><u>420,056</u></b>	<b><u>6,192,892</u></b>

See Notes to Financial Statements

## STATEMENT D

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE GOVERNMENT-WIDE  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

Total Fund Balances at June 30, 2004 - Governmental Funds (Statement C)		6,131,045
Cost of Issuance Cost Capitalized at June 30, 2004	115,102	
Less: Accumulated Amortization at June 30, 2004	<u>2,349</u>	112,753
Cost of Capital Assets at June 30, 2004	7,528,554	
Less: Accumulated Depreciation at June 30, 2004	<u>2,812,693</u>	4,715,861
Long-Term Liabilities at June 30, 2004		
Deferred Compensation Payable	20,199	
Bonds Payable	<u>3,500,000</u>	<u>(3,520,199)</u>
<u>NET ASSETS AT JUNE 30, 2004 (STATEMENT A)</u>		<u>7,439,460</u>

See Notes to Financial Statements

## STATEMENT E

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Ad Valorem Taxes	791,301	-0-	791,301
Sales Taxes	1,863,293	-0-	1,863,293
Intergovernmental Revenues:			
Federal Grants	112,577	-0-	112,577
State and Local Grants	24,948	-0-	24,948
State Revenue Sharing	44,836	-0-	44,836
Fees, Charges & Services:			
Commissions	82,994	-0-	82,994
Civil & Criminal Fees	122,891	-0-	122,891
Housing Prisoners	3,154,259	-0-	3,154,259
State Supplemental Pay	198,179	-0-	198,179
Interest	82,925	41,658	124,583
Other	<u>112,636</u>	<u>1,176</u>	<u>113,812</u>
<u>TOTAL REVENUE</u>	6,590,839	42,834	6,633,673
<u>EXPENDITURES</u>			
<u>Public Safety:</u>			
Personal Services and Related Benefits	3,283,841	-0-	3,283,841
Operating Services	742,010	-0-	742,010
Materials and Supplies	1,047,037	-0-	1,047,037
Travel and Other Charges	95,005	-0-	95,005
<u>Debt Service:</u>			
Principal	-0-	4,160,000	4,160,000
Interest	-0-	204,817	204,817
Amortization	-0-	6,491	6,491
Bond Issuance Costs	-0-	115,102	115,102
<u>Capital Outlay:</u>			
General Fund	<u>146,531</u>	<u>-0-</u>	<u>146,531</u>
<u>TOTAL EXPENDITURES</u>	<u>5,314,424</u>	<u>4,486,410</u>	<u>9,800,834</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	1,276,415	( 4,443,576)	( 3,167,161)

See Notes to Financial Statements



FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds From Bond Refinancing	-0-	3,500,000	3,500,000
Transfers In	443,155	522,315	965,470
Transfers Out	<u>( 522,315)</u>	<u>( 443,155)</u>	<u>( 965,470)</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>( 79,160)</u>	<u>3,579,160</u>	<u>3,500,000</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>			
	1,197,255	( 864,416)	332,839
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>4,570,162</u>	<u>1,228,044</u>	<u>5,798,206</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>5,767,417</u>	<u>363,628</u>	<u>6,131,045</u>

See Notes to Financial Statements

## STATEMENT F

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

Total Net Change in Fund Balances - Governmental Funds (Statement E)	332,839
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Amounts reported for governmental activities in the  
*Statement of Activities* are different because:

Bond issuance costs are reported in government funds as expenditures. However, in the Statement of Activities, the bond issuance costs are allocated over the term of the bond as amortization expense. This is the amount by which bond issuance cost expense exceeds amortization expense for the period:

Bond Issuance Costs	115,102	
Amortization	<u>( 2,349)</u>	112,753

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful life as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the period:

Capital Outlays	121,502	
Depreciation	<u>( 289,049)</u>	(167,547)

Repayment of loan principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Assets.

660,000

In the Statement of Activities, certain operating expenses - K-time - are measured by the amounts earned or used during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (actually paid).

