

3112

RECEIVED
LEGISLATIVE AUDITOR
04 DEC -6 AM 11:06

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Financial Report

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

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	9
Reconciliation of the governmental fund balance sheet to the statement of net assets	10
Statement of revenues, expenditures, and changes in fund balances - governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of the governmental funds to the statement of activities	12
Statement of fiduciary net assets	13
Notes to basic financial statements	14-28
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	30
OTHER SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule - expenditures	32
Agency Funds:	
Combining balance sheet	34
Combining statement of changes in assets and liabilities	35
COMPLIANCE AND INTERNAL CONTROL	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	37-38
Summary schedule of current and prior year audit findings and corrective action plan	39

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 3438
Morgan City, LA 70381

Phone (985) 384-2020
Fax (985) 384-3020

WEB SITE:
WWW.KCSRPCAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

* A Professional Accounting Corporation

INDEPENDENT AUDITOR'S REPORT

The Honorable Willy J. Martin, Jr.
St. James Parish Sheriff
Convent, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. James Parish Sheriff as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. James Parish Sheriff. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the Sheriff's 2003 financial statements and, in our report dated August 29, 2003, we expressed unqualified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate fund information.

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

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

In accordance with Government Auditing Standards, we have also issued a report dated September 30, 2004 on our consideration of the St. James Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 242-8660

111 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddell
Marksville, LA 71351
Phone (337) 251-9252
Fax (337) 253-9661

1224 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

409 W. Cotton Street
Vidie Plate, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 679-4717
Fax (337) 639-4566

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

The required supplementary information on page 30 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The St. James Parish Sheriff has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. James Parish Sheriff's basic financial statements. The other supplementary information on pages 32 through 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the St. James 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 presented in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
September 30, 2004

BASIC FINANCIAL STATEMENTS

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Net Assets
June 30, 2004
With Comparative Totals for June 30, 2003

	Governmental Activities	
	2004	2003
ASSETS		
Cash and interest-bearing deposits	\$ 5,651,048	\$ 2,809,593
Investments	4,210,801	6,168,279
Receivables, net	28,056	21,369
Due from other governmental units	121,465	160,006
Capital assets, net	1,269,496	1,152,765
TOTAL ASSETS	11,280,866	10,312,012
LIABILITIES		
Accounts, salaries, and other payables	111,869	548,619
Noncurrent liabilities:		
Due within one year	155,000	-
Due in more than one year	1,095,000	-
TOTAL LIABILITIES	1,361,869	548,619
NET ASSETS		
Invested in capital assets	1,180,680	1,152,765
Unrestricted	8,738,317	8,610,628
TOTAL NET ASSETS	\$ 9,918,997	\$ 9,763,393

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Activities
Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Public safety:					
Police	\$ 6,622,867	\$ 609,869	\$ 304,532	-	\$(5,708,466)
Interest on long-term debt	14,728	-	-	-	(14,728)
Total governmental activities	<u>6,637,595</u>	<u>609,869</u>	<u>304,532</u>	<u>-</u>	<u>(5,723,194)</u>
Taxes:					
Property taxes, levied for general purposes					4,987,483
Grants and contributions not restricted to specific programs:					
State sources					689,291
Interest and investment earnings					103,139
Miscellaneous					<u>98,885</u>
Total general revenues					<u>5,878,798</u>
Change in net assets					155,604
Net assets - July 1, 2003					<u>9,763,393</u>
Net assets - June 30, 2004					<u>\$ 9,918,997</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Capital Projects Fund

The Capital Projects Fund is used to account for the financing and construction of a Training Center and Shooting Range. Funds were provided through the issuance of \$1,250,000 of Certificates of Indebtedness, Series 2004.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Balance Sheet - Governmental Funds
June 30, 2004
With Comparative Totals for June 30, 2003

