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**IBERIA PARISH SHERIFF
FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2004**

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

Release Date 1-26-05

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INDEPENDENT AUDITOR'S REPORT

The Honorable Sid Hebert
Iberia Parish Sheriff
New Iberia, Louisiana

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note A, the Iberia Parish 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.

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

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 41, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods for measurement and presentation of the supplementary 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 financial statements that collectively comprise the Iberia Parish Sheriff's basic financial statements. The introductory section, and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

December 15, 2004

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This is the first year of GASB 34 implementation of the Sheriff's Office. As a result, the financial report is presented differently than in previous years. GASB 34 does not require the presentation of comparative financial statements in the year of implementation. We have not included comparative financial statements in the current report. Future year's financial statement will be presented in a comparison format.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceed its liabilities by \$1,577,759 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

- Capital assets, net of related debt, of \$571,082 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
- Unrestricted net assets of \$1,006,677 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's governmental funds reported total ending fund balance of \$1,006,677 this year. This compares to the prior year ending fund balance of \$1,300,574 showing a minor decrease of \$293,897 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$871,418, or 8.1% of total General Fund expenditures and 8.3% of total General Fund revenues including transfers. This represents a decrease in General Fund unreserved fund balance of \$234,640.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) required supplementary information. The Sheriff also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2005.

Government-wide Financial Statements

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

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

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

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

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes and sales taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 14 through 15 of this report.

Fund Financial Statements

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

The Sheriff's operations are reported in two different types of funds.

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18 through 21 of this report.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

In the *Fiduciary funds*, the Sheriff is the trustee, or fiduciary, for assets that are received and held in trust for other governmental agencies. The largest of these trust agreements is for the collecting and disbursing of ad valorem taxes. He also is responsible for deposits held pending court action and the individual prison inmate accounts. These assets are reported separate from other financial statements, as these funds are not available to the Sheriff to finance his operations.

The basic agency fund financial statement is presented on page 22 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the General Fund. This schedule demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on page 41 of this report.

In addition, more detailed general fund and special revenue fund budget information and details of the individual agency funds are presented as supplementary information and can be found presented on pages 43-47 of this report.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

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

The Sheriff's net assets at fiscal year-end are \$1,577,759. The following table provides a summary of the Sheriff's net assets:

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of Net Assets

Assets:		
Current assets and other assets	\$ 2,070,222	78%
Capital assets net of accumulated depreciation	<u>571,082</u>	22%
Total Assets	<u>\$ 2,641,304</u>	100%
Liabilities:		
Current liabilities	\$ 1,063,545	100%
Long-term liabilities	<u>-</u>	
Total Liabilities	<u>1,063,545</u>	100%
Net Assets		
Investment in Capital Assets net of Related Debt	571,082	36%
Unrestricted	<u>1,006,677</u>	64%
Total Net Assets	<u>1,577,759</u>	100%
Total Liabilities and Net Assets	<u>\$ 2,641,304</u>	

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.5 to 1.

The Sheriff reported positive balances in net assets for governmental activities, although net assets decreased \$194,137 for governmental activities in fiscal in fiscal year 2004. Net assets government wide are reported at \$1,577,759 at year end.

Note that only 36 percent of the governmental activities' net assets are in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

Since this is the first year in which governmental-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table provides a summary of the Sheriff's changes in net assets.

Summary of Changes in Net Assets

	Governmental Activities	Percentage of Total
Revenues		
Program:		
Charges for Services	\$ 4,494,202	41%
Operating Grants and Contributions	610,521	6%
General:		
Property Taxes	2,605,427	24%
Sales Taxes	2,358,904	22%
State Revenue Sharing	211,406	2%
State Supplemental Pay	334,560	3%
Investment Earnings	15,487	0%
Gain on Sale of Assets	13,115	0%
Other General Revenues	<u>196,935</u>	2%
Total General Revenues	<u>10,840,557</u>	100%
Program Expenses		
Public Safety	11,125,379	100%
Interest on Long Term Debt	<u>9,075</u>	0%
Total Expenses	<u>11,134,454</u>	100%
Change in Net Assets	<u>(293,897)</u>	
Beginning Net Assets	<u>1,300,574</u>	
Ending Net Assets	<u>\$ 1,006,677</u>	