1,709

Changes in Net Assets of Governmental Activities (Statement B)	<u>939,754</u>
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See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
 WINNSBORO, LOUISIANA  
 STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS  
 JUNE 30, 2004

STATEMENT G

	<u>LICENSE FUND</u>	<u>CRIMINAL FUND</u>	<u>CIVIL FUND</u>	<u>MOTOR VEHICLE DEALERS FUND</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	77	31,173	5,917	1
Due From Others	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL ASSETS	<u>77</u>	<u>31,173</u>	<u>5,917</u>	<u>1</u>
 <u>LIABILITIES</u>				
Due To Taxing Bodies And Others	<u>77</u>	<u>31,173</u>	<u>5,917</u>	<u>1</u>
TOTAL LIABILITIES	<u>77</u>	<u>31,173</u>	<u>5,917</u>	<u>1</u>

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
 WINNSBORO, LOUISIANA  
 STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS  
 JUNE 30, 2004

TAX COLLECTION FUND	INMATE TRUST FUND	TOTAL
453,645	22,971	513,784
<u>-0-</u>	<u>663</u>	<u>663</u>
<u>453,645</u>	<u>23,634</u>	<u>514,447</u>
 <u>453,645</u>	 <u>23,634</u>	 <u>514,447</u>
 <u>453,645</u>	 <u>23,634</u>	 <u>514,447</u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**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 establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within Franklin and surrounding parishes.

As the ex-officio tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, 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 Franklin Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. 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:

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 the Sheriff's activities.

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification 2100, the sheriff includes all funds, account groups, activities, etc. that are controlled by the sheriff as an independently elected parish official. As an independently elected parish official, the sheriff is solely responsible for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff's office that are paid by the parish police jury as required by Louisiana law, the sheriff is financially independent. Accordingly, the sheriff is a separate governmental reporting entity. Certain units of local government over which the sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish sheriff.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts: *invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.*

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

**Allocation of Indirect Expenses** - *The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.*

**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

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**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS, Continued**

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". 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. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

**Government Fund Types**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

**Debt Service Fund** - The Debt Service Fund is used to account for long-term debt payments.

**Fiduciary Fund Type - Agency Funds**

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, etcetera. Disbursements from the funds are made to various parish agencies, litigants in suits, etcetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**E. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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**2. Modified Accrual, Continued**

Governmental funds and the fiduciary type agency funds 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 the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January and February of the fiscal year.

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

Interest income on time and demand deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

**Expenditures**

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

**F. SALES AND USE TAX**

The Franklin Parish Sheriff is authorized to collect a one percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collecting and administering the tax, are dedicated to constructing, maintaining and operating a jail facility and offices for the Franklin Parish Sheriff, including the payment of salaries for the operation of the jail facilities. The tax was approved for an indefinite time period; however, on March 10, 1993, the voters approved a referendum changing the indefinite expiration date to June 1, 2010.



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**G. ENCUMBRANCES**

Encumbrance accounting is not used in the sheriff's operations.

**II. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must 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. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**I. INVENTORY**

Inventory at June 30, 2004, consists of commissary items purchased during preceding months. Inventory items are valued at unit prices established by purchase prices paid for purchased items. Amounts are recorded as expenditures under the consumption method using the First-In, First-Out (FIFO) cost flow assumption.

**J. 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 \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, 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>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

**K. RISK MANAGEMENT**

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 Franklin 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.

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**K. RISK MANAGEMENT, Continued**

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.

**L. COMPENSATORY TIME (K-TIME)**

Compensatory Time (K-time) represents a one and one-half credit for each hour of overtime worked. The maximum for law enforcement personnel (deputies, detectives and guards) is 480 K-time hours which represent not more than 320 hours of actual overtime worked. The maximum for non-law enforcement personnel is 240 K-time hours which represents 160 hours of actual overtime worked. Employees may take K-time as compensated time-off.

An employee shall upon termination be paid for the unused K-time at a rate of compensation not less than: a) the average regular rate received by such employee during the last three years of employment or b) the final regular rate, whichever is higher.

All overtime work in excess of K-time limits must be paid in the period earned.

**M. BAD DEBTS**

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectible and no allowance for bad debts is necessary.