	General Fund	Capital Projects Fund	Totals (Memorandum Only)	
			2004	2003
ASSETS				
Cash and interest-bearing deposits	\$4,483,264	\$1,167,784	\$ 5,651,048	\$2,809,593
Investments	4,210,801	-	4,210,801	6,168,279
Receivables -				
Accrued interest	10,218	-	10,218	6,368
Due from other funds	6,600	-	6,600	-
Due from other governmental agencies	121,465	-	121,465	160,006
Other	17,838	-	17,838	15,001
Total assets	<u>\$8,850,186</u>	<u>\$1,167,784</u>	<u>\$10,017,970</u>	<u>\$9,159,247</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 31,880	\$ -	\$ 31,880	\$ 58,111
Due to other funds	-	6,600	6,600	-
Due to other governmental agencies	47,487	-	47,487	-
Accrued liabilities	32,502	-	32,502	490,508
Total liabilities	<u>111,869</u>	<u>6,600</u>	<u>118,469</u>	<u>548,619</u>
Fund balances:				
Reserved for subsequent years' expenditures	-	229,029	229,029	-
Designated for capital projects	-	932,155	932,155	-
Unreserved and undesignated	8,738,317	-	8,738,317	8,610,628
Total fund balances	<u>8,738,317</u>	<u>1,161,184</u>	<u>9,899,501</u>	<u>8,610,628</u>
Total liabilities and fund balances	<u>\$8,850,186</u>	<u>\$1,167,784</u>	<u>\$10,017,970</u>	<u>\$9,159,247</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balance for governmental funds at June 30, 2004		\$ 9,899,501
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 78,000	
Construction in progress	69,726	
Vehicles, net of \$832,457 accumulated depreciation	554,696	
Office furniture, net of \$333,306 accumulated depreciation	216,422	
Equipment, net of \$272,908 accumulated depreciation	<u>350,652</u>	1,269,496
Long-term liabilities at June 30, 2004:		
Certificates of indebtedness payable		<u>(1,250,000)</u>
Net assets at June 30, 2004		<u>\$ 9,918,997</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2004
With Comparative Totals for Year Ended June 30, 2003

	General Fund	Capital Projects Fund	Totals (Memorandum Only)	
			2004	2003
Revenues:				
Ad valorem taxes	\$4,987,483	\$ -	\$4,987,483	\$4,899,142
Intergovernmental revenues -				
Federal grants	304,532	-	304,532	522,741
State grants - state revenue sharing (net)	146,479	-	146,479	158,639
State supplemental pay	221,902	-	221,902	222,507
Video poker commissions	320,910	-	320,910	276,369
Fees charges and commissions for services -			-	
Civil and criminal fees	319,041	-	319,041	275,374
Transporting prisoners	8,365	-	8,365	10,531
Feeding and keeping prisoners	282,463	-	282,463	286,617
Interest income	102,180	959	103,139	135,378
Miscellaneous	98,885	-	98,885	117,131
Total revenues	<u>6,792,240</u>	<u>959</u>	<u>6,793,199</u>	<u>6,904,429</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	4,326,876	-	4,326,876	4,322,335
Operating services	1,099,222	-	1,099,222	1,912,276
Operations and maintenance	823,093	20,049	843,142	886,961
Travel and other charges	12,207	-	12,207	20,416
Capital outlay	388,425	69,726	458,151	423,038
Debt service	14,728	-	14,728	-
Total expenditures	<u>6,664,551</u>	<u>89,775</u>	<u>6,754,326</u>	<u>7,565,026</u>
Excess (deficiency) of revenues over expenditures	127,689	(88,816)	38,873	(660,597)
Other financing sources				
Proceeds from certificates of indebtedness	-	1,250,000	1,250,000	-
Net change in fund balances	127,689	1,161,184	1,288,873	(660,597)
Fund balances, beginning	<u>8,610,628</u>	<u>-</u>	<u>8,610,628</u>	<u>9,271,225</u>
Fund balances, ending	<u>\$8,738,317</u>	<u>\$1,161,184</u>	<u>\$9,899,501</u>	<u>\$8,610,628</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
Year Ended June 30, 2004

Total net changes in fund balances for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 1,288,873
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$458,151	
Depreciation expense for the year ended June 30, 2004	(339,516)	
Current year dispositions of capital assets, net of accumulated depreciation	<u>(1,904)</u>	116,731
Less: Proceeds from the issuance of certificates of indebtedness		<u>(1,250,000)</u>
Total changes in net assets for the year ended June 30, 2004 per Statement of Activities		<u>\$ 155,604</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Fiduciary Net Assets
June 30, 2004
With Comparative Totals for June 30, 2003

	Agency Funds	
	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and interest-bearing deposits	<u>\$295,295</u>	<u>\$ 243,599</u>
LIABILITIES		
Liabilities:		
Due to other taxing bodies	\$291,810	\$ 237,310
Due to inmates	<u>3,485</u>	<u>6,289</u>
Total liabilities	<u>\$295,295</u>	<u>\$ 243,599</u>

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the St. James Parish Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

(1) Summary of Significant Accounting Policies

A. 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 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 council, 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.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the St. James 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.

