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ALLEN PARISH SHERIFF
Oberlin, Louisiana

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' 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 2-2-05

Royce T. Scimemi, CPA, APAC
Oberlin, LA

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INDEPENDENT AUDITORS' REPORT

November 17, 2004

Honorable Harold Brady
Allen Parish Sheriff
Oberlin, Louisiana

I have audited the accompanying basic financial statements of the governmental activities of the Allen Parish Sheriff, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Allen Parish Sheriff. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

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

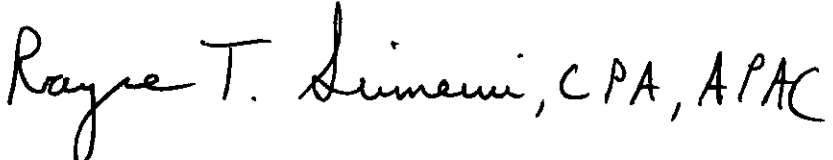
In accordance with *Government Auditing Standards*, I have also issued my report dated November 17, 2004, on my consideration of the Allen Parish Sheriff's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Allen Parish Sheriff
November 17, 2004

The Management's Discussion and Analysis and the required supplemental information on pages 5 through 12 and page 41 through 43, respectively, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Sheriff's basic financial statements. The other supplemental information on pages 45 through 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Allen Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R' and 'S'.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis

Within this section of the Allen Parish Sheriff's (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.

Financial Highlights

- The Sheriff's assets exceeded its liabilities by \$2,768,133 (net assets) for the fiscal year reported.
- Total expenditures of \$3,438,111 exceeded total revenues of \$3,228,473, which resulted in a current year deficit of \$209,638. This is considerably down from that last year, when revenues exceeded expenditures by \$42,106.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$909,609 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the purchase of capital assets.
 - (2) Restricted net assets of \$1,290,196 include debt service fund cash balances (\$75,240) and Coushatta Grant Revenues dedicated for the construction of a new jail facility (\$1,214,956).
 - (3) Unrestricted net assets of \$568,328.
- The Sheriff's governmental funds reported total ending fund balance of \$1,863,536 this year. This compares to the prior year ending fund balance of \$2,073,174, reflecting a decrease of \$209,638 during the current year. Also, the general fund reported total ending fund balance of \$375,441 this year. This compares to the prior year general fund ending fund balance of \$1,058,514, reflecting a decrease of \$683,073 during the current year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$375,441, or 12% of total General Fund expenditures including operating transfers (\$3,215,856) and 15% of total General Fund revenues including operating transfers (\$2,532,783).
- Overall, the Sheriff's office financial position has deteriorated overall and has dramatically deteriorated in operational funding.

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

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) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

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

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

Both government-wide financial statements distinguish governmental activities of the Sheriff that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include public safety.

The government-wide financial statements are presented on pages 15 through 16 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.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

The Sheriff uses governmental funds and fiduciary funds as follows:

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 19 and 21 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds.

The basic agency fund financial statements are presented on pages 23 through 24 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 25 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on pages 41 through 43 of this report.

As discussed, the Sheriff reports major funds in the basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Financial Analysis of the Sheriff as a Whole

The Sheriff's net assets at fiscal year-end are \$2,768,133. The following table provides a summary of the Sheriff's net assets:

	<u>Governmental Activities</u>	<u>Percentage</u>
Assets:		
Current assets	\$ 1,909,122	62%
Capital assets	<u>1,189,609</u>	<u>38</u>
Total assets	<u>3,098,731</u>	<u>100%</u>
Liabilities:		
Current liabilities	115,598	35%
Long-term liabilities	<u>215,000</u>	<u>65</u>
Total liabilities	<u>330,598</u>	<u>100%</u>
Net assets:		
Investment in capital assets, net of debt	909,609	
Restricted for debt service	75,240	
Restricted for capital projects	1,215,956	
Unrestricted	<u>568,328</u>	
Total net assets	<u>\$ 2,768,133</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 the Sheriff overall is 16.52 to 1. This ratio is strong, but it does not take into account the fact that most of the current assets are restricted for debt service and capital projects.

Note that approximately 38% of the governmental activities' net assets are tied up in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

Overall, the Sheriff's office reports net assets of \$2,768,133. This amount is \$258,287 lower than last year. The Sheriff's office has a net of \$1,189,609 invested in capital assets. The Sheriff's overall financial position deteriorated during fiscal year ended June 30, 2004.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

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

	<u>Governmental Activities</u>	<u>Percentage</u>
Revenues:		
Program:		
Fees, fines and charges for services	\$ 926,261	29%
Operating grants and contributions	661,779	20
Capital grants and contributions	300,000	9
General:		
Property taxes	1,082,415	34
State grants and contributions not restricted to specific programs	231,986	7
Interest	24,032	1
Miscellaneous	<u>2,000</u>	<u>-</u>
Total Revenues	<u>3,228,473</u>	<u>100%</u>
Program expenses:		
Public safety	3,471,139	99%
Interest	<u>15,621</u>	<u>1</u>
Total Expenses	<u>3,486,760</u>	<u>100%</u>
Change in net assets	(258,287)	
Beginning net assets	<u>3,026,420</u>	
Ending net assets	<u>\$ 2,768,133</u>	

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Governmental Revenues

The Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 34% of the Sheriff's total revenues. Also, note that program revenues covered 54% of governmental operating expenses. This means that the government's taxpayers, in the form of property taxes, grants, and the Sheriff's other general revenues funded 46% of its operations.

Governmental Functional Expenses

The total function of the Sheriff's office is public safety activities. The only other non-functional cost is interest expense related to the outstanding obligations of capital leases. Of the total cost, depreciation on the furniture, equipment, vehicles and buildings was \$153,144 or 4.0% of total expenses.