**N. ESTIMATES**

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

**O. BUDGET PRACTICES**

The proposed budget for the fiscal year ended June 30, 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 as required prior to the public hearing, which was held at the Franklin Parish Sheriff's office June 20, 2003, for comments from taxpayers. The budget was legally amended May 12, 2004 by the sheriff.

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**O. BUDGET PRACTICES, Continued**

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 balances.

**P. INVESTMENTS**

Under state law, the sheriff may invest in United States bonds, treasury notes or certificates. 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. The sheriff reports United States Treasury bills and notes as investments.

**Q. VACATION AND SICK LEAVE**

Employees earn two weeks of noncumulative vacation leave and one week of noncumulative sick leave each year. There are no accumulated or vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

**R. BOND DISCOUNT**

The discount paid at the time of the bond refinancing is being amortized on the straight-line method over the life of the new bonds.

**S. BOND PREMIUM**

The premium paid at the time of the bond refinancing is being amortized on the straight-line method over the life of the new bonds.

**T. PREMIUM ON INVESTMENTS**

The premium paid at the time of investment acquisition is being amortized on the straight-line method over the life of the investment.

**NOTE 2 - LEVIED TAXES**

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u> <u>Expiration</u>	<u>Levied</u> <u>Millage</u>	<u>Millage</u>
Constitutional	Indefinite	8.21	8.21
Law Enforcement District	2010	9.46	9.46

**FRANKLIN PARISH SHERIFF**  
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**NOTE 3 - CASH AND CASH EQUIVALENTS**

For the purpose of these financial statements, the sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2004 the sheriff has cash and cash equivalents (book balances) totaling \$6,143,498 as follows:

	<u>Statement of Net Assets</u>	<u>Statement of Fiduciary Net Assets</u>	<u>Total</u>
Petty Cash	1,300	-0-	1,300
Demand Deposits	<u>5,628,414</u>	<u>513,784</u>	<u>6,142,198</u>
<b><u>TOTAL</u></b>	<b><u>5,629,714</u></b>	<b><u>513,784</u></b>	<b><u>6,143,498</u></b>

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.

At June 30, 2004, the sheriff has \$6,323,133 in deposits (collected bank balances). These deposits are secured from risk by \$400,000 of federal deposit insurance and \$7,502,343 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

The sheriff was undercollateralized by \$482,933 at one bank.

**NOTE 4 - RECEIVABLES**

The receivables at June 30, 2004, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Grants	32,104	-0-	32,104
Fees, Charges, and Commissions for Services	1,434	-0-	1,434
Feeding and Keeping of Prisoners	<u>\$2,999</u>	<u>-0-</u>	<u>\$2,999</u>
<b><u>TOTAL</u></b>	<b><u>116,537</u></b>	<b><u>-0-</u></b>	<b><u>116,537</u></b>

**FRANKLIN PARISH SHERIFF**  
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**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2004 follows:

	Balance June 30, <u>2003</u>	Additions	Deletions	Balance June 30, <u>2004</u>
<b><u>Capital Assets</u></b>				
Equipment	868,324	121,502	-0-	989,826
Buildings	6,448,727	-0-	-0-	6,448,727
Land	<u>90,000</u>	<u>-0-</u>	<u>-0-</u>	<u>90,000</u>
	<u>7,407,051</u>	<u>121,502</u>	<u>-0-</u>	<u>7,528,553</u>
<b><u>Accumulated Depreciation</u></b>				
Equipment	601,570	127,831	-0-	729,401
Buildings	<u>1,922,073</u>	<u>161,218</u>	<u>-0-</u>	<u>2,083,291</u>
	<u>2,523,643</u>	<u>289,049</u>	<u>-0-</u>	<u>2,812,692</u>
<b><u>Net Capital Assets</u></b>	<u>4,883,408</u>	<u>(167,547)</u>	<u>-0-</u>	<u>4,715,861</u>

The capital asset balance at June 30, 2003, has been restated to include accumulated depreciation in accordance with GASB Statement No. 34.