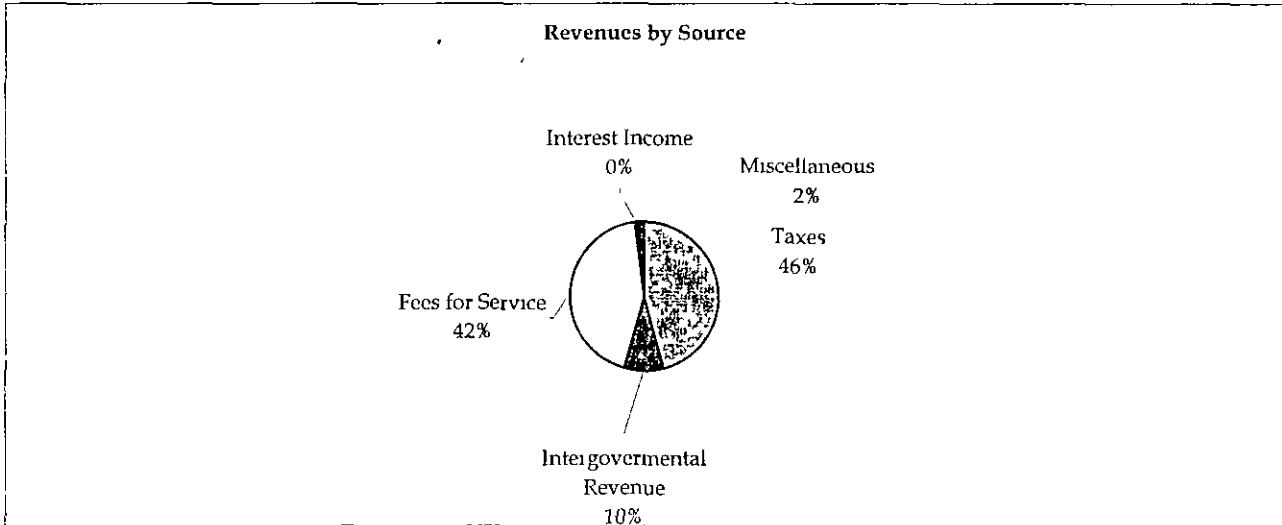
GOVERNMENTAL REVENUES

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 46 percent of the Sheriff's total revenues. Because of the Sheriff's financial position, \$15,487 in interest was earned to help support governmental activities, despite low prevailing interest rates. Also, note that program revenues, including reimbursements received for prisoner maintenance, offset 47 percent of governmental operating expenses. Therefore, the Sheriff's other general revenues and taxes fund 53 percent of operations.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

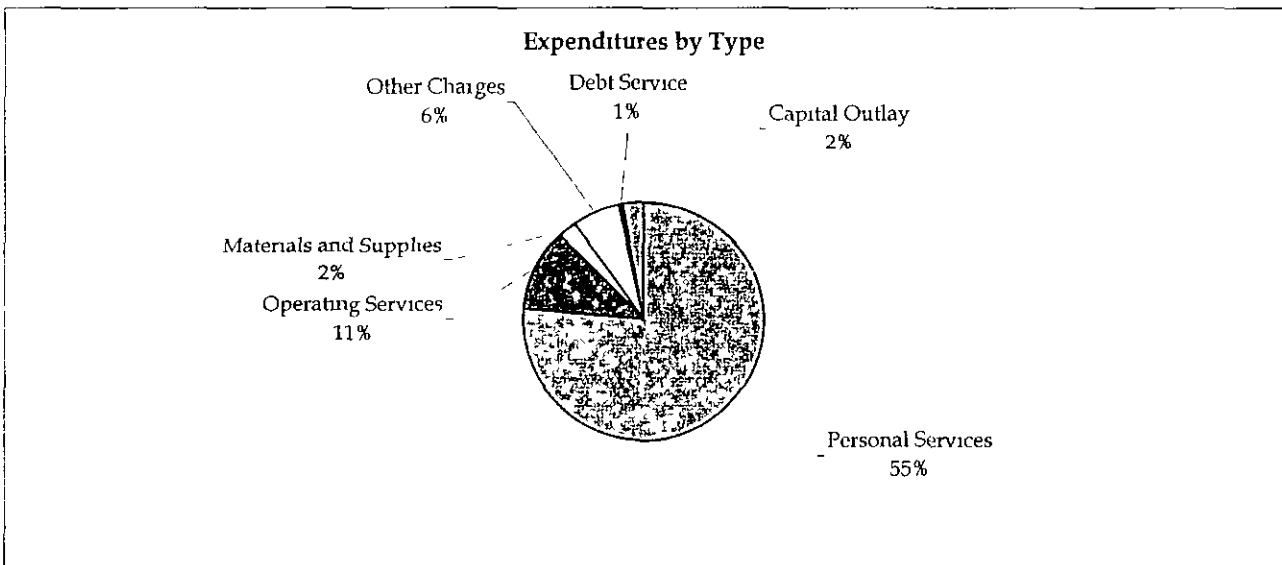
Following is a graph showing the breakdown of revenues by source



GOVERNMENTAL FUNCTIONAL EXPENSES

The function of the Sheriff's office is public safety activities. The only other non-functional cost is interest expense related to the capital lease obligation for equipment purchased. Of the total costs, depreciation on equipment and vehicles was \$312,060 or 2.8 percent of total expenses.

Below is a graph presenting the total expenditures by type of the Sheriff at the governmental fund level



**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$1,006,677. Legally restricted fund balances (i.e., the reserved fund balances) include \$191,391 reserved for prepaid expenses. As a result, the unreserved, undesignated fund balance is \$815,286, which is available for continued funding of Sheriff's activities.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$234,640 from the prior year.