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 an ending balance of \$1,862,536. Legally restricted fund balances include: \$80,252 reserved for debt service and \$1,214,956 reserved for capital. As a result, the unreserved, undesignated fund balance is \$568,328.

The unreserved, undesignated fund balance decreased by \$527,779 from the previous year.

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 \$683,073. In fiscal year ended June 30, 2004, revenues increased by \$28,973 while operating expenditures increased by \$56,348. Operating transfers in from other funds accounts for the largest reduction in funding for the Sheriff's General Fund operations. Net operating transfers into the General Fund decreased by \$357,010 from \$574,640 last year to \$217,630 this year.

The E-911 Fund is the Sheriff's special revenue used for maintaining the enhanced 911 emergency telephone system of the parish. The E-911 Fund's fund balance decreased by \$36,830. In fiscal year ended June 30, 2004, revenues decreased by \$28,475 while operating expenditures increased by \$4,712.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

The Coushatta Tribe of Louisiana Community Grant Fund is the Sheriff's special revenue fund used to account for receipt and disbursement of gaming grants received from the Coushatta Tribe of Louisiana. The Coushatta Tribe of Louisiana Community Grant Fund's fund balance increased by \$192,695. In fiscal year ended June 30, 2004, gaming revenues from the Coushatta Tribe of Louisiana decreased by \$199,259. Operating transfers to other funds accounts for the largest reduction of funding for the Coushatta Tribe of Louisiana Community Grant Fund. Operating transfers into the General Fund decreased by \$353,000 from \$653,000 last year to \$300,000 this year. Operating transfers into the Capital Projects Fund (for future jail construction) decreased by \$50,000 from \$350,000 last year to \$300,000 this year.

The Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on certificates of indebtedness. The Debt Service Fund's fund balance increased by \$9,861. In fiscal year ended June 30, 2004, debt service expenditures increased by \$3,303, while operating transfers in from the General Fund increased by \$8,260 from \$78,360 last year to \$86,620 this year.

The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other funds. The Capital Projects Fund's fund balance increased by \$307,709. In fiscal year ended June 30, 2004, revenues increased by \$7,632. Net operating transfers decreased by \$54,250 from \$350,000 last year to 295,750 this year.

Budgetary Highlights

The General Fund – When the original budget was adopted, it was anticipated that the total revenues were going remain constant. The original budget reflected a decrease in total expenditures of \$44,115 from the previous fiscal year mainly due to an anticipated decrease in capital outlay. The budget was amended once during the year. Personal services and related benefits increased by \$163,828 over last year when revenues remained relatively constant and operating transfers were reduced by \$357,010.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administrators

Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$1,189,609. See Note F for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities	
	2004	2003
Nondepreciable assets-land	\$ 82,178	\$ 82,178
Depreciable assets:		
Buildings and improvements	1,017,482	1,017,482
Office, equipment and furniture	399,036	385,538
Vehicles	586,979	722,785
Total depreciable assets	2,003,497	2,125,805
Less accumulated depreciation	896,066	908,678
Book value-depreciable assets	<u>\$1,107,431</u>	<u>\$1,217,127</u>
Percentage depreciated	45%	43%
Book value-all assets	<u>\$1,189,609</u>	<u>\$1,299,305</u>

At June 30, 2004, the depreciable capital assets for governmental activities were 45% depreciated. The book value is at 59% of the original cost.

Long-term debt

At the end of the fiscal year, the Sheriff had total certificates of indebtedness outstanding of \$280,000. The total amount of these obligations are secured by general fund revenues. During the year, the Sheriff retired \$60,000 of the outstanding debt balance. See Note G for additional information regarding long-term debt.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

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 any questions about this report or would like to request additional information, contact the Sheriff's office, Mr. Phillip Vining, Chief Civil Deputy at (337) 639-4353.

BASIC FINANCIAL STATEMENTS

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF NET ASSETS
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash - Interest bearing	\$ 1,622,207
Cash – Non-interest bearing	300
Investments	704
Receivables	234,911
Due from other governmental units	51,000
Capital assets:	
Land	82,178
Capital assets, net	<u>1,107,431</u>
Total assets	<u>3,098,731</u>
LIABILITIES	
Accounts and other accrued payables	45,586
Interest payable	5,012
Long-term liabilities:	
Due within one year	65,000
Due after one year	<u>215,000</u>
Total liabilities	<u>330,598</u>
NET ASSETS	
Invested in capital assets, net of related debt	909,609
Restricted for debt service	75,240
Restricted for capital projects	1,214,956
Unrestricted	<u>568,328</u>
Total net assets	<u>\$ 2,768,133</u>

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2004

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Public safety	\$3,471,139	\$ 926,261	\$ 661,779	\$ 300,000	\$ (1,583,099)
Interest on long-term debt	<u>15,621</u>	-	-	-	<u>(15,621)</u>
Total	<u>\$3,486,760</u>	<u>\$ 926,261</u>	<u>\$ 661,779</u>	<u>\$ 300,000</u>	<u>(1,598,720)</u>
General Revenues:					
Taxes –					
Property taxes, levied for general purposes					1,082,415
Grants and contributions not restricted to specific programs –					
State sources					231,986
Interest and investment earnings					24,032
Miscellaneous					<u>2,000</u>
Total general revenues					<u>1,340,433</u>
Change in net assets					(258,287)
Net assets – June 30, 2003					<u>3,026,420</u>
Net assets – June 30, 2004					<u>\$ 2,768,133</u>

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

**FUND FINANCIAL STATEMENTS
(FFS)**

MAJOR 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 Funds

E-911 Special Revenue Fund

The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone System for the parish.