**NOTE 6 - PENSION PLAN**

Substantially all employees of the Franklin Parish Sheriff's office are members of the Louisiana Sheriffs' Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least 400 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. 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 employee contributions may retire at 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, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

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**WINNSBORO, LOUISIANA**  
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**NOTE 6 - PENSION PLAN, Continued**

Plan members are required by state statute to contribute 9.8% of their annual covered salary and the Franklin Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.75% 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 Franklin 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 Franklin Parish Sheriff's contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$197,643, \$146,077 and \$118,094, respectively, equal to the required contributions for each year.

**NOTE 7 - POSTEMPLOYMENT BENEFITS**

The Franklin Parish Sheriff does not provide continuing health care and life insurance benefits for retirees.

**NOTE 8 - CHANGES IN AGENCY FUNDS**

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

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2004</u>
Agency Funds:				
License	51	89,279	89,252	78
Criminal	29,382	618,977	617,186	31,173
Civil	6,331	478,041	478,455	5,917
Motor Vehicle Dealers	1	-0-	-0-	1
Tax Collection	452,901	4,511,877	4,511,133	453,645
Inmate Trust	<u>5,890</u>	<u>286,153</u>	<u>268,410</u>	<u>23,633</u>
<b><u>TOTAL</u></b>	<u>494,556</u>	<u>5,984,327</u>	<u>5,964,436</u>	<u>514,477</u>

**NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the year ended June 30, 2004:

	<u>K-Time</u>	<u>1997 Series</u> <u>Bond</u> <u>Pavable</u>	<u>2004 Series</u> <u>Bond</u> <u>Pavable</u>	<u>TOTAL</u>
Long-term Obligations at July 1, 2003	21,908	4,160,000	-0-	4,181,908
Additions	-0-	-0-	3,500,000	3,500,000
Deductions	<u>1,709</u>	<u>4,160,000</u>	<u>-0-</u>	<u>4,161,709</u>
Long-term Obligations at June 30, 2004	<u>20,199</u>	<u>-0-</u>	<u>3,500,000</u>	<u>3,520,199</u>

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
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**NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS, Continued**

Bonds payable at June 30, 2004 are comprised of the following General Obligation Bonds:

\$3,500,000 Franklin Parish Law Enforcement Public Improvement Bonds Series 2004, due in annual installments. Interest is payable semi-annually at rates ranging from 2.0% to 4.0%.

3,500,000

Interest expense for the year was \$204,817.

The annual requirements to amortize the bonds outstanding at June 30, 2004, including interest of \$308,463 on the Series 2004 bonds are as follows:

<u>For the Year Ending June 30:</u>	<u>Series 2004</u>
2005	627,225
2006	626,425
2007	634,425
2008	632,825
2009	641,025
2010	<u>646,538</u>
	<u>3,808,463</u>

The bond authorization agreement requires that, as of any date, there must be on reserve "the lesser of (1) 10 percent of the proceeds of the bonds and any additional parity bonds therefore issued and delivered, and (2) the maximum principal and interest requirements in any succeeding bond year (sinking fund year) on the bonds and any additional parity bonds therefore issued and delivered." At June 30, 2004, the sheriff has deposited the required reserve amount of \$350,012 in a bond reserve account, which is reported in the General Fund as a reserve of fund balance.

**NOTE 10 - FEDERAL FINANCIAL ASSISTANCE**

The sheriff participated in the following federal assistance programs during the year ended June 30, 2004:

<u>Federal Grantor/Pass-Through Grantor/ Program Name</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>United States Department of Justice</u> Passed through Louisiana Division of Administration through Louisiana <i>Commission on Law Enforcement and</i> Administration of Criminal Justice - Narcotics		
Drug Task Force	16.579	75,200
Protect Students/Schools From Violence	16.523	26,682
Block Grant	16.592	<u>10,695</u>
		<u>112,577</u>

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
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**NOTE 11 - ON-BEHALF PAYMENTS**

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Franklin Parish Police Jury, except for the jail as set forth in the intergovernmental agreement discussed in Note 15.

**NOTE 12 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE**

For the fiscal year ended June 30, 2004, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

At June 30, 2004, there was no effect on fund balances as a result of implementing GASB Statements 37 and 38.