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

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by *segregating transactions related to certain sheriff functions and activities*. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. 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 10 percent of the corresponding total for all governmental funds. The governmental funds of the Sheriff are considered to be major funds. The funds of the Sheriff are described below:

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Funds -

General Fund - This fund is the primary operating fund of the sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to sheriff policy.

Capital Projects Fund - This fund is used to account for the financing and construction of a Training Center and Shooting Range. Funds were provided through the issuance of \$1,250,000 of Certificates of Indebtedness, Series 2004.

Fiduciary Funds -

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

C. Measurement Focus/Basis of Accounting

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

The amounts reflected in the governmental 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 fund uses the following practices in recording revenues and expenditures:

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues 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.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

Deferred Revenues

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

D. Budgets

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

1. *The chief administrative deputy prepares a proposed budget for the general and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.*
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the 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.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

F. Investments

Under state law, the Sheriff may deposit funds with a fiscal agent 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 and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2004, all of the Sheriff's investments are in LAMP, which are stated at amortized cost.

G. Short-Term Interfund Receivables/Payables

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

II. Inventory

Inventory of the Sheriff's General Fund consists of commodities granted by the United States Department of Agriculture through the Louisiana Department of agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are stated at cost, which is determined by the first-in, first-out method and commodities are assigned values based on information provided by the *United States Department of Agriculture and Forestry*. There was no inventory at June 30, 2004.

I. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond the end of the fiscal year are recorded as prepaid items. At June 30, 2004, no items were reportable as prepayments.

J. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). 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 \$1,000 or more for capitalizing capital assets.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5
Office furniture	5-10
Equipment	5-10

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

K. Compensated Absences

Employees of the Sheriff's office earn from 5 to 10 days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Employees with 0-9 years service to the St. James Parish Sheriff's office earn ten (10) days per year. Sick leave is not compensable if an employee leaves the service of the St. James Parish Sheriff's office. Sick leave may be accrued up to a total of twenty-five (25) working days. Employees having served the Sheriff's office over nine consecutive years receive twenty-five (25) working days sick leave per year, which cannot be accrued. Additional sick leave is allowed at the discretion of the Sheriff. At June 30, 2004, the Sheriff has no leave benefits required to be reported in accordance with generally accepted accounting principles.

L. Restricted Net Assets

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

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

M. Fund Equity

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

N. Interfund Transactions

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

O. Estimates

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

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within 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 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) totaling \$5,946,343, as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	<u>Total</u>
Noninterest-bearing deposits	\$ 39,594	\$235,119	\$ 274,713
Interest-bearing deposits	<u>5,611,454</u>	<u>60,176</u>	<u>5,671,630</u>
Total	<u>\$5,651,048</u>	<u>\$295,295</u>	<u>\$5,946,343</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004, are secured as follows:

Bank balances	<u>\$6,423,880</u>
Federal deposit insurance	267,176
Pledged securities (category 3)	<u>6,196,704</u>
Total	<u>\$6,463,880</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, 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.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Investments

The Sheriff can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The Sheriff's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Sheriff or its agent in the Sheriff's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Sheriff's name.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.: a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value of the Sheriff's investment in LAMP is the same as the value of the pool shares. For purposes of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7.

At June 30, 2004, the Sheriff's investments totaled \$4,210,801 as follows:

Description	Category	Interest Rate	Amortized Cost	Approximate Market Value
LAMP:				
Government-wide statement of net assets	N/A	variable	<u>\$4,210,801</u>	<u>\$4,210,801</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(4) 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 taxpayers by the Sheriff in October. 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 St. James 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 20.96 mills on property with net assessed valuations totaling \$265,227,638.