Coushatta Tribe of Louisiana Community Grant Fund

The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on certificates of indebtedness.

Capital Projects Fund

The Capital Projects Fund is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2004

	<u>General Fund</u>	<u>E-911 Fund</u>	<u>Coushatta Tribe of Louisiana Community Grant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
ASSETS						
Cash - Non-interest bearing	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ 300
Cash - Interest bearing	295,297	29,537	302,736	80,252	914,385	1,622,207
Investments	704	-	-	-	-	704
Receivables:						
Due from other governmental units	51,000	-	-	-	-	51,000
Due from other funds	59,388	-	-	-	300,000	359,388
Other	14,338	30,422	190,151	-	-	234,911
Total assets	<u>421,027</u>	<u>59,959</u>	<u>492,887</u>	<u>80,252</u>	<u>1,214,385</u>	<u>2,268,510</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	45,586	-	-	-	-	45,586
Due to other funds	-	59,388	300,000	-	-	359,388
Total liabilities	<u>45,586</u>	<u>59,388</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>404,974</u>
Fund balances:						
Reserved for debt service	-	-	-	80,252	-	80,252
Reserved for capital projects	-	571	-	-	1,214,385	1,214,956
Unreserved, undesignated	375,441	-	192,887	-	-	568,328
Total fund balances	<u>375,441</u>	<u>571</u>	<u>192,887</u>	<u>80,252</u>	<u>1,214,385</u>	<u>1,863,538</u>
Total liabilities and fund balances	<u>\$ 421,027</u>	<u>\$ 59,959</u>	<u>\$ 492,887</u>	<u>\$ 80,252</u>	<u>\$ 1,214,385</u>	<u>\$ 2,268,510</u>

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

ALLEN PARISH SHERIFF
 Oberlin, Louisiana
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
 June 30, 2004

Total fund balance for governmental funds at June 30, 2004		\$ 1,863,536
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	\$ 82,178	
Capital assets, net of \$896,066 accumulated depreciation	<u>1,107,431</u>	1,189,609
Long-term liabilities at June 30, 2004:		
Accrued interest payable	(5,012)	
Certificate of indebtedness payable	<u>(280,000)</u>	<u>(285,012)</u>
Total net assets of governmental activities at June 30, 2004		<u>\$ 2,768,133</u>

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES –GOVERNMENTAL FUNDS
Year Ended June 30, 2004

	General Fund	E-911 Fund	Coushatta Tribe of Louisiana Community Grant Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES						
Ad valorem taxes	\$ 1,082,415	\$ -	\$ -	\$ -	\$ -	\$ 1,082,415
Intergovernmental revenues -						
Federal grants	82,000	-	-	-	-	82,000
State grants	7,456	14,280	-	-	-	21,736
State revenue sharing (net)	128,342	-	-	-	-	128,342
State supplemental pay	103,644	-	-	-	-	103,644
Local sources	66,467	-	791,576	-	-	858,043
Miscellaneous	2,000	-	-	-	-	2,000
Fees, charges and commissions for services:						
Civil and criminal fees	351,171	-	-	-	-	351,171
Court attendance	17,986	-	-	-	-	17,986
E-911 reimbursements	173,034	-	-	-	-	173,034
Feeding and keeping prisoners	157,708	-	-	-	-	157,708
Transporting prisoners	16,132	-	-	-	-	16,132
Other	29,596	180,634	-	-	-	210,230
Interest income	10,582	363	1,119	9	11,959	24,032
Total revenues	<u>2,228,533</u>	<u>195,277</u>	<u>792,695</u>	<u>9</u>	<u>11,959</u>	<u>3,228,473</u>
EXPENDITURES						
Current -						
Public safety:						
Personal services and related benefits	2,144,460	-	-	-	-	2,144,460
Operating services	481,583	232,107	-	-	-	713,690
Operations and maintenance	423,984	-	-	73	-	424,057
Travel	6,355	-	-	-	-	6,355
Capital outlay	72,854	-	-	-	-	72,854
Debt Service						
Principal	-	-	-	60,000	-	60,000
Interest	-	-	-	16,695	-	16,695
Total expenditures	<u>3,129,236</u>	<u>232,107</u>	<u>-</u>	<u>76,768</u>	<u>-</u>	<u>3,438,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(900,703)	(36,830)	792,695	(76,759)	11,959	(209,638)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	304,250	-	-	86,620	300,000	690,870
Operating transfers out	(86,620)	-	(600,000)	-	(4,250)	(690,870)
Total other financing sources (uses)	<u>217,630</u>	<u>-</u>	<u>(600,000)</u>	<u>86,620</u>	<u>295,750</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(683,073)	(36,830)	192,695	9,861	307,709	(209,638)
FUND BALANCE – BEGINNING	<u>1,058,514</u>	<u>37,401</u>	<u>192</u>	<u>70,391</u>	<u>906,676</u>	<u>2,073,174</u>
FUND BALANCE – ENDING	<u>\$ 375,441</u>	<u>\$ 571</u>	<u>\$ 192,887</u>	<u>\$ 80,252</u>	<u>\$ 1,214,385</u>	<u>\$ 1,863,536</u>

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (209,638)

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	\$ 72,854	
Basis in assets disposed of during year ended June 30, 2004	(29,406)	
Depreciation expense for the year ended June 30, 2004	<u>(153,144)</u>	(109,696)

Governmental funds report bonded debt repayments as expenditures.
However, this expenditure does not appear in the statement of
activities since the payment is applied against the bond payable on
the statement of net assets

60,000

Difference between interest on long-term debt on modified accrual
basis versus interest on long-term debt on accrual basis

1,047

Total changes in net assets at June 30, 2004 per Statement of Activities \$ (258,287)

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINED STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2004