In fiscal year end 2004, the Sheriff continues to collect a one-quarter percent (1/4%) sales tax. Total collections for the year were \$2,358,904. In addition, ad valorem taxes in the amount of \$2,605,427 were collected during the current year. These collections increased from the prior year by approximately \$235,796. Other revenues increased slightly by \$60,169.

Operating expenditures in the General Fund were approximately \$10,743,137, an increase of \$888,118 or 9 percent over the prior year. The majority of the increase (24%) is attributed to personnel costs with the remaining difference being in operating services, including costs of insurance.

The ending fund balance of \$1,006,677 for all governmental funds at year-end represents approximately 9 percent of annual operating expenses.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund's budget was similar to the actual amounts reported in fiscal year 2003. The Sheriff did not amend the 2004 budget at year-end. Significant variances in the budget to actual comparisons were noted. Total revenues of the General Fund exceeded the budgeted amount by \$607,559 due to an increase in federal grant revenues as well as sales and ad valorem tax collections. However, actual expenditures exceeded budgeted amounts by \$857,135. The majority of the increase is attributed to Operating Services, which includes the cost of self-insured claims, insurance premiums, training of deputies as well as expenditures relating to the federal grants received.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$571,082. See Note H for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

Capital Assets

	<u>Governmental Activities</u>
	<u>2004</u>
Depreciable Assets	
Equipment	\$1,071,793
Furniture and Fixtures	87,725
Vehicles	<u>1,176,231</u>
Total Depreciable Assets	2,335,749
Less: Accumulated Depreciation	<u>1,764,667</u>
Net Book Value - depreciable assets	\$ <u>571,082</u>
Percentage depreciated	75%

Major additions during the current year were acquisitions of vehicles, which accounted for 64 percent of the total additions. Routine replacement of equipment was also done in the current year.

The only debt of the Sheriff, a capital lease for equipment, was paid out during the current year. The Sheriff does intend to continue using capital lease obligations to acquire additional equipment and vehicles in the future as needed.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff considered many factors when setting the fiscal year 2005 budget. One factor was the merger of the City of New Iberia Police Department into the Sheriff's Department through an intergovernmental agreement. Inflation in the area continues to be in line with the national Consumer Price Index (CPI) increase.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

These indicators were taken into account when adopting the General Fund budget for 2005. Amounts available for appropriation in the General Fund budget are \$10,761,800, an increase of approximately 9 percent over the 2004 budget of \$9,887,823. Property tax revenues are expected to remain consistent with the prior year as is sales tax revenues. The Sheriff will use this increase in revenues to finance the merger of the police department and the effect that we expect inflation to have on program costs. Budgeted expenditures are expected to increase incrementally with revenues in 2005. The Sheriff has added no major new programs or initiatives to the 2005 budget other than the merger with the City of New Iberia Police Department as discussed above.

If these estimates are realized, the Sheriff's budgetary General Fund balance is expected to increase slightly by the close of 2005.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Judy M. Douet, Iberia Parish Sheriff's Office, 300 Iberia Street, Ste 120, New Iberia, Louisiana 70560.

BASIC FINANCIAL STATEMENTS

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

IBERIA PARISH SHERIFF
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 250,656
Interest Bearing Deposits	809,202
Receivables:	
Taxes Receivable	304,109
Grants Receivable	256,888
Other	252,639
Inventory	5,337
Prepays	<u>191,391</u>
Total Current Assets	2,070,222
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>571,082</u>
TOTAL ASSETS	<u>\$ 2,641,304</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

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

	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities			
Public Safety	\$ 11,022,014	\$ 610,521	\$ (5,917,291)
Interest on Long-Term Debt	<u>9,915</u>	-	<u>(9,915)</u>
Total Governmental Activities	\$ 4,494,202	\$ 610,521	<u>(5,927,206)</u>
General Revenues:			
Property Taxes			2,605,427
Sales Taxes			2,358,904
State Revenue Sharing			211,406
State Supplemental Pay			354,560
Investment Earnings			15,487
Gain on Sale of Assets			10,350
Other General Revenues			<u>196,935</u>
Total General Revenues			<u>5,733,069</u>
Change in Net Assets			(194,137)
Net Assets-Beginning			<u>1,771,896</u>
Net Assets-Ending			<u>\$ 1,577,759</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUND

Inmate Welfare Fund

The monies in this account are generated primarily from the pay telephones located in the inmate's housing area and from sales of commissary goods. These funds are used to pay inmate work crews, to purchase recreation equipment to be used by inmates and to provide miscellaneous benefits for the indigent inmates.