Total law enforcement taxes levied during 2004 were \$5,559,171.

(5) Receivables and Due From Other Governmental Units

Receivables and amounts due from other governmental units at June 30, 2004 consist of the following:

	<u>Receivables</u>	<u>Due from Other Governments</u>
St. James Parish and others for prisoner maintenance, fees, and other charges	\$ -	\$ 38,811
State of Louisiana for video poker commissions	-	45,499
State of Louisiana for grants	-	5,167
Due from agency funds for commissions, taxes, and interest	-	27,188
U. S. Housing and Urban Development	-	4,800
Accrued interest receivable	10,218	-
Miscellaneous receivables	17,838	-
	<u>\$28,056</u>	<u>\$ 121,465</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

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

	<u>Balance 7/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2004</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 70,000	\$ 8,000	\$ -	\$ 78,000
Construction in progress	-	69,726	-	69,726
Other capital assets:				
Vehicles	1,441,389	234,012	(288,248)	1,387,153
Office furniture	460,630	93,786	(4,688)	549,728
Equipment	<u>570,933</u>	<u>52,627</u>	<u>-</u>	<u>623,560</u>
Total	<u>2,542,952</u>	<u>458,151</u>	<u>(292,936)</u>	<u>2,708,167</u>
Less: accumulated depreciation				
Vehicles	893,950	224,851	(286,344)	832,457
Office furniture	279,362	58,632	(4,688)	333,306
Equipment	<u>216,875</u>	<u>56,033</u>	<u>-</u>	<u>272,908</u>
Total	<u>1,390,187</u>	<u>339,516</u>	<u>(291,032)</u>	<u>1,438,671</u>
Net capital assets	<u>\$1,152,765</u>	<u>\$118,635</u>	<u>\$ (1,904)</u>	<u>\$1,269,496</u>

Depreciation expense in the amount of \$339,516 was charged to public safety.

(7) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2004:

Accounts	\$ 31,880
Salaries	31,008
Payroll withholdings	1,494
Due to other governmental units	<u>47,487</u>
Total	<u>\$111,869</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Changes in Long-Term Debt

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

	Governmental Activities
Long-term certificates payable, July 1, 2003	\$ -
Long-term certificates issued	1,250,000
Long-term certificates retired	-
Long-term certificates payable, June 30, 2004	\$ 1,250,000

Long-term debt payable at June 30, 2004 is comprised of the following individual issue:

\$1,250,000 Certificates of Indebtedness payable, Series 2004, due in annual installments of \$155,000 - \$200,000 through January 1, 2011; interest at 2.54 percent; payable from ad valorem tax revenues	\$ 1,250,000
--	--------------

The certificates are due as follows:

Year ending June 30,	Governmental Activities	
	Principal payments	Interest payments
2005	\$ 155,000	\$ 15,875
2006	165,000	27,813
2007	170,000	23,622
2008	180,000	19,304
2009	185,000	14,732
2010	195,000	10,033
2011	200,000	5,080
Total	\$1,250,000	\$ 116,459

(9) Pension Plan

Plan Description. The St. James Parish Sheriff contributes to the Sheriff's Pension and Relief Fund (Retirement System), a cost-sharing, multiple-employer defined benefit pension plan administered by the Sheriffs' Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriffs' Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Funding Policy Plan members are required to contribute 9.8% of their annual covered salary and the St. James Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.25% of annual covered payroll. The contribution requirements of plan members and the St. James Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. The St. James Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2003, 2002, and 2001 were \$326,851, \$264,414, and \$224,001, respectively.

(10) Deferred Compensation Plan

The Sheriff offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the State of Louisiana Deferred Compensation Plan. The plan, available to all Sheriff employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

As a result of legislative changes, all amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property and rights of the Sheriff subject only to the claims of the Sheriff's general creditors. As a result, at June 30, 2004, the deferred compensation investments are no longer reported in the Sheriff's financial statements as an agency fund.