GASB Statement No. 34 creates new basic financial statements for reporting on the Sheriff's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and governmental fund financial statements prepared on the modified accrual basis of accounting, which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

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.

	Governmental Funds
Fund balances, June 30, 2003 as originally presented	5,798,206
GASB Statement No. 34 Adjustment:	
Capital asset, net	4,883,408
Long-term liabilities	4,181,908
Governmental activities net assets, June 30, 2003	6,499,706

**NOTE #13 - LITIGATION AND CLAIMS**

At June 30, 2004, the sheriff is involved in one lawsuit claiming damages. Legal counsel anticipates a favorable outcome in the suit, however, an unfavorable outcome is unlikely to have an adverse impact on the financial status of the Franklin Parish Sheriff's Office.



**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
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**NOTE 14 - INVESTMENTS**

At June 30, 2004, investments classified as being held to maturity consist of the following:

United States Treasury Notes	
Noncallable 2.25% maturing 4/30/06	100,000
Noncallable 3.125% maturing 5/15/07	100,000
Noncallable 3.875% maturing 5/15/09	150,000
Morgan Keegan Money Market	<u>12</u>
	<u>350,012</u>

These investments will be held to maturity and are therefore shown at maturity value.

These investments have a carrying value of \$350,012 and a market value of \$349,841.

These investments are restricted as being held in reserve for satisfaction of the bond authorization agreement as discussed in Note 9.

**NOTE 15 - INTERGOVERNMENTAL AGREEMENT**

As provided by Louisiana Revised Statute (LSA-R.S.) 33:1324, the Franklin Parish Sheriff has entered into an intergovernmental agreement with the Franklin Parish Police Jury to assume all liabilities and responsibilities of the jail operations within Franklin Parish effective May 1, 1989, and perpetually thereafter, so long as the Franklin Parish Law Enforcement District sales and use tax remains in force and effect. The liabilities assumed by the sheriff include utilities, maintenance and upkeep, feeding and keeping prisoners, salaries and cost of jail operations, and construction of a new jail. The intergovernmental agreement also states that the parish of Franklin relinquishes, transfers, and assigns to the Franklin Parish Sheriff and the Law Enforcement District of Franklin Parish all jurisdiction, responsibility, and control over the present and any future jail within Franklin Parish.

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART II**

SCHEDULE 1

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
<u>REVENUES</u>				
Ad Valorem Taxes	765,000	775,000	791,301	16,301
Sales Taxes	1,772,352	1,843,000	1,863,293	20,293
Intergovernmental Revenues:				
Federal Grants	39,996	39,996	112,577	72,581
State and Local Grants	14,004	14,004	24,948	10,944
State Revenue Sharing	45,996	45,996	44,836	( 1,160)
Fees, Charges & Services:				
Commissions	81,996	81,996	82,994	998
Civil & Criminal Fees	110,004	110,004	122,891	12,887
Housing Prisoners	1,958,004	2,965,933	3,154,259	188,326
State Supplemental Pay	180,000	200,000	198,179	( 1,821)
Interest	85,004	57,291	82,925	25,634
Other	<u>46,284</u>	<u>46,284</u>	<u>112,636</u>	<u>66,352</u>
<u>TOTAL REVENUE</u>	5,098,640	6,179,504	6,590,839	411,335
<u>EXPENDITURES</u>				
<u>Public Safety:</u>				
Personal Services and Related Benefits	2,742,332	3,102,984	3,283,841	( 180,857)
Operating Services	634,212	694,232	742,010	( 47,778)
Materials and Supplies	764,184	874,176	1,047,037	( 172,861)
Travel and Other Charges	115,116	115,116	95,005	20,111
<u>Capital Outlay:</u>				
General Fund	<u>167,988</u>	<u>167,988</u>	<u>146,531</u>	<u>21,457</u>
	<u>4,423,832</u>	<u>4,954,496</u>	<u>5,314,424</u>	<u>( 359,928)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>				
	674,808	1,225,008	1,276,415	51,407