IBERIA PARISH SHERIFF

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2004

	General Fund	Special Revenue Fund (Non-major)	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 200,263	\$ 50,393	\$ 250,656
Interest-Bearing Deposits	809,202	-	809,202
Prepaid Expenses	191,391	-	191,391
Inventory	-	5,337	5,337
Receivables:			
Taxes Receivable	304,109	-	304,109
Grants Receivable	256,888	-	256,888
Other	226,626	26,013	252,639
Due From Other Funds	<u> -</u>	<u> 70,409</u>	<u> 70,409</u>
 Total Assets	 <u>\$ 1,988,479</u>	 <u>\$ 152,152</u>	 <u>\$ 2,140,631</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 366,122	\$ 16,761	\$ 382,883
Due to Other Governmental Units	80,564	-	80,564
Due to Other Funds	70,409	-	70,409
Other Accrued Liabilities	<u>599,966</u>	<u>132</u>	<u>600,098</u>
Total Liabilities	<u>1,117,061</u>	<u>16,893</u>	<u>1,133,954</u>
 Fund Balances -			
Reserve for Prepaids	191,391	-	191,391
Unreserved, Undesignated	<u>680,027</u>	<u>135,259</u>	<u>815,286</u>
Total Fund Balances	<u>871,418</u>	<u>135,259</u>	<u>1,006,677</u>
 Total Liabilities and Fund Equity	 <u>\$ 1,988,479</u>	 <u>\$ 152,152</u>	 <u>\$ 2,140,631</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2004

Total Governmental Fund Balances \$ 1,006,677

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

Capital assets used in governmental activities are not
financial resources and therefore are not reported
in the funds.

571,082

Net Assets of Governmental Activities

\$ 1,577,759

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

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

	General Fund	Special Revenue Fund (Non-major)	Total Governmental Funds
Revenues:			
Ad Valorem Taxes	\$ 2,605,427	\$ -	\$ 2,605,427
Sales Tax Revenue	2,358,904	-	2,358,904
Intergovernmental Revenues -			
Federal Grants	488,546	-	488,546
State Supplemental Pay	334,560	-	334,560
State, City and Parish Grants	121,975	-	121,975
Fees, Charges, and Commissions for Services -			
State Revenue Sharing (Net)	211,406	-	211,406
Civil and Criminal Fees	603,852	-	603,852
Court Attendance	4,075	-	4,075
Transporting Prisoners	21,722	-	21,722
Feeding and Keeping Prisoners	3,547,278	-	3,547,278
Sales of Commissary Goods	-	181,965	181,965
Telephone Commission Income	-	131,587	131,587
Vending Commissions	3,723	-	3,723
Interest Income	12,825	2,662	15,487
Miscellaneous	181,089	15,846	196,935
Total Revenues	10,495,382	332,060	10,827,442
Expenditures:			
Current -			
 Public Safety:			
Personal Services and Related Benefits	5,976,664	30,000	6,006,664
Operating Services	4,120,202	340,499	4,460,701
Materials and Supplies	198,997	-	198,997
Other Charges	34,709	-	34,709
 Debt Service -			
Principal Retirement	172,873	-	172,873
Interest and Fiscal Charges	9,915	-	9,915
Capital Outlay	229,777	20,818	250,595
Total Expenditures	10,743,137	391,317	11,134,454
Excess (Deficiency) of Revenues Over Expenditures	(247,755)	(59,257)	(307,012)
Other Financing Sources (Uses):			
Sale of Assets	13,115	-	13,115
Total Other Financing Sources	13,115	-	13,115
Deficiency of Revenues and Other Sources Over Expenditures	(234,640)	(59,257)	(293,897)
Fund Balances, Beginning	1,106,058	194,516	1,300,574
Fund Balances, Ending	\$ 871,418	\$ 135,259	\$ 1,006,677

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

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

Net Change in Fund Balances - Total Governmental Funds \$ (293,897)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (70,348)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the book value of the fixed assets disposed of during the year. (2,765)

Repayment of capital lease obligation is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 172,873

Change in Net Assets of Governmental Activities \$ (194,137)

IBERIA PARISH SHERIFF
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2004

	<u>Total Agency Funds</u>
ASSETS:	
Cash and Interest Bearing Deposits	\$ <u>813,328</u>
Total Assets	\$ <u>813,328</u>
LIABILITIES:	
Due to Taxing Bodies and Others	\$ <u>813,328</u>
Total Liabilities	\$ <u>813,328</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, 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, sportsmen's licenses, and fines, costs, and bond forfeitures imposed by the district court.

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

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 these significant changes in the Statement include the following:

- For the first time the financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the Sheriff's activities.
- A change in the fund financial statements to focus on the major funds.

IBERIA PARISH SHERIFF

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Sheriff has elected to implement the general provisions of the Statement in the current year.

The following is a summary of certain significant accounting policies:

1 Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council 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 government, 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.

2 Basis of Presentation

The accompanying basic financial statements of the Iberia 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 No. 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements (FFS)

The financial transactions of the Sheriff are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The following fund types are used by the Sheriff:

Governmental Funds -

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Sheriff:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include state revenue sharing, sales tax revenue, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Fiduciary Funds -

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, inmate monies, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, deputies, et cetera, in the manner prescribed by law. The agency 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, but use the modified accrual basis of accounting.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten percent of the corresponding total for all governmental funds. Nonmajor funds by category are summarized into a single column. GASB 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The General Fund is the only fund of the Sheriff to be considered a major fund.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

3 Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

Governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, except that principal and interest on general long-term debt are 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. Purchases of various operating supplies are regarded as expenditures at the time purchased.