(11) Changes in Agency Fund Balances

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

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Inmate Trust & Commissary Fund
Balances, June 30, 2003	\$ 37,975	\$ 21,023	\$175,449	\$ 9,152
Additions	472,639	27,983,524	505,248	56,142
Reductions	<u>(476,181)</u>	<u>(27,978,704)</u>	<u>(454,920)</u>	<u>(56,052)</u>
Balances, June 30, 2004	<u>\$ 34,433</u>	<u>\$ 25,843</u>	<u>\$225,777</u>	<u>\$ 9,242</u>

(12) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2004, include \$25,149 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.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(13) 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 liability to the Sheriff in excess of insurance coverage.

(14) Postretirement Health Care and Life Insurance Benefits

The Sheriff provides certain health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees are eligible for these benefits if they reach normal retirement age while working for the Sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company in which the monthly premium is paid by the Sheriff. The Sheriff's cost of providing retiree's health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2004, the amount of retiree benefits totaled \$32,464 and there were fourteen former employees qualified to receive such benefits.

(15) Risk Management

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(16) Self-Insurance Plan

The Sheriff established a self-insurance health plan to account for and finance its uninsured risk of loss which was administered by Risk Management, Inc. Under this plan, the Sydney Reinsurance Corporation reimbursed the Sheriff for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the Sheriff, which is \$50,000. Sydney Reinsurance Corporation reimbursed the Sheriff for aggregate incurred claims during the period of insurance, less any amounts paid with respect to the specific incurred claims, which exceeds the greater of \$1,035,512 or the total of monthly payments by the Sheriff which is calculated based on the number of employees covered multiplied by \$400.

Changes in the claims liability amounts for the risk management program are as follows:

	Claims payable at 06/30/03	Claims Incurred	Claim Payment	Claims payable at 06/30/04
2003-2004	\$319,570	\$ 87,118	\$ 406,688	\$ -

During the fiscal year ended June 30, 2004, the plan was discontinued, at which time the Sheriff began purchasing conventional insurance for group insurance coverage.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(17) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse, as required by statute, is paid by the St. James Parish Council. These expenditures are not included in the accompanying financial statements.

(18) Interfund Transactions

Interfund receivables and payables at June 30, 2004 consisted of \$6,600 loaned from the General Fund to the Capital Projects Fund, which represents a short-term loan for reimbursement of expenditures paid.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Budgetary Comparison Schedule
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004		Actual	Variance with Final Budget Positive (Negative)	2003 Actual
	Budget				
	Original	Final			
Revenues:					
Ad valorem taxes	\$4,915,000	\$5,007,792	\$ 4,987,483	\$ (20,309)	\$4,899,142
Intergovernmental revenues -					
Federal grants	91,000	91,000	304,532	213,532	522,741
State grants - state revenue sharing (net)	267,200	268,155	146,479	(121,676)	158,639
State supplemental pay	225,000	245,532	221,902	(23,630)	222,507
Video poker commissions	215,000	240,000	320,910	80,910	276,369
Fees charges and commissions for services -					
Civil and criminal fees	319,050	413,200	319,041	(94,159)	275,374
Transporting prisoners	3,000	6,500	8,365	1,865	10,531
Feeding and keeping prisoners	240,000	300,520	282,463	(18,057)	286,617
Interest income	276,500	86,500	102,180	15,680	135,378
Miscellaneous	333,550	248,050	98,885	(149,165)	117,131
Total revenues	<u>6,885,300</u>	<u>6,907,249</u>	<u>6,792,240</u>	<u>(115,009)</u>	<u>6,904,429</u>
Expenditures:					
Current -					
Public safety:					
Personal services and related benefits	4,464,700	4,671,982	4,326,876	345,106	4,322,335
Operating services	980,500	1,166,000	1,099,222	66,778	1,912,276
Operations and maintenance	797,000	843,100	823,093	20,007	886,961
Travel and other charges	9,500	10,000	12,207	(2,207)	20,416
Capital outlay	339,000	326,512	388,425	(61,913)	423,038
Debt service	120,000	-	14,728	(14,728)	-
Total expenditures	<u>6,710,700</u>	<u>7,017,594</u>	<u>6,664,551</u>	<u>353,043</u>	<u>7,565,026</u>
Excess (deficiency) of revenues over expenditures	174,600	(110,345)	127,689	238,034	(660,597)
Fund balance, beginning	<u>8,610,628</u>	<u>8,610,628</u>	<u>8,610,628</u>	<u>-</u>	<u>9,271,225</u>
Fund balance, ending	<u>\$8,785,228</u>	<u>\$8,500,283</u>	<u>\$ 8,738,317</u>	<u>\$238,034</u>	<u>\$8,610,628</u>

The accompanying notes are an integral part of this statement.

