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**EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2004
With Supplemental Information Schedules**

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

Release Date 9-15-04

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2004
With Supplemental Information Schedules

CONTENTS

		<u>Page No.</u>
Independent Auditor's Report		3
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		6
Basic Financial Statements		
	<u>Statement</u>	<u>Page No.</u>
Government-Wide Financial Statements:		
Statement of Net Assets	A	11
Statement of Activities	B	12
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	13
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Assets	D	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities	F	17
Fiduciary - Agency Funds:		
Statement of Fiduciary Net Assets	G	18
Notes to the Financial Statements		19

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
Required Supplemental Information (Part II):		
Budget Comparison Schedules:		
General Fund	1	33
East Carroll Detention Center Fund	2	35
Riverbend Detention Center Fund	3	36
Note to Budgetary Comparison Schedule		37
Other Supplemental Schedules (Part III):		
Special Revenue Fund Types:		
Combining Balance Sheet	4	40
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	5	41
Fiduciary Fund Type - Agency Funds- Combining Schedule of Changes in Unsettled Deposits	6	43
Independent Auditor's Report Required by Government Auditing Standards (Part IV):		
Report on Compliance and Internal Control over Financial Reporting		47
Schedule of Findings and Questioned Costs	7	49
Summary Schedule of Prior Audit Findings	8	50

Independent Auditor's Report

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

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

I conducted my audit in accordance with U.S. generally accepted auditing standards 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

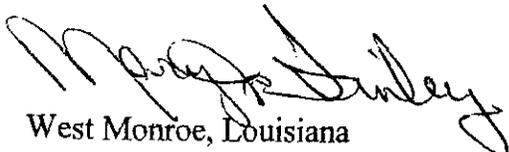
As described in Note 1 to the financial statements, the sheriff has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis---for State and Local Governments*, as of June 30, 2004.

Management's discussion and analysis, and supplementary information on pages 6 through 9 and 34 through 38, respectively are not a required part of the basic financial statements, but are supplementary 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 required supplementary information and reviewing the source of selected information. However, I did not audit the information and express no opinion on it.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Independent Auditor's Report,
June 30, 2004

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the East Carroll 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 presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated August 24, 2004, on my consideration of the East Carroll Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



West Monroe, Louisiana
August 24, 2004

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Management's Discussion and Analysis
June 30, 2004

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

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2005.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the East Carroll Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the East Carroll Parish Sheriff's assets and liabilities, with the difference between the two 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 East Carroll Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during

the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The East Carroll Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the East Carroll Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The East Carroll Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue funds. A budgetary comparison statement is provided for the major funds to demonstrate compliance with these budgets.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the East Carroll Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the East Carroll Parish Sheriff's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the East Carroll Parish Sheriff exceeded liabilities by

\$1,516,448. The largest portion of the East Carroll Parish Sheriff's net assets reflects its investment in capital assets (furniture and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

An additional portion of the East Carroll Parish Sheriff's net assets represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the East Carroll Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets having been included in the statement of net assets for the first time.

Since this is the first year of implementing the new reporting model, comparative information is not available for further government-wide financial analysis. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Financial Analysis of the Government's Funds

As noted earlier, the East Carroll Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2004, combined governmental fund balances of \$1,243,359 showed an increase of \$383,117 over June 30, 2003. The General Fund's portion of the unreserved, undesignated fund balance of \$206,882 shows a decrease (of approximately \$4,008) from the prior year amount. The East Carroll Detention Center's portion of the unreserved, undesignated fund balance of \$441,243 shows an increase (of approximately \$48,702) from the prior year amount. The Riverbend Detention Center's portion of the unreserved, undesignated fund balance of \$267,191 shows an increase (of approximately \$214,625) from the prior year amount.

General Fund Budgetary Highlights

Differences in the General Fund's original budget and the final budget were due primarily to an increase in capital outlay and proceeds from lease purchase. The sheriff's office received a grant for two vehicles and several other vehicles were purchased.

Differences between East Carroll Parish Detention Center's original budget and the final budget were due to several items. Riverbend Detention Center opened phase II of the facility, therefore there were more prisoners and more revenues. Riverbend was able to transfer more money to the general fund, so the East Carroll Detention Center transfers were reduced. East Carroll Detention Center was also able to increase its operating expenditures due to reduced transfers to the general fund.