4 Budget and Budgetary Accounting

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

- a. The accounting director prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

5 Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits are stated at cost, which approximates market. Cash includes amounts in demand deposits as well as time deposits with an original maturity date within three months of the date acquired by the government.

6 Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

7 Compensated Absences

Each employee of the Sheriff's office is granted 10 to 20 days of annual leave and sick leave each year after one year of service. Accrued sick leave is not limited and not payable upon termination. Unused annual leave is converted to sick leave on the employee's anniversary date. Prior to that time, it is payable upon termination.

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

8 Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated cost if historical cost is not available. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

IBERIA PARISH SHERIFF

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Vehicles	3 years
Office Furniture	10 years
Computer Equipment	3 years
Other Machinery and Equipment	5 years

9 Restricted Net Assets

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

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

The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

10 Prepaid Items

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

11 Fund Equity

- a. Reserves

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

- b. Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

12 Estimates

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

13 Inventory

Inventory consists of goods purchased for resale in the Special Revenue Fund. Inventories are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market.

B. CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2004, the Sheriff has implemented GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Sheriff's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The Sheriff also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 37, Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments; Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At June 30, 2004, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

B. CHANGES IN ACCOUNTING PRINCIPLES - continued

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

Total Fund Balances - Governmental Funds at June 30, 2003		\$ 1,300,574
Add: Cost of Capital Assets at June 30, 2003	\$ 2,164,223	
Less: Accumulated Depreciation at June 30, 2003	<u>(1,520,028)</u>	644,195
Less: Capital Lease Payable at June 30, 2003		<u>(172,873)</u>
Net Assets at June 30, 2003		<u>\$ 1,771,896</u>

C. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the government fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances include a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element on that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows.

Capital Outlay	\$ 241,712
Depreciation	<u>(312,060)</u>
Net Adjustment to Increase Net Changes in Fund Balances-	
Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (70,348)</u>

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

D. DEPOSITS AND INVESTMENTS

Under state law, the Sheriff may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Sheriff has cash and interest-bearing deposits (book balances) as follows:

Demand Deposits and Cash on Hand	\$ 1,063,984
Money Market Accounts	<u>809,202</u>
Total	<u>\$ 1,873,186</u>

These deposits are stated at cost, which approximates market. Under state law, the 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 Sheriff in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004, are secured as follows:

Federal Deposit Insurance	\$ 421,223
Pledged Securities (Category 3)	<u>1,803,593</u>
Total	<u>\$ 2,224,816</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes 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.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

E. RECEIVABLES

Accounts receivable balances at June 30, 2004, were as follows:

Taxes Receivable:		
Ad Valorem Tax		\$ 8,206
Sales Tax		<u>295,903</u>
Total Taxes Receivable		<u>304,109</u>
Grants Receivable		<u>256,888</u>
Other:		
Prisoner Maintenance		31,741
State Supplemental Pay		7,521
Department of Corrections		154,228
Stop Loss Receivable		33,135
Telephone Commissions		17,898
Commissary Commissions		6,739
Other		<u>1,377</u>
Total Other Receivables		<u>252,639</u>
Total Receivables		<u>\$ 813,636</u>

F. INTERFUND RECEIVABLES / PAYABLES

Purpose	Receivable Fund	Payable Fund	Amount
Utility Reimbursements	Special Revenue	General Fund	\$ <u>70,409</u>

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

G. AD VALOREM TAXES

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2004, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 10.08 mills on property with assessed valuations totaling \$257,350,315. Total law enforcement taxes levied on January 1, 2003, and billed during the current fiscal year were \$2,594,091.

II. CAPITAL ASSETS

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

	Beginning Balances	Additions	Deletions	Ending Balances
Governmental Activities:				
Equipment	\$ 1,003,579	\$ 83,432	\$ 15,218	\$ 1,071,793
Furniture and Fixtures	86,357	3,707	2,339	87,725
Vehicles	1,074,287	154,573	52,629	1,176,231
Totals	2,164,223	241,712	70,186	2,335,749
Less: Accumulated Depreciation:				
Equipment	\$ 650,084	\$ 133,755	\$ 15,218	\$ 768,621
Furniture and Fixtures	43,161	5,496	2,339	46,318
Vehicles	826,783	172,809	49,864	949,728
Totals	1,520,028	312,060	67,421	1,764,667
Net Capital Assets	\$ 644,195	\$ (70,348)	\$ 2,765	\$ 571,082

IBERIA PARISH SHERIFF

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2004

I. PENSION PLAN

Substantially all employees of the Iberia Parish Sheriff's office 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 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 who are eligible to retire at or after age 55 with at least 12 years of credited service receive a benefit, payable monthly for life, equal to a percentage of the final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.50% if total service is at least 12 but less than 15 years, 2.75% if total service is a least 15 but less than 20 years, and 3.00% if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 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 Sheriff's Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Funding Policy

Plan members are required to contribute 9.8% of their annual covered salary and the Iberia Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.25% 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 Iberia 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 of the prior year.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

I. PENSION PLAN - continued

Iberia Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2004, 2003 and 2002 were \$426,574, \$343,867, and \$306,692, respectively.