**OTHER SUPPLEMENTARY
INFORMATION**

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004		Actual	Variance with Final Budget	
	Budget			Positive	2003
	Original	Final		(Negative)	Actual
Current:					
Public safety -					
Personal services and related benefits:					
Sheriff's salary	\$ 87,000	\$ 109,582	\$ 108,757	\$ 825	\$ 77,000
Deputies salaries	3,940,000	4,010,000	3,737,687	272,313	3,809,869
Other salaries	33,000	36,000	18,657	17,343	30,248
Pension and payroll taxes	396,000	516,400	450,299	66,101	397,518
Sheriff's expense allowance	8,700	-	11,476	(11,476)	7,700
Total personal services and related benefits	<u>4,464,700</u>	<u>4,671,982</u>	<u>4,326,876</u>	<u>345,106</u>	<u>4,322,335</u>
Operating services:					
Hospitalization insurance	650,000	790,000	737,533	52,467	1,657,380
Dental insurance	50,000	37,000	27,270	9,730	25,943
Auto insurance	120,000	180,000	169,430	10,570	110,688
Other liability insurance	160,500	159,000	164,989	(5,989)	118,265
Total operating services	<u>980,500</u>	<u>1,166,000</u>	<u>1,099,222</u>	<u>66,778</u>	<u>1,912,276</u>
Operations and maintenance:					
Auto fuel and oil	170,000	145,000	160,891	(15,891)	154,719
Auto maintenance	83,000	89,500	87,431	2,069	81,261
Deputy uniforms, supplies, etc.	85,000	130,000	66,532	63,468	105,121
Office supplies and expenses	157,500	150,500	136,944	13,556	165,196
Telephone	56,000	61,000	59,179	1,821	63,486
Prisoner feeding and maintenance	125,000	144,100	132,310	11,790	126,891
Professional fees	36,000	41,000	76,683	(35,683)	71,076
Criminal investigation expense	30,000	21,000	47,814	(26,814)	33,465
Other	54,500	61,000	55,309	5,691	85,746
Total operations and maintenance	<u>797,000</u>	<u>843,100</u>	<u>823,093</u>	<u>20,007</u>	<u>886,961</u>
Travel and other charges	<u>9,500</u>	<u>10,000</u>	<u>12,207</u>	<u>(2,207)</u>	<u>20,416</u>
Capital outlay:					
Vehicles	220,000	234,012	234,012	-	208,982
Equipment	44,000	15,000	59,961	(44,961)	59,034
Computers	25,000	48,000	78,076	(30,076)	35,382
Radios	20,000	15,000	8,376	6,624	49,640
Land	30,000	14,500	8,000	6,500	70,000
Total capital outlay	<u>339,000</u>	<u>326,512</u>	<u>388,425</u>	<u>(61,913)</u>	<u>423,038</u>
Debt service - interest	<u>120,000</u>	<u>-</u>	<u>14,728</u>	<u>(14,728)</u>	<u>-</u>
Total expenditures	<u>\$6,710,700</u>	<u>\$7,017,594</u>	<u>\$6,664,551</u>	<u>\$ 353,043</u>	<u>\$7,565,026</u>

AGENCY FUNDS

Sheriff's Fund -

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 cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

Prison Inmate Trust Fund -

To account for the receipts and disbursements made to the individual prison inmate accounts.

Commissary Fund -

To account for the sale of commissary merchandise and supplies.