ASSETS

Cash	\$ 12,291
Interest bearing deposits	303,896
Investments	<u>72,207</u>
Total assets	<u>\$ 388,394</u>

LIABILITIES

Due to taxing bodies and others	<u>\$ 388,394</u>
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The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended June 30, 2004

REVENUES

Sheriff's sales, suits, and seizures	\$ 492,639
Bonds	2,092
Fines and costs	1,056,024
Inmate vending machines	1,655
Taxes/others	156,108
Taxes, fees, etc., paid to tax collector	10,727,464
Other additions	<u>12,314</u>
Total revenues	<u>12,448,296</u>

EXPENSES

Remittance of taxes, seizures, bond forfeitures, fines, and cost:	
Taxes, fees, etc., distributed to taxing bodies and others	6,598,638
State Agencies	75,336
Sheriff's General Fund	1,515,586
Clerk of Court	81,111
Police Jury	3,288,575
District Attorney	174,731
Judicial Expense Fund	46,338
Indigent Defender Board	120,925
Litigants, attorneys	409,264
Crime Lab	25,552
Inmate welfare expenditures	1,537
Other expenditures	<u>64,237</u>
Total expenses	<u>12,401,830</u>

Change in Net Assets	46,466
Net Assets – beginning	<u>341,928</u>
Net Assets – ending	<u>\$ 388,394</u>

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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations, and serves the residents of the parish through the establishment of neighborhood watch programs and anti-drug abuse programs. Additionally, 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 the collection and distribution of ad valorem property taxes; parish occupational licenses; state revenue sharing funds; sportsmen licenses; and fines, costs, and bond forfeitures imposed by the district court.

The financial statements of the Allen Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Such accounting and reporting procedures conform to the requirements of the industry audit guide, Audits of State and Local Governments. In government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

1. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Allen Parish Sheriff includes all funds, account groups, et cetera, that are within the oversight responsibility of the Allen Parish Sheriff.

As the governing authority of the parish, the Allen Parish Police Jury is the financial reporting entity for Allen Parish for reporting purposes. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Allen Parish Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits or to impose specific financial burden on the Allen Parish Police Jury.
2. Organizations for which the Allen Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Allen Parish Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Allen Parish Police Jury financial statements would be misleading if data of the Allen Parish Sheriff was not included and due to the nature and significance of the relationship, the Sheriff was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the Allen Parish Policy Jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

2. BASIS OF PRESENTATION

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities and business-type 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.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed on 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 and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Sheriff reports the following governmental funds:

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

E-911 Special Revenue Fund - was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish. The Sheriff signed an intergovernmental agreement with the Allen Parish Police Jury on October 31, 1997 and assumed responsibility for the operation of the Allen Parish Enhanced 911 Service. Revenue to operate the service comes from a telephone service charge on local telephone service supplied within the parish.

Coushatta Tribe of Louisiana Community Grant Fund - was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

Debt Service Fund - is used to account for the accumulation of resources for the payment of principal and interest on certificates of indebtedness.

Capital Projects Fund - is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

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.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement Focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The Sheriff applies all applicable FASB pronouncements in accounting and reporting for its proprietary fund.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. BUDGET PRACTICES

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

1. Formal budgeting integration is employed as a management control device during the year for the general and special revenue funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
3. 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.
4. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
5. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Sheriff prior to the commencement of the fiscal year for which the budget is being adopted.
6. Any budgetary amendments must be approved by the Sheriff and are published in the official journal. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.
7. All budgetary appropriations lapse at end of each year.

5. 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.

6. 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. The investments are reported at market value.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. 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.

8. CAPITAL ASSETS

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	25-40 years
Equipment	5-12 years
Vehicles	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

9. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of a certificate of indebtedness payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

10. COMPENSATED ABSENCES

After six months of service, employees of the Sheriff's office are granted from one to two weeks of non-cumulative vacation leave annually. Sick leave is granted at the discretion of the Sheriff. At June 30,

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2004, the Sheriff had no vested leave benefits required to be reported in accordance with generally accepted accounting principles.

11. EQUITY CLASSIFICATION

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

12. REVENUES, EXPENDITURES, AND EXPENSES

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Sheriff’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Sheriff’s general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes 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 service 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.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Other Financing Sources

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.

13. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

14. 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.

15. 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.

NOTE B – 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 becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Allen 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, the law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 17.3 mills on property with net assessed valuations totaling \$63,537,120.

Gross taxes levied for the current fiscal year totaled 1,124,135. After adjustments for uncollectible taxes and collections of back taxes, net taxes remitted to the Sheriff amounted to \$1,082,415.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE C – CASH AND INTEREST BEARING DEPOSITS

Cash and interest bearing deposits includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, time deposits and those other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected. At June 30, 2004, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$1,938,697, as follows:

	<u>Government-Wide Statement of Net Assets</u>	<u>Fiduciary Funds Statement of Net Assets</u>	<u>Total</u>
Non interest-bearing deposits	\$ 300	\$ 12,291	\$ 12,591
Interest-bearing deposits	<u>1,622,207</u>	<u>303,896</u>	<u>1,926,106</u>
 Total	 <u>\$1,622,507</u>	 <u>\$ 316,187</u>	 <u>\$1,938,697</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 or exceed the amount on deposit with the fiscal agent. 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 (collected bank balances) at June 30, 2004, are secured as follows:

Bank balances	<u>\$2,167,596</u>
Federal deposit insurance	\$ 493,238
Pledged securities (category 3)	<u>1,674,358</u>
 Total	 <u>\$2,167,596</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 36:1229 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.

NOTE D – 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

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

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 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 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in the 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 back 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. 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 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 2-a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2-a7.