J. DEFERRED COMPENSATION PLAN

During fiscal year 1992, a portion of the Sheriff's employees began participation in the Louisiana Public Employee's Deferred Compensation Plan. This deferred compensation plan is organized under Internal Revenue Code Section 457 and is in the name of the State of Louisiana.

K. CAPITAL LEASE OBLIGATIONS

Capital Lease Obligations consists of various leases for financing the acquisition of vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the dates of inception.

	Beginning Balances	Additions	Retirements	Ending Balances
Capital Lease Obligations	<u>\$ 172,873</u>	<u>\$ -</u>	<u>\$ (172,873)</u>	<u>\$ -</u>

L. LINE OF CREDIT

The Sheriff was authorized by the Louisiana State Bond Commission to incur debt and borrow on a line of credit up to \$1,500,000 at a variable interest rate. These funds are to be used for operations and are repaid before year end.

M. RISK MANAGEMENT

Iberia Parish Sheriff has established a Group Health Insurance Self Insurance Program for the purpose of providing medical payments to employees and their dependents. The plan is administered by Benesys, Inc. Under the program, the Sheriff's self insured retention for specific incurred claims related to any one covered employee or dependent is \$40,000. Estimated losses on claims are charged to expense in the period the loss is determinable. Accrued estimated claims that have been incurred but not reported were \$60,809 at year end.

Iberia Parish Sheriff has established a Deputy Liability Self Insurance Program. The Sheriff has contracts with Gallagher Bassett Services, Inc. and Cost Management Services for plan administration and claims processing. The retention for the policy for fiscal year ended June 30, 2004 is \$50,000 per occurrence.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

M. RISK MANAGEMENT - continued

The Sheriff accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis accounting. Claims paid under the self insurance risk activities are recorded as expenditures against the General Fund insurance and claims expense appropriations.

Claims activity for the year ended June 30, 2004, were as follows:

Beginning Liability	\$ 93,383
Current Year Claims and Charges	834,235
Claims Paid	<u>(798,433)</u>
Ending Liability	<u>\$ 129,185</u>

N. LITIGATION AND CLAIMS

At June 30, 2004, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a material liability to the Sheriff in excess of insurance coverage.

O. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL.

The Sheriff's administrative office and jail is located in buildings owned by the Iberia Parish Council. The cost of maintaining and operating these buildings, as required by statute, is paid by the Iberia Parish Council. These expenditures are not included in the accompanying financial statements.

P. INTERGOVERNMENTAL AGREEMENTS

The Sheriff has entered into several intergovernmental agreements with various municipalities located within the law enforcement district. Under these agreements, the Sheriff pays \$200 per officer to supplement salaries.

Q. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and other in the agency funds at June 30, 2004, include \$215,405 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

IBERIA PARISH SHERIFF

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

R. SUBSEQUENT EVENT

Subsequent to year end, the Police Department for the City of New Iberia was merged into the Iberia Parish Sheriff's Department as of July 8, 2004. As a result, the Sheriff added a new City Enforcement Division employing approximately 60 new employees. At that point, the Sheriff entered into numerous new lease agreements for the vehicles and equipment necessary to outfit the new division.