Differences between Riverbend Detention Center's Other Financing Sources of the original budget and the final budget were due primarily to the decrease in transfers to the Sheriff's general fund. These transfers

Capital Asset and Debt Administration

Capital assets. The East Carroll Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2004, amounts to \$1,456,597 (net of accumulated depreciation). This investment includes furniture and equipment. The increase in capital assets for the year was \$122,037, the majority of which was attributable to the purchase law enforcement vehicles.

Long-term debt. At the end of the fiscal year, East Carroll Parish Sheriff has total leases outstanding of \$35,857. During the year, \$836 of debt was paid in accordance with the debt agreement.

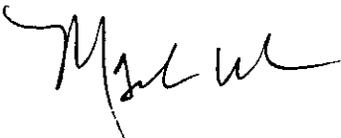
A lease for a copier was paid out during the year, with a total of \$1,707 paid in accordance with the debt agreement.

The East Carroll Sheriff also has revenue bonds outstanding of \$712,615. During the year, \$138,935 of debt was paid in accordance with the agreement. The East Carroll Sheriff has certificates of indebtedness outstanding of \$378,000. During the year, \$43,000 of debt was paid in accordance with the debt agreement.

Requests for Information

This financial report is designed to provide a general overview of the East Carroll Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the East Carroll Parish Sheriff, P.O. Box 246, Lake Providence LA 71254.

August 24, 2004

A handwritten signature in black ink, appearing to be 'M. J. W.', is written below the date.

BASIC FINANCIAL STATEMENTS

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

STATEMENT OF NET ASSETS
June 30, 2004

ASSETS	
Cash and cash equivalents	\$730,407
Investments	100,354
Receivables	910,657
Due from other funds	11,921
Utility deposit	310
Capital assets (net of accumulated depreciation)	<u>1,456,597</u>
TOTAL ASSETS	<u>3,210,246</u>
 LIABILITIES	
Accounts payable	313,698
Salaries payable	78,909
Due to other funds	105
Deposits held for others	100,000
Deferred revenue	17,578
Interest payable	57,036
Long-term liabilities:	
Due within one year	200,329
Due in more than one year	<u>926,143</u>
TOTAL LIABILITIES	<u>1,693,798</u>
 NET ASSETS	
Invested in capital assets, net of related debt	708,128
Restricted for:	
Revenue bonds	181,908
Certificates of indebtedness	119,455
Unrestricted	<u>506,957</u>
TOTAL NET ASSETS	<u><u>\$1,516,448</u></u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 STATEMENT OF ACTIVITIES
 June 30, 2004

Judicial:	
Personal services	\$4,986,353
Operating services	2,541,645
Materials and supplies	1,520,233
Travel	151,758
Debt service - interest	65,822
Depreciation expense	<u>135,996</u>
Total Program Expenses	<u>9,401,807</u>
Program revenues:	
Commissions on licenses and taxes	12,774
Civil and criminal fees	58,335
Court attendance	3,944
Feeding prisoners	8,400,499
Tax notices, etc.	2,191
Bond fees	<u>984</u>
Total program revenues	<u>8,478,727</u>
Net Program Expenses	(923,080)
General revenues:	
Taxes - Ad Valorem	268,404
Grants and contributions not restricted to specific programs:	
Federal sources	44,006
State sources:	
State revenue sharing (net)	42,167
State supplemental pay	39,938
Other state grants	162,699
Local sources	4,479
Interest earned	10,538
Miscellaneous	<u>867,045</u>
Change in Net Assets	516,196
NET ASSETS	
Beginning of year	<u>1,000,252</u>
End of year	<u><u>\$1,516,448</u></u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2004

	-----Major Funds-----			OTHER GOVERN- MENTAL FUNDS	TOTAL
	GENERAL FUND	EAST CARROLL DETENTION CENTER	RIVERBEND DETENTION CENTER		
ASSETS					
Cash and cash equivalents	\$52,893	\$378,662	\$70,809	\$228,043	\$730,407
Investments			100,354		100,354
Receivables	11,107	379,822	519,728		910,657
Due from other funds	372,077	2,226	91,649	100,000	565,952
Utility deposit			310		310
TOTAL ASSETS	<u>\$436,077</u>	<u>\$760,710</u>	<u>\$782,850</u>	<u>\$328,043</u>	<u>\$2,307,680</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$32,603	\$115,436	\$165,659		\$313,698
Salaries payable	78,909				78,909
Due to other funds	100,105	204,031	250,000		554,136
Deposits held for others			100,000		100,000
Deferred revenues	17,578				17,578
Total Liabilities	<u>229,195</u>	<u>319,467</u>	<u>515,659</u>	NONE	<u>1,064,321</u>
Fund Equity:					
Reserved for debt service:					
Revenue bonds		181,908			181,908
Certificates of indebtedness		103,593	15,862		119,455
Fund balance - unreserved - undesignated	206,882	155,742	251,329	\$328,043	941,996
Total Fund Equity	<u>206,882</u>	<u>441,243</u>	<u>267,191</u>	<u>328,043</u>	<u>1,243,359</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$436,077</u>	<u>\$760,710</u>	<u>\$782,850</u>	<u>\$328,043</u>	<u>\$2,307,680</u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended June 30, 2004