At June 30, 2004, the Sheriff's investments totaled \$73,615 as follows:

NOTE E – RECEIVABLES

Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2004 consist of the following:

	General Fund
Grants	\$ 18,533
Fees, charges, and commissions for services:	
Civil and criminal fees	13,063
Court attendance	3,638
Transportation of prisoners	2,453
Feeding and keeping prisoners	13,313
 Total	 \$ 51,000

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

Other Receivables

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

Insurance refund-General Fund	\$ 14,338
Telephone commission-E-911 Special Revenue Fund	30,422
Intergovernmental-Local source-Coushatta Tribe Community Grant Fund	<u>190,151</u>
Total	<u>\$ 234,911</u>

All receivables are deemed fully collectible, and accordingly, no allowance has been provided.

NOTE F – CAPITAL ASSETS

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

	Balance June 30, 2003	Net Additions (Deletions)	Balance June 30, 2004
Governmental activities:			
Capital assets not being depreciated:			
Land			
Other capital assets:	\$ 82,178	\$ -	\$ 82,178
Buildings and improvements	1,017,482	-	1,017,482
Office, equipment, and furniture	385,538	13,498	399,036
Vehicles	<u>722,785</u>	<u>(135,806)</u>	<u>586,979</u>
Total	2,207,983	<u>\$ (122,308)</u>	2,085,675
Less accumulated depreciation	<u>908,678</u>		<u>896,066</u>
Net	<u>\$ 1,299,305</u>		<u>\$ 1,189,609</u>

Depreciation expense for the year was \$153,144.

NOTE G – LONG-TERM DEBT

The Sheriff's long-term debt, issued for the construction of an administration building, is attributable to governmental activities. The following is a summary of changes in long-term debt for the year ended June 30, 2004:

Long-term debt payable at June 30, 2003	\$ 340,000
Additions	-
Reductions	<u>60,000</u>
Long-term debt payable at June 30, 2004	<u>\$ 280,000</u>

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

\$600,000 certificates of indebtedness dated September 1, 1997; due in annual installments of \$60,000 to \$75,000 through September 1, 2007; interest at 5.4 percent; secured by excess general fund revenues \$ 280,000

The certificates are due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 65,000	\$ 13,365	\$ 78,365
2006	70,000	9,720	79,720
2007	70,000	5,940	75,940
2008	75,000	2,025	77,025
Thereafter	-	-	-
Total	<u>\$ 280,000</u>	<u>\$ 31,050</u>	<u>\$311,050</u>

NOTE H –RETIREMENT COMMITMENTS

Pension Plan

Substantially all full-time employees of the Allen Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer, cost-sharing, defined benefit, public employee retirement System (PERS), controlled and administered by a separate board of trustees. The System is a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to the Sheriff and Deputy Sheriff members throughout the State of Louisiana. The System 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, or by calling (318) 362-3191.

All Sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 or older at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 3 1/3 per cent. In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or jointed 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. 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 by state statute.

Contributions to the System also include one-half of one per cent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. State statute requires covered employees to contribute a percentage, 9.80%, of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

year. The employer contributions for the year ended June 30, 2004 were 9.25% of covered employees' salaries.

The payroll for the Sheriff employees covered by the System for the year ended June 30, 2004 was \$1,410,017; the Sheriff's total payroll was \$1,816,967. The Sheriff contributed \$130,477 to the System during the year and employees contributed \$138,182. However, of the amount contributed on the employee share was partially funded by the Sheriff. Prior to January 1, 2004, the Sheriff funded 100%, or the full 9.8%, of the employee contributions. After January 1, 2004, the Sheriff deducted 3%, of the 9.8% employee share, and the Sheriff funded the other 6.8%. In summary, the employee contributions (totaling \$138,182) to the System was funded by the employees in the amount of \$22,111 and funded by the Sheriff in the amount of \$116,071.

Deferred Compensation Plan

The Allen Parish Sheriff offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all qualifying 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 unforeseeable emergency.

NOTE I – CHANGES IN AGENCY FUND BALANCES

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

	Balance <u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2004</u>
Agency funds:				
Sheriff's Fund	\$ 243,123	\$ 1,719,177	\$ 1,661,633	\$ 300,667
Tax Collector Fund	85,938	10,727,464	10,738,660	74,742
Commission on Aging Fund	694	-	-	694
Prisoner Inmate Fund	<u>12,173</u>	<u>1,655</u>	<u>1,537</u>	<u>12,291</u>
Total	<u>\$ 341,928</u>	<u>\$ 12,448,296</u>	<u>\$ 12,401,830</u>	<u>\$ 388,394</u>

NOTE J – CONTINGENCIES AND COMMITMENTS

The Sheriff is a defendant in a number of lawsuits which have arisen in the normal course of operations which are in various stages of completion. The Sheriff's legal council has reviewed the claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Sheriff. As of the date of this report, the Sheriff's legal counsel believes that, for all other lawsuits, final and probable judgments as a result of these suits would be covered by insurance and would not have a material adverse effect on the Sheriff's financial statements.

NOTE K – EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE ALLEN PARISH POLICE JURY

Part of the Sheriff's office is located in the parish courthouse and parish jail. The Allen Parish Police Jury, as required by statute, pays the cost of maintaining and operating the parish courthouse and the parish jail. These expenditures are not included in the accompanying basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE L – RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To handle such risk of loss, the Sheriff maintains commercial insurance coverage covering automobile liability, medical payments, uninsured motorist and collision, and surety bond coverage. In addition to the above policies, the Sheriff maintains a public officials policy and a law enforcement liability policy. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amount. There have been no significant reductions in the insurance coverage during the year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE M – TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2004, include \$72,206 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.