**REQUIRED SUPPLEMENTARY
INFORMATION**

IBERIA PARISH SHERIFF

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED JUNE 30, 2004**

	<u>Budget</u>		Variance with
	<u>Original</u>	<u>Actual</u>	Final Budget
			Positive
			<u>(Negative)</u>
Revenues:			
Ad Valorem Taxes	\$ 2,525,000	\$ 2,605,427	\$ 80,427
Sales Tax Revenue	2,232,000	2,358,904	126,904
Intergovernmental Revenues -			
Federal Grants	240,600	488,546	247,946
State Supplemental Pay	331,000	334,560	3,560
State, City and Parish Grants	117,400	121,975	4,575
Fees, Charges, and Commissions for Services -			
State Revenue Sharing (Net)	210,000	211,406	1,406
Civil and Criminal Fees	533,600	603,852	70,252
Court Attendance	25,000	4,075	(20,925)
Transporting Prisoners	35,000	21,722	(13,278)
Feeding and Keeping Prisoners	3,509,581	3,547,278	37,697
Sales of Commissary Goods	-	-	-
Telephone Commission Income	-	-	-
Vending Commissions	7,000	3,723	(3,277)
Interest Income	15,000	12,825	(2,175)
Miscellaneous	<u>106,642</u>	<u>181,089</u>	<u>74,447</u>
Total Revenues	<u>9,887,823</u>	<u>10,495,382</u>	<u>607,559</u>
Expenditures:			
Current -			
Public Safety:			
Personal Services	5,918,559	5,976,664	(58,105)
Operating Services	3,260,059	4,120,202	(860,143)
Materials and Supplies	155,952	198,997	(43,045)
Travel and Other Charges	20,250	21,274	(1,024)
Miscellaneous	4,472	13,435	(8,963)
Debt Service	212,720	182,788	29,932
Capital Outlay	<u>313,990</u>	<u>229,777</u>	<u>84,213</u>
Total Expenditures	<u>9,886,002</u>	<u>10,743,137</u>	<u>(857,135)</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>1,821</u>	<u>(247,755)</u>	<u>(249,576)</u>
Other Financing Sources (Uses):			
Sale of Assets	-	13,115	13,115
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,115</u>	<u>13,115</u>
Excess (Deficiency) of Revenues and Other			
Sources Over Expenditures and Other Uses	1,821	(234,640)	(236,461)
Fund Balance, Beginning	<u>1,106,058</u>	<u>1,106,058</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,107,879</u>	<u>\$ 871,418</u>	<u>\$ (236,461)</u>

**OTHER SUPPLEMENTARY
INFORMATION**

IBERIA PARISH SHERIFF

GENERAL FUND

**STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2004**

	<u>Budget</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Actual</u>	<u>(Negative)</u>
Current:			
Public Safety -			
Personal Services:			
Salaries	\$ 5,202,002	\$ 5,317,173	\$ (115,171)
Employee Benefits	<u>716,557</u>	<u>659,491</u>	<u>57,066</u>
Total Personal Services	<u>5,918,559</u>	<u>5,976,664</u>	<u>(58,105)</u>
Operating Services:			
Dues and Subscriptions	8,916	11,402	(2,486)
Publications and Printing	103,932	203,605	(99,673)
Utilities	218,750	256,625	(37,875)
Telephone	119,515	185,019	(65,504)
Beeper/Tower	32,417	14,205	18,212
Rents and Leases	260,382	274,118	(13,736)
ECVA Pass-through Expenses	-	109,554	(109,554)
Cooperative Endeavor Agreement	2,000	3,174	(1,174)
Maintenance and Property and Equipment:			
Fuel and Oil	183,640	222,913	(39,273)
Radio Maintenance	27,075	28,664	(1,589)
Boat Maintenance	26,600	24,646	1,954
Crime Scene Maintenance	12,000	-	12,000
Dog Maintenance	1,000	1,232	(232)
Computer Maintenance	29,575	60,964	(31,389)
Repairs and Maintenance	215,886	189,167	26,719
Professional Services:			
Contract Service	103,891	104,462	(571)
Legal	110,000	201,290	(91,290)
Accounting	37,500	45,950	(8,450)
Cleaning Service	14,030	16,411	(2,381)
Payroll Processing	22,100	19,817	2,283
Third Party Administrative Fees	32,200	33,980	(1,780)
Crime Lab Expenses	-	-	-
Insurance:			
Auto Liability	99,300	107,003	(7,703)
Deputy Liability	97,400	-	97,400
General and Workers Compensation	123,600	147,491	(23,891)
Boat Liability	11,040	9,492	1,548
Claims	654,000	1,033,279	(379,279)
Surety Bond	1,530	2,071	(541)
Tax Costs	-	2,019	(2,019)
Investigation	1,160	3,130	(1,970)
Narcotics Expense	-	24,628	(24,628)

IBERIA PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2004

	<u>Budget</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Continued:</u>			
Other:			
Drug Education Expense	100	255	(155)
Reservist Expense	1,600	-	1,600
Training	19,885	98,750	(78,865)
Firing Range	-	-	-
Appropriations	63,150	55,394	7,756
Prisoner Expenses	<u>625,885</u>	<u>629,492</u>	<u>(3,607)</u>
Total Operating Services	<u>3,260,059</u>	<u>4,120,202</u>	<u>(860,143)</u>
Materials and Supplies:			
Office Supplies	39,296	46,078	(6,782)
Shipping/Postage	19,575	26,212	(6,637)
Supplies	82,031	90,892	(8,861)
Construction	-	22,573	(22,573)
Ammunition and Reloading	14,350	12,353	1,997
Film and Developing	700	889	(189)
Total Materials and Supplies	<u>155,952</u>	<u>198,997</u>	<u>(43,045)</u>
Travel and Other Charges	<u>20,250</u>	<u>21,274</u>	<u>(1,024)</u>
Miscellaneous	4,472	13,435	(8,963)
Debt Service -			
Principal	169,720	172,873	(3,153)
Interest	<u>43,000</u>	<u>9,915</u>	<u>33,085</u>
Total Debt Service	<u>212,720</u>	<u>182,788</u>	<u>29,932</u>
Capital Outlay	313,990	229,777	84,213
Total Expenditures	<u>\$ 9,886,002</u>	<u>\$10,743,137</u>	<u>\$ (857,135)</u>