Total Fund Balances at June 30, 2004- Governmental Funds (Statement C)		<u>\$1,243,359</u>
Cost of capital assets at June 30, 2004	\$2,285,351	
Less: Accumulated depreciation as of June 30, 2004	<u>(828,754)</u>	1,456,597
Elimination of interfund assets and liabilities:		
Due from other funds	554,031	
Due to other funds	<u>(554,031)</u>	
Long-term liabilities at June 30, 2004:		
Revenue bonds payable	712,615	
Certificates of indebtedness payable	378,000	
Lease payable	35,857	
Accrued interest payable	<u>57,036</u>	<u>(1,183,508)</u>
Net Assets at June 30, 2004		<u>\$1,516,448</u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2004

	-----Major Funds-----			OTHER GOVERN- MENTAL FUNDS	TOTAL
	GENERAL FUND	EAST CARROLL DETENTION CENTER	RIVERBEND DETENTION CENTER		
Taxes - ad valorem	\$268,404				\$268,404
Intergovernmental revenues:					
Federal grants	44,006				44,006
State grants:					
Feeding prisoners		\$3,505,030	\$4,473,948		7,978,978
State revenue sharing (net)	42,167				42,167
State supplemental pay	39,938				39,938
Other state grants	33,039	124,660	5,000		162,699
Local grants	4,479				4,479
Fees, charges, and commissions for services:					
Commissions on licenses and taxes	12,774				12,774
Civil and criminal fees	58,335				58,335
Court attendance	3,944				3,944
Feeding prisoners			421,521		421,521
Tax notices, etc.	2,191				2,191
Bond fees	984				984
Use of money and property	1,596	4,036	2,570	\$2,336	10,538
Other revenues	11,486	321,992	103,014	422,817	859,309
Total revenues	<u>523,343</u>	<u>3,955,718</u>	<u>5,006,053</u>	<u>425,153</u>	<u>9,910,267</u>
EXPENDITURES					
Public safety:					
Current:					
Personal services and related benefits	1,094,432	2,220,434	1,671,487		4,986,353
Operating services	206,225	538,120	1,784,699	12,601	2,541,645
Materials and supplies	83,781	591,915	555,783	288,754	1,520,233
Travel and other charges	36,804	113,190	1,764		151,758
Debt Service	836	226,444	23,020		250,300
Capital outlay	105,549	10,913	4,675		121,137
Total expenditures	<u>1,527,627</u>	<u>3,701,016</u>	<u>4,041,428</u>	<u>301,355</u>	<u>9,571,426</u>

(Continued)

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance

	-----Major Funds-----			OTHER GOVERN- MENTAL FUNDS	TOTAL
	GENERAL FUND	EAST CARROLL DETENTION CENTER	RIVERBEND DETENTION CENTER		
OTHER FINANCING SOURCES (Use):					
Proceeds from Insurance	\$7,736				\$7,736
Proceeds from lease purchase	36,540				36,540
Transfers in	956,000				956,000
Transfers out		(\$206,000)	(\$750,000)		(956,000)
Total Other Financing Sources (Use)	1,000,276	(206,000)	(750,000)	NONE	44,276
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	(4,008)	48,702	214,625	\$123,798	383,117
FUND BALANCE AT BEGINNING OF YEAR	210,890	392,541	52,566	204,245	860,242
FUND BALANCE AT END OF YEAR	<u>\$206,882</u>	<u>\$441,243</u>	<u>\$267,191</u>	<u>\$328,043</u>	<u>\$1,243,359</u>

(Concluded)

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2004

Total net change in fund balances - governmental funds (Statement E)	\$383,117
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the period:	(14,859)
Governmental funds report increase in capital lease as an increase in financial resources and an increase in capital outlay for the asset obtained through the lease. In the Statement of Activities, long term debt is increased when the lease is entered into and decreased as lease payments are made.	(36,540)
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	<u>184,478</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$516,196</u></u>