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL BUDGET	FINAL BUDGET		FINAL BUDGET FAVORABLE (UNFAVORABLE)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-0-	-0-	443,155	443,155
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>( 522,315)</u>	<u>( 522,315)</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>-0-</u>	<u>-0-</u>	<u>( 79,160)</u>	<u>( 79,160)</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	674,808	1,225,008	1,197,255	( 27,753)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>4,570,162</u>	<u>4,570,162</u>	<u>4,570,162</u>	<u>-0-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>5,244,970</u>	<u>5,795,170</u>	<u>5,767,417</u>	<u>( 27,753)</u>

See Notes to Financial Statements

SCHEDULE 2

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
Interest	20,496	20,496	41,658	21,162
Other	<u>-0-</u>	<u>-0-</u>	<u>1,176</u>	<u>1,176</u>
<u>TOTAL REVENUE</u>	<u>20,496</u>	<u>20,496</u>	<u>42,834</u>	<u>22,338</u>
<u>EXPENDITURES</u>				
<u>Debt Service:</u>				
Principal	505,000	505,000	4,160,000	( 3,655,000)
Interest	190,304	190,304	204,817	( 14,513)
Amortization	-0-	-0-	6,491	( 6,491)
Bond Issuance Costs	<u>-0-</u>	<u>300,200</u>	<u>115,102</u>	<u>185,098</u>
<u>TOTAL EXPENDITURES</u>	<u>695,304</u>	<u>995,504</u>	<u>4,486,410</u>	<u>( 3,490,906)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>( 674,808)</u>	<u>( 975,008)</u>	<u>(4,443,576)</u>	<u>( 3,468,568)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds From Bond Refinancing	-0-	-0-	3,500,000	3,500,000
Transfers In	-0-	-0-	522,315	522,315
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>( 443,155)</u>	<u>( 443,155)</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>-0-</u>	<u>-0-</u>	<u>3,579,160</u>	<u>3,579,160</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>( 674,808)</u>	<u>( 975,008)</u>	<u>( 864,416)</u>	<u>110,592</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>1,228,044</u>	<u>1,228,044</u>	<u>1,228,044</u>	<u>-0-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>553,236</u>	<u>253,036</u>	<u>363,628</u>	<u>110,592</u>

See Notes to Financial Statements

SCHEDULE 3

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2004**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Franklin Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**OTHER SUPPLEMENTAL INFORMATION**

**PART III**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2004**

FIDUCIARY FUND TYPE - AGENCY FUNDS

These funds account for assets held by the sheriff department in a trust or agency capacity.

LICENSE FUND

The License fund is a depository for occupational licenses. Payments are made from the fund to the Sheriff's General Fund and the Franklin Parish Police Jury.

CRIMINAL FUND

The Criminal fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

CIVIL FUND

The Civil Fund is a depository for collection of funds in civil suits, sheriff's sales, and garnishments. Payments of these collections to recipients are made in accordance with applicable laws.

MOTOR VEHICLE DEALER FUND

This fund is inactive.

TAX COLLECTION 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 and fees. The Tax Collection Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

INMATE TRUST FUND

The Inmate Trust Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.



SCHEDULE 4

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FIDUCIARY FUND TYPES - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN BALANCES  
DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2004

	LICENSE FUND	CRIMINAL FUND	CIVIL FUND	MOTOR VEHICLE DEALERS FUND
<u>BALANCES AT BEGINNING OF YEAR</u>	51	29,382	6,331	1
<u>ADDITIONS:</u>				
Deposits:				
Licences	89,253	-0-	-0-	-0-
Bonds	-0-	51,831	-0-	-0-
Fines and Costs	-0-	566,795	-0-	-0-
Sheriff's Sales	-0-	-0-	419,543	-0-
Garnishments	-0-	-0-	39,939	-0-
Other Deposits	-0-	-0-	18,435	-0-
Taxes, Fees, Etc. Paid to				
Tax Collector	-0-	-0-	-0-	-0-
Interest on Investments	26	351	124	-0-
Inmate Deposits	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL ADDITIONS	<u>89,279</u>	<u>618,977</u>	<u>478,041</u>	<u>-0-</u>
TOTAL AVAILABLE	89,330	648,359	484,372	1
<u>REDUCTIONS:</u>				
Taxes, Fees, Etc. Distributed				
To Taxing Bodies and Others	-0-	-0-	-0-	-0-
Deposits Settled To:				
Sheriff's General Fund	13,387	50,226	73,532	-0-
Police Jury	75,865	111,124	-0-	-0-
District Attorney	-0-	59,563	-0-	-0-
Clerk of Court	-0-	15,000	94,418	-0-
Indigent Defender Board	-0-	39,501	-0-	-0-
Attorneys, Appraisers, Etc.	-0-	-0-	307,264	-0-
Other Settlements	<u>-0-</u>	<u>341,772</u>	<u>3,241</u>	<u>-0-</u>
TOTAL REDUCTIONS	<u>89,252</u>	<u>617,186</u>	<u>478,455</u>	<u>-0-</u>
BALANCES AT END OF YEAR	<u>78</u>	<u>31,173</u>	<u>5,917</u>	<u>1</u>