NOTE N – GOING CONCERN ISSUES

In the year 2001 a new gaming compact was agreed-upon between the State of Louisiana and the Coshatta Tribe of Louisiana. As a result of the new gaming compact the Sheriff no longer received unrestricted funding of approximately \$1.5 million. The funding was reduced to approximately \$1 million with the restriction that \$300,000 of the \$1 million to be transferred to a capital projects fund for the purpose of constructing a new jail facility. Also, the gaming revenues of the Coshatta Tribe for the fiscal year ended June 30, 2004 were significantly lower. Clauses within the gaming compact provided for reduced payments during periods of low gaming revenues. During the fiscal year ended June 30, 2004 the Sheriff recognized revenues of \$791,576 from the Coshatta Tribe instead of the normal \$1 million. Therefore, instead of receiving unrestricted revenues \$1.5 million as provided by the old compact the Sheriff received \$491,576 (\$791,576 minus \$300,000 restricted for capital projects) in unrestricted revenues during the fiscal year ended June 30, 2004. This represents a \$1,008,424 (\$1.5 million minus \$491,576) reduction in unrestricted resources being received by the Sheriff since the new gaming compact became effective and other changes occurred. Gaming revenues became a significant portion of the Sheriff's funding when gaming appeared in the parish in 1994, and the Sheriff has become somewhat economically dependent upon those revenues. In large part, as a result of these declines and increased payroll and related fringe benefits, the Sheriff's general fund financial condition has deteriorated dramatically. However, the Sheriff has several options to alleviate these conditions. These options include among others:

- a) Requesting an increase ad valorem tax millage or increasing other revenues.
- b) Reducing spending to the extent possible.
- c) Requesting the removal of the \$300,000 capital projects restriction on the gaming revenues.

NOTE O – SUBSEQUENT EVENTS

With adverse conditions as explained in Note N reducing cash flow to the general fund, cash shortages in October 2004 were alleviated by a \$200,000 advance from a lending institution on a \$900,000 multiple advance loan. This loan is expected to be repaid by general fund revenues.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2004

NOTE P – ECONOMIC DEPENDENCE

Since the gaming income from the Coushatta Tribe of Louisiana represents more than 10% (a total of 25%) of total governmental fund revenues provided by one entity, the Sheriff has a significant economic dependence upon such revenues.

REQUIRED SUPPLEMENTAL INFORMATION

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2004

	GENERAL FUND			
	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,150,000	\$ 1,100,000	\$ 1,082,415	\$ (17,585)
Intergovernmental revenues –				
Federal grants	60,000	68,000	82,000	14,000
State grants	55,000	61,000	7,456	(53,544)
State revenue sharing (net)	141,000	128,430	128,342	(88)
State supplemental pay	107,000	90,000	103,644	13,644
Local sources	65,000	98,880	66,467	(32,413)
Miscellaneous	800	-	2,000	2,000
Fees, charges, and commissions for services:				
Civil and criminal fees	292,500	317,500	351,171	33,671
Court attendance	11,000	12,000	17,986	5,986
E-911 reimbursements	200,000	200,000	173,034	(26,966)
Feeding and keeping prisoners	122,000	135,855	157,708	21,853
Transporting prisoners	15,000	16,500	16,132	(368)
Other	12,550	33,100	29,596	(3,504)
Interest income	5,500	24,000	10,582	(13,418)
Total revenues	<u>2,237,350</u>	<u>2,285,265</u>	<u>2,228,533</u>	<u>(56,732)</u>
EXPENDITURES				
Current				
Public safety:				
Personal services and related benefits	1,991,670	2,123,002	2,144,460	(21,458)
Operating services	448,000	515,385	481,583	33,802
Operations and maintenance	533,300	504,300	423,984	80,316
Travel and other charges	10,000	7,000	6,355	645
Capital outlay	46,500	73,057	72,854	203
Total expenditures	<u>3,029,470</u>	<u>3,222,744</u>	<u>3,129,236</u>	<u>93,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(792,120)	(937,479)	(900,703)	36,776
OTHER FINANCING SOURCES (USES)				
Operating transfers in	600,000	600,000	304,250	(295,750)
Operating transfers out	-	-	(86,620)	(86,620)
Total other financing sources (uses)	<u>600,000</u>	<u>600,000</u>	<u>217,630</u>	<u>(382,370)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(192,120)	(337,479)	(683,073)	(345,594)
FUND BALANCE-BEGINNING	<u>1,058,514</u>	<u>1,058,514</u>	<u>1,058,514</u>	<u>-</u>
FUND BALANCE-ENDING	<u>\$ 866,394</u>	<u>\$ 721,035</u>	<u>\$ 375,441</u>	<u>\$ (345,594)</u>

The accompanying notes are an integral part of this financial statements.

ALLEN PARISH S HERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – E-911 SPECIAL REVENUE FUND
Year Ended June 30, 2004

	SPECIAL REVENUE FUND			
	Original	Budget Final	Actual	Variance Favorable (Unfavorable)
	Original	Final	Actual	(Unfavorable)
REVENUES				
Commissions - telephone	\$ 225,000	\$ 225,500	\$ 180,634	\$ (44,866)
Grant Income	-	-	14,280	14,280
Interest income	<u>700</u>	<u>-</u>	<u>363</u>	<u>363</u>
Total revenues	225,700	225,500	195,277	(30,223)
EXPENDITURES				
Current				
Public safety:				
Operating services	<u>250,000</u>	<u>225,000</u>	<u>232,107</u>	<u>(7,107)</u>
Total expenditures	<u>250,000</u>	<u>225,000</u>	<u>232,107</u>	<u>(7,107)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,300)	500	(36,830)	(37,330)
FUND BALANCE-BEGINNING	<u>37,401</u>	<u>37,401</u>	<u>37,401</u>	<u>-</u>
FUND BALANCE-ENDING	<u>\$ 13,101</u>	<u>\$ 37,901</u>	<u>\$ 571</u>	<u>\$ (37,330)</u>