ST. JAMES PARISH SHERIFF
 Convent, Louisiana
 Agency Funds

Combining Balance Sheet
 June 30, 2004
 With Comparative Totals for June 30, 2003

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Commissary and Prison Inmate Trust Fund	Totals
					2004 2003
ASSETS					
Cash	\$ -	\$ 100	\$ 225,777	\$ 9,242	\$ 235,119 \$ 184,701
Interest-bearing deposits	<u>34,433</u>	<u>25,743</u>	-	-	<u>60,176</u> <u>58,898</u>
Total assets	<u>\$ 34,433</u>	<u>\$ 25,843</u>	<u>\$ 225,777</u>	<u>\$ 9,242</u>	<u>\$ 295,295</u> <u>\$ 243,599</u>
LIABILITIES					
Due to taxing bodies and others	\$ 34,433	\$ 25,843	\$ 225,777	\$ 5,757	\$ 291,810 \$ 237,310
Due to inmates	-	-	-	<u>3,485</u>	<u>6,289</u>
Total liabilities	<u>\$ 34,433</u>	<u>\$ 25,843</u>	<u>\$ 225,777</u>	<u>\$ 9,242</u>	<u>\$ 295,295</u> <u>\$ 243,599</u>

ST. JAMES PARISH SHERIFF
 Convent, Louisiana
 Agency Funds

Combining Statement of Changes in Assets and Liabilities
 Year Ended June 30, 2004

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Trust Fund	Totals
	2004	2004	2004	2004	2003
Balances, beginning of year	\$ 37,975	\$ 21,023	\$ 175,449	\$ 9,152	\$ 461,711
Additions:					
Deposits -					
Sheriff's sales	222,165	-	-	-	793,064
Bonds	-	-	265,908	-	315,728
Fines and costs	-	-	238,132	-	255,210
Garnishments	181,234	-	-	-	185,871
Inmates	-	-	-	56,142	55,368
Taxes, fees, etc. paid to tax collector	-	27,983,524	-	-	25,745,334
Interest on investments	-	-	1,208	-	1,427
Other additions	69,240	-	-	-	46,895
Total additions	472,639	27,983,524	505,248	56,142	27,398,897
Total	510,614	28,004,547	680,697	65,294	27,860,608
Reductions:					
Taxes, fees, etc. distributed to taxing bodies and others	-	27,978,704	-	-	25,962,732
Deposits settled to -					
Sheriff's General Fund	80,338	-	55,597	-	184,194
Parish council	-	-	114,367	-	182,381
District attorney	-	-	59,076	-	81,680
Clerk of court	18,038	-	19,673	-	41,491
Indigent defender board	-	-	16,526	-	79,222
Litigants	328,671	-	-	-	876,619
Attorneys, appraisers, etc.	8,836	-	-	-	26,166
Other settlements	-	-	11,209	14,283	44,359
Other reductions	40,298	-	178,472	41,769	138,165
Total reductions	476,181	27,978,704	454,920	56,052	27,617,009
Balances, end of year	\$ 34,433	\$ 25,843	\$ 225,777	\$ 9,242	\$ 243,599

COMPLIANCE AND INTERNAL CONTROL

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 3438
Morgan City, LA 70381

Phone (985) 384-2020
Fax (985) 384-3020

WEB SITE
WWW.KCSRCPAS.COM

Robert S. Carter, CPA
Aven J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

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

* A Professional Accounting Corporation

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 Willy J. Martin, Jr.
St. James Parish Sheriff
Convent, Louisiana

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

Compliance

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and 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 an instance of noncompliance that is required to be reported under Government Auditing Standards which are described in the accompanying schedule of current and prior year audit findings and questioned costs as item 04-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 the Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as Item 04-1.

183 South Deadie Road
Lafayette, LA 70508
Phone (337) 232-4341
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddell
Marksville, LA 71351
Phone (337) 253-9252
Fax (337) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70555
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

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

This report is intended for the information of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
September 30, 2004

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person(s)	Anticipated Completion Date
<u>CURRENT YEAR (6/30/04) --</u>						
<u>Compliance:</u>						
04-02	2004	The Sheriff failed to comply with L.A RS. 47:2060 requiring timely disbursements of pension and ad valorem tax funds.	No	The Sheriff will make timely disbursements of pension and ad valorem tax funds in accordance with LA RS. 47:2060.	Wayne Ockmond, Civil Supervisor	Immediately
<u>Internal Control:</u>						
04-01	Unknown	Inadequate segregation of functions within the accounting system.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Wayne Ockmond, Civil Supervisor	N/A
<u>PRIOR YEAR (6/30/03) --</u>						
<u>Internal Control:</u>						
03-01	Unknown	Inadequate segregation of functions within the accounting system.	N/A	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Wayne Ockmond, Civil Supervisor	N/A