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2004

	TAX COLLECTOR FUND	CONFISCATED FUNDS	CRIMINAL FUND	CIVIL FUND	JAIL INMATE	ECDC INMATE	RBDC INMATE	TOTAL
ASSETS								
Cash and cash equivalents	\$86,253	\$2,964	\$79,707	\$5,418	\$583	\$16,969	\$37,960	\$229,854
Due from other funds			105					105
TOTAL ASSETS	\$86,253	\$2,964	\$79,812	\$5,418	\$583	\$16,969	\$37,960	\$229,959
LIABILITIES								
Due to other funds			\$5,185			\$2,820	\$3,916	\$11,921
Due to inmates					\$583	14,149	34,044	48,776
Due to taxing bodies and others	\$86,253	\$2,964	74,627	\$5,418				169,262
TOTAL	\$86,253	\$2,964	\$79,812	\$5,418	\$583	\$16,969	\$37,960	\$229,959

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the 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 sheriff has the responsibility for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

The accompanying financial statements of the East Carroll Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff’s overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Sheriff’s activities.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the East Carroll Parish Police Jury is the financial reporting entity for East Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the 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 police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides partial funding for equipment, furniture and supplies of the sheriff's office, the sheriff was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the East Carroll Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

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

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

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

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Types

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

Special Revenue Funds - The Detention Center Special Revenue Funds, are used to account for the proceeds of specific revenue sources such as grants and state and parish funds for maintaining state and parish prisoners. Those revenues are restricted to expenditures for specified purposes.

Fiduciary Fund Type - Agency Funds

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

D. BASIS OF ACCOUNTING

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

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

1. Accrual:

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

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

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

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

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

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

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

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

Expenditures

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

E. CASH AND CASH EQUIVALENTS

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 principal offices in Louisiana. At June 30, 2004, the sheriff has cash and equivalents (book balances) totaling \$960,261 as follows:

Demand deposits	\$778,078
Petty cash	275
Time deposits	<u>181,908</u>
Total	<u>\$960,261</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. Cash and cash equivalents (bank balances) at June 30, 2004, are secured as follows:

Bank balances	<u>\$1,059,054</u>
Federal deposit insurance	\$397,098
Pledged securities (uncollateralized)	<u>1,584,339</u>
Total	<u>\$1,981,437</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
Notes to the Financial Statements (Continued)

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

F. INVESTMENTS

Under state law, the sheriff may invest funds in obligations of the United States, in federally insured investments, investment grade (A-1/P-1) commercial paper of domestic corporations or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments are grouped into three categories of credit risk:

1. Insured or registered, or for which the securities held by the sheriff or its agent in the sheriff's name.
2. Uninsured and unregistered, with securities held by the bank's trust department or agent in the sheriff's name.
3. Uninsured and unregistered, with securities held by the bank, or by its trust department or agent but not in the sheriff's name.

At year-end, the sheriff's investment balances are in a money market account which invests only in securities of the United States Treasury (category 1). The investments have a reported value of \$100,354, which is also fair market value. There is no unrealized gain or loss.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$200 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

H. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2004.

I. VACATION AND SICK LEAVE

Employees will receive one week annual vacation leave for the first year of service and two weeks for the second year of service. A week is defined as the number of days normally worked during the employee's tour of duty. Annual vacation leave does not accrue and cannot be carried forward in the next year. Sick leave accrues at one-half (½) day per month after three months of employment, up to a total of six (6) days per year, with a cap of 12 days. There is no monetary value for accumulated sick leave.

2. RECEIVABLES

The receivables of \$910,657 at June 30, 2004, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>EC Detention Center</u>	<u>RB Detention Center</u>	<u>Total</u>
Intergovernmental revenues:				
State grants:				
Video poker	\$3,479			\$3,479
Feeding prisoners		\$287,129	\$519,565	806,694
Other	5,837		163	6,000
Fees, charges, and commissions for services:				
Court attendance	340			340
Civil and criminal fees	1,075			1,075
Phone commission		30,363		30,363