The accompanying notes are an integral part of this financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – COUSHATTA GRANT
SPECIAL REVENUE FUND
Year Ended June 30, 2004

	COUSHATTA GRANT SPECIAL REVENUE FUND			Variance Favorable (Unfavorable)
	Original	Budget Final	Actual	
REVENUES				
Grant revenue	\$ 773,000	\$ 773,000	\$ 791,576	\$ 18,576
Interest income	-	-	1,119	1,119
Total revenues	773,000	773,000	792,695	19,695
EXPENDITURES				
Current				
Public safety:				
Operating services	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	773,000	773,000	792,695	19,695
OTHER FINANCING SOURCES (USES)				
Operating transfer to general fund	(300,000)	(300,000)	(300,000)	-
Operating transfers to construction fund	(300,000)	(300,000)	(300,000)	-
Total other financing sources (uses)	(600,000)	(600,000)	(600,000)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	173,000	173,000	192,695	19,695
FUND BALANCE-BEGINNING	192	192	192	-
FUND BALANCE-ENDING	\$ 173,192	\$ 173,192	\$ 192,887	\$ 19,695

The accompanying notes are an integral part of this financial statements.

OTHER SUPPLEMENTAL INFORMATION

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND EXPENDITURES
Year Ended June 30, 2004

	GENERAL FUND			Variance Favorable (Unfavorable)
	Original	Budget Final	Actual	
Current:				
Public safety:				
Personal services and related benefits:				
Sheriff salary	\$ 77,427	\$ 90,909	\$ 94,369	\$ (3,460)
Deputies salary	1,644,000	1,730,000	1,711,324	18,676
Pension, deferred compensation, and payroll taxes	262,500	291,002	327,492	(36,490)
Sheriff's expense allowance	7,743	11,091	11,275	(184)
Total personal services and related benefits	<u>1,991,670</u>	<u>2,123,002</u>	<u>2,144,460</u>	<u>(21,458)</u>
Operating services:				
Hospitalization and life insurance	280,000	280,000	260,607	19,393
Auto insurance	95,000	141,670	127,333	14,337
Other liability insurance	70,000	84,714	84,029	685
Other operating services	3,000	9,001	9,614	(613)
Total operating services	<u>448,000</u>	<u>515,385</u>	<u>481,583</u>	<u>33,802</u>
Operations and maintenance:				
Auto fuel and oil	90,000	97,000	106,897	(9,897)
Auto maintenance	70,000	72,300	59,419	12,881
Deputy uniforms, supplies, etc.	35,000	17,500	16,673	827
Interest	-	500	-	500
E-911 expenditures	60,000	60,000	-	60,000
Office supplies	81,000	84,000	55,146	28,854
Telephone	50,000	43,000	48,447	(5,447)
Radio operation and maintenance	12,000	10,000	7,310	2,690
Prisoner feeding and maintenance	78,000	78,000	82,413	(4,413)
Training	10,000	6,500	6,544	(44)
Substation maintenance	2,500	2,500	2,136	364
Dues and subscriptions	9,700	9,700	9,322	378
Criminal investigation expenditures	32,100	19,000	24,930	(5,930)
Other	3,000	4,300	4,747	(447)
Total operations and maintenance	<u>533,300</u>	<u>504,300</u>	<u>423,984</u>	<u>80,316</u>
Travel	<u>10,000</u>	<u>7,000</u>	<u>6,355</u>	<u>645</u>
Capital Outlays:				
Autos	44,000	73,057	58,607	14,450
Computer Equipment	-	-	6,204	(6,204)
Equipment	2,500	-	7,544	(7,544)
Office Equipment	-	-	499	(499)
Total capital outlays	<u>46,500</u>	<u>73,057</u>	<u>72,854</u>	<u>203</u>
Total expenditures	<u>\$ 3,029,470</u>	<u>\$ 3,222,744</u>	<u>\$ 3,129,236</u>	<u>\$ 93,508</u>

FIDUCIARY FUNDS

SHERIFF'S FUND

To account for funds held in connection with civil suits, Sheriff's sales and garnishments, bonds and fines and costs and payment of the 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.

COMMISSION ON AGING FUND

The Commission on Aging Fund accounts for monies earned from a local fundraiser. All funds are expended to provide food and plaques for senior citizen events and to cover expenses for Senior Citizen Day at the Allen Parish Fair.

PRISONER INMATE FUND

The Inmate Deposit Fund accounts for receipts and disbursements made from vending machine income and used for inmate welfare.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINING STATEMENT OF FIDUCIARY NET ASSETS – AGENCY FUNDS
June 30, 2004

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Commission On Aging Fund</u>	<u>Prisoner Inmate Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ 12,291	\$ 12,291
Interest bearing deposits	300,667	2,535	694	-	303,896
Investments	<u>-</u>	<u>72,207</u>	<u>-</u>	<u>-</u>	<u>72,207</u>
TOTAL ASSETS	<u>\$ 300,667</u>	<u>\$ 74,742</u>	<u>\$ 694</u>	<u>\$ 12,291</u>	<u>\$ 388,394</u>
LIABILITIES					
Due to taxing bodies and others	<u>\$ 300,667</u>	<u>\$ 74,742</u>	<u>\$ 694</u>	<u>\$ 12,291</u>	<u>\$ 388,394</u>

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS – AGENCY FUNDS
June 30, 2004