See Notes to the Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FIDUCIARY FUND TYPES - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN BALANCES  
DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2004

<u>TAX COLLECTION FUND</u>	<u>INMATE TRUST FUND</u>	<u>TOTAL</u>
452,901	5,890	494,556
-0-	-0-	89,253
-0-	-0-	51,831
-0-	-0-	566,795
-0-	-0-	419,543
-0-	-0-	39,939
-0-	-0-	18,435
4,508,265	-0-	4,508,265
3,612	313	4,426
<u>-0-</u>	<u>285,840</u>	<u>285,840</u>
<u>4,511,877</u>	<u>286,153</u>	<u>5,984,327</u>
4,964,778	292,043	6,478,883
4,511,133	-0-	4,511,133
-0-	268,410	405,555
-0-	-0-	186,989
-0-	-0-	59,563
-0-	-0-	109,418
-0-	-0-	39,501
-0-	-0-	307,264
<u>-0-</u>	<u>-0-</u>	<u>345,013</u>
<u>4,511,133</u>	<u>268,410</u>	<u>5,964,436</u>
<u>453,645</u>	<u>23,633</u>	<u>514,447</u>

See Notes to Financial Statements

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**MARCUS, ROBINSON and HASSELL**

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND INTERNAL CONTROL OVER FINANCIAL REPORTING**

To the Honorable Steve E. Pylant  
Franklin Parish Sheriff  
Winnsboro, Louisiana

We have audited the basic financial statements of the Franklin Parish Sheriff, as of and for the year ended June 30, 2004, and have issued our report thereon dated November 29, 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 Franklin 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 no instances of noncompliance that are required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings and questioned costs as item 04-02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Franklin 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Franklin Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 04-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended for the information and use of the Franklin Parish Sheriff, management of the Sheriff's office, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.

*Marcus, Robinson & Hassell*

MARCUS, ROBINSON & HASSELL  
November 29, 2004

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**

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

**PART I - SUMMARY OF THE AUDITOR'S RESULTS**

**Financial Statement Audit**

- i. The type of audit report issued was unqualified.
- ii. There was a reportable condition required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States. The reportable condition disclosed was not considered a material weakness as defined by the Government Auditing Standards.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 510 (a).
- vi. There were no major federal programs for the year ended June 30, 2004.
- vii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 520 (b) was \$300,000.

**PART II - FINDING(S) RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS:**

**Findings, Reference #, and Title:** 04-01

Under-Collateralized Funds

**Condition:** The sheriff's department has under-collateralized funds at two financial institutions.

**Recommendation:** The sheriff's department should request monthly pledged securities reports from all banks. These should be compared to cash on hand at each respective bank. If it is determined that some funds are not adequately collateralized, additional securities should be pledged.

**Management Corrective Action Plan:**

**Corrective Action Planned:** Management is in the process of enacting the recommendations made above. The sheriff will have his financial officer compare the monthly pledged securities reports to the cash on hand at each respective bank. The financial officer will then determine if the sheriff needs additional securities pledged. Finally, if additional securities are needed, the financial officer will request them.

**Anticipated Completion Date:**

During the year ended June 30, 2005

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA

SCHEDULE 5

SCHEDULE OF PRIOR YEAR FINDINGS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

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