IBERIA PARISH SHERIFF

**SPECIAL REVENUE FUND
INMATE WELFARE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2004**

	<u>Budget</u>		Variance with
	<u>Original</u>	<u>Actual</u>	Final Budget
			Positive
			(Negative)
Revenues:			
Sales and Commissions	\$430,000	\$ 181,965	\$ (248,035)
Telephone Commissions	-	131,587	131,587
Interest	3,500	2,662	(838)
Miscellaneous	4,000	15,846	11,846
Total Revenues	<u>437,500</u>	<u>332,060</u>	<u>(105,440)</u>
Expenditures:			
Current -			
Public Safety:			
Personal Services	30,000	30,000	-
Operating Services	340,000	340,499	499
Capital Outlay	<u>20,000</u>	<u>20,818</u>	<u>818</u>
Total Expenditures	<u>390,000</u>	<u>391,317</u>	<u>1,317</u>
Excess (Deficiency) of Revenues			
Over Expenditures	47,500	(59,257)	(104,123)
Fund Balance, Beginning	<u>194,516</u>	<u>194,516</u>	<u>-</u>
Fund Balance, Ending	<u>\$242,016</u>	<u>\$ 135,259</u>	<u>\$ (104,123)</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

Sheriff's Fund

To account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

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

Bond Fund

To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Inmate Trust Fund

To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

IBERIA PARISH SHERIFF

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

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total
ASSETS:					
Cash and Interest Bearing Deposits	\$ 19,090	\$ 393,361	\$ 239,414	\$ 212,646	\$ 864,511
Total Assets	<u>\$ 19,090</u>	<u>\$ 393,361</u>	<u>\$ 239,414</u>	<u>\$ 212,646</u>	<u>\$ 864,511</u>
LIABILITIES:					
Due to Taxing Bodies and Others	\$ 13,760	\$ 376,723	\$ 223,626	\$ 199,219	\$ 813,328
Due to Other Funds	5,330	16,638	15,788	13,427	51,183
Total Liabilities	<u>\$ 19,090</u>	<u>\$ 393,361</u>	<u>\$ 239,414</u>	<u>\$ 212,646</u>	<u>\$ 864,511</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

WRIGHT, MOORE, DeHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants

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

The Honorable Sid Hebert
Iberia Parish Sheriff
New Iberia, Louisiana

We have audited the financial statements of the Iberia Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated December 15, 2004. We conducted our audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether the Iberia Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, and is described in the accompanying Schedule of Findings and Questioned Costs as 2004-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Iberia 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Iberia Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. However, we did identify certain immaterial findings related to internal control that we have communicated to management in a separate letter.

WMDDH

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

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

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

December 15, 2004

IBERIA PARISH SHERIFF

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

We have audited the financial statements of the Iberia Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated December 15, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States. Our audit of the financial statements of June 30, 2004 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control

Material Weaknesses ___ Yes __x__ No

Reportable Conditions ___ Yes __x__ No

Compliance

Compliance Material to Financial Statements __x__ Yes ___ No

Section II - Financial Statement Findings

2004-1 Budget Amendments

Finding:

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General and Special Revenue funds and that amendments be made and properly adopted when variances to the budget amounts are in excess of five (5) percent. The Sheriff's Office failed to adequately amend the budgets for the General Fund and the Special Revenue Fund.

Recommendation:

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

IBERIA PARISH SHERIFF
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

I. Internal Control and Compliance Material to the Financial Statements

2003-1 Budget Amendments

Finding:

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General and Special Revenue funds and that amendments be made and properly adopted when variances to the budget amounts are in excess of five (5) percent. The Sheriff's Office failed to adequately amend the budgets for the General Fund.

Recommendation:

Procedures should be implemented to monitor budget to actual comparisons and amend as necessary to comply with the Louisiana Local Government Budget Act.

Follow-Up:

Unresolved - See current year finding 2004-1.

CORRECTIVE ACTION PLAN

JUNE 30, 2004

Louisiana Legislative Auditor

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

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

Finding No. 2004-1

Recommendation: The Sheriff's Office should amend budgets in order to comply with the Louisiana Local Government Budget Act.

Action Taken: Due to additional revenue sources and additional programs being implemented during the fiscal year, it was difficult for management to estimate its revenues and costs. With some history to use as an estimating tool, this should not be a problem in the future.

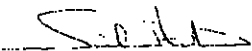
2004ML-1 File Maintenance

Recommendation: The Sheriff should implement necessary procedures to ensure that files are maintained and kept in an orderly condition to facilitate the presentation of necessary support for various transactions.

Action Taken: Management has taken steps to regain order in the filing of information to ensure that financial information is not lost or misplaced.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Sheriff Sid Hebert at (337) 639-3714.

Sincerely yours,



Sid Hebert, Sheriff
Iberia Parish Sheriff