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Commission On Aging Fund</u>	<u>Prisoner Inmate Fund</u>	<u>Total</u>
Balances, beginning of year	<u>\$ 243,123</u>	<u>\$ 85,938</u>	<u>\$ 694</u>	<u>\$ 12,173</u>	<u>\$ 341,928</u>
Additions:					
Deposits -					
Sheriff's sales, suits, and seizures	492,639	-	-	-	492,639
Bonds	2,092	-	-	-	2,092
Fines and costs	1,056,024	-	-	-	1,056,024
Taxes/others	156,108	-	-	-	156,108
Inmate vending machines	-	-	-	1,655	1,655
Taxes, fees, etc., paid to tax collector	-	10,727,464	-	-	10,727,464
Other additions	<u>12,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,314</u>
Total additions	<u>1,719,177</u>	<u>10,727,464</u>	<u>-</u>	<u>1,655</u>	<u>12,448,296</u>
Total	<u>1,962,300</u>	<u>10,813,402</u>	<u>694</u>	<u>13,828</u>	<u>12,790,224</u>
Reductions:					
Taxes, fees, etc, distributed to taxing bodies and others	-	6,598,638	-	-	6,598,638
Deposits settled to -					
State agencies	50,206	25,130	-	-	75,336
Sheriff's General Fund	287,449	1,228,137	-	-	1,515,586
Clerk of Court	81,111	-	-	-	81,111
Police Jury	401,820	2,886,755	-	-	3,288,575
District Attorney	174,731	-	-	-	174,731
Judicial Expense Fund	46,338	-	-	-	46,338
Indigent Defender Board	120,925	-	-	-	120,925
Litigants, attorneys	409,264	-	-	-	409,264
Crime Lab	25,552	-	-	-	25,552
Inmate welfare expenditures	-	-	-	1,537	1,537
Other reductions	<u>64,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,237</u>
Total reductions	<u>1,661,633</u>	<u>10,738,660</u>	<u>-</u>	<u>1,537</u>	<u>12,401,830</u>
Balances, end of year	<u>\$ 300,667</u>	<u>\$ 74,742</u>	<u>\$ 694</u>	<u>\$ 12,291</u>	<u>\$ 388,394</u>

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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

November 17, 2004

Honorable Harold Brady
Allen Parish Sheriff
Oberlin, LA

I have audited the financial statements of the Allen Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated November 17, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Allen Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed six instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs at item 2004-1 through 2004-6.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Allen Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to

the basic 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. I noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Allen Parish Sheriff's management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rayce T. Limerick, CPA, APAC

ALLEN PARISH SHERIFF
Oberlin, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2004

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

Material weaknesses identified? X Yes No

Reportable conditions identified not considered
to be material weakness? X Yes None reported

Noncompliance material to financial statements
noted? X Yes No

Federal Awards

N/A

ALLEN PARISH SHERIFF
Oberlin, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended June 30, 2004

SECTION II – FINANCIAL STATEMENT FINDINGS

Item 2004-1:

Description: The Sheriff's General Fund cash account is not being reconciled in an accurate or timely manner

Corrective Action Planned: Management will ensure that all bank accounts are reconciled accurately in a timely manner.

Contact Person: Honorable Harold Brady, Sheriff

Item 2004-2:

Description: Certain deputies were allowed to use government vehicles for personal purposes in violation of Article VII, Section 14 of the State Constitution. These deputies were assigned vehicles even though there was no valid purpose for their use.

Corrective Action Planned: Management has removed the vehicles from the possession of those deputies. Off duty use of government vehicles will be closely monitored and controlled by the Sheriff.

Contact Person: Honorable Harold Brady, Sheriff

Item 2004-3:

Description: Since actual revenues in the E-911 Special Revenue Fund were short of budgeted amounts by more the 5%, the Sheriff is in violation of Louisiana Revised Statute 39:1310 – Local Governmental Budget Act. This is a repeat finding.

Corrective Action Planned: Management is monitoring revenues monthly and amending the budget as necessary to comply with the Local Governmental Budget Act.

Contact Person: Honorable Harold Brady, Sheriff

ALLEN PARISH SHERIFF
Oberlin, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended June 30, 2004

Item 2004-4:

Description: Management did not have adequate segregation of functions within the accounting system. This is a repeat finding

Corrective Action Planned: Management response is not necessary

Contact Person: Honorable Harold Brady, Sheriff

Item 2004-5:

Description: Management is required by the Coushatta Gaming Compact to transfer the first \$300,000 in gaming revenues to the capital projects fund each year. During October, 2003 this capital projects fund, a restricted fund, temporarily loaned \$250,000 to the general fund. When the ad valorem tax revenues were substantially received in January 2004, this \$250,000 was repaid back to the capital projects fund. These funds are restricted in use by the Compact and may not be used for such purposes.

Corrective Action Planned: As noted above, management paid back the funds from the general fund to the capital projects fund and they remain there as of the date of this report. Management will no longer borrow from the capital projects fund to cover shortfalls in general fund balances.

Contact Person: Honorable Harold Brady, Sheriff

Item 2004-6:

Description: Article VII, Section 14 of the State Constitution prohibits use of public assets for private purposes, including compensation or payment for inadequate consideration or for services already rendered. On July 8, 2003 management authorized raises for most of the deputies retroactively to July 1, 2003. On October 14, 2003 management authorized raises for most of the deputies retroactively to October 1, 2003. Since the deputy services were already rendered from July 1, 2003 through July 8, 2003 and from October 1, 2003 through October 14, 2003, these expenditures are in violation of Article VII, Section 14 of the State Constitution.

Corrective Action Planned: Management was not aware of the violations. The new administration (Sheriff) will not retroactively grant wage increases.

Contact Person: Honorable Harold Brady, Sheriff

ALLEN PARISH SHERIFF
Oberlin, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended June 30, 2004

SECTION III - FEDERAL AWARD FINDINGS

None