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

<u>Class of receivables:</u>	<u>General Fund</u>	<u>EC Detention Center</u>	<u>RB Detention Center</u>	<u>Total</u>
Other	\$376	\$62,330		\$62,706
Total	<u>\$11,107</u>	<u>\$379,822</u>	<u>\$519,728</u>	<u>\$910,657</u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2004, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General Fund:				
Weapons	\$31,909	\$1,592		\$33,501
Furniture and equipment	269,541	17,621		287,162
Vehicles	246,021	86,336		332,357
Sub-total General Fund	<u>547,471</u>	<u>105,549</u>	NONE	<u>653,020</u>
East Carroll Detention Center:				
Buildings	1,201,330			1,201,330
Weapons	9,817			9,817
Furniture and equipment	266,445	9,713		276,158
Vehicles	90,974	2,100		93,074
Sub-total ECDC	<u>1,568,566</u>	<u>11,813</u>	NONE	<u>1,580,379</u>
Riverbend Detention Center:				
Furniture and equipment	47,277	4,675		51,952
Sub-total RBDC	<u>47,277</u>	<u>4,675</u>	NONE	<u>51,952</u>
Total assets	<u>2,163,314</u>	<u>122,037</u>	NONE	<u>2,285,351</u>
Less accumulated depreciation	<u>692,759</u>	<u>135,995</u>		<u>828,754</u>
Net capital assets	<u>\$1,470,555</u>	<u>(\$13,958)</u>	NONE	<u>\$1,456,597</u>

Additions do not agree to capital outlay due to donated assets of \$900.

4. PENSION PLAN

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

All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 4, 1979 and before January 1, 1991; \$550 if

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

employed between January 1, 1991 and December 31, 1999; and \$800 if employed after January 1, 2000 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 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 9.8 percent of their annual covered salary and the East Carroll Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the East Carroll Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The East Carroll Parish Sheriff's contributions to the System for the years ended June 30, 2004, 2003, and 2002 were \$345,558, \$261,046, and \$215,702, respectively, equal to the required contributions for each year.

5. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2004, are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$372,077	\$100,105
Special Revenue Fund		
East Carroll Detention Center - Operating	2,226	204,031
Riverbend Detention Center - Operating	91,649	250,000
Capital Projects Fund - Construction Fund	100,000	
Agency Funds:		
ECDC Inmate Fund		2,820

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

	<u>Due From</u>	<u>Due To</u>
RBDC Inmate Fund		\$3,916
Criminal Fund	\$105	5,185
Total	<u>\$566,057</u>	<u>\$566,057</u>

6. CHANGES IN AGENCY FUND BALANCES

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

	<u>Tax Collector Fund</u>	<u>Con- fiscated Fund</u>	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Jail Inmate Fund</u>	<u>ECDC Inmate Fund</u>	<u>RBDC Inmate Fund</u>	<u>Total</u>
Balance at June 30, 2003	\$85,509	\$2,367	\$29,070	\$5,418	\$570	\$25,078	\$43,836	\$191,848
Additions	2,679,790	597	299,275	201,963	1,837	281,220	588,021	4,052,703
Reductions	<u>(2,679,046)</u>	NONE	<u>(253,718)</u>	<u>(201,963)</u>	<u>(1,824)</u>	<u>(292,149)</u>	<u>(597,813)</u>	<u>(4,026,513)</u>
Balance at June 30, 2004	<u>\$86,253</u>	<u>\$2,964</u>	<u>\$74,627</u>	<u>\$5,418</u>	<u>\$583</u>	<u>\$14,149</u>	<u>\$34,044</u>	<u>\$218,038</u>

7. CAPITAL LEASES

The sheriff records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 2004, the sheriff has two capital leases in effect. One for a copier and the other for a Chevrolet Suburban. The lease for the copier has an original recorded amount of \$6,662. Lease obligations are retired from the East Carroll Detention Center Operating fund. The second lease for the suburban has an original recorded amount of \$36,540. Lease obligations are retired from the East Carroll Sheriff's office general fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of June 30, 2004:

<u>Year</u>	
2005	\$10,193
2006	10,037
2007	10,037
2008	<u>9,200</u>
Total minimum lease payments	39,467
Less amount representing interest	<u>(3,610)</u>
Present value of net minimum lease payments	<u>\$35,857</u>

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

	Revenue Bonds	Certificates of Indebtedness	Capital Leases	Total
Long-term obligations at June 30, 2003	\$851,550	\$421,000	\$1,860	\$1,274,410
Additions			36,540	36,540
Deductions	(138,935)	(43,000)	(2,543)	(184,478)
Long-term obligations at	<u>\$712,615</u>	<u>\$378,000</u>	<u>\$35,857</u>	<u>\$1,126,472</u>

Bonded debt and certificates of indebtedness at June 30, 2004, are comprised of the following:

Revenue Bonds - \$1,400,000 issue of November 16, 1998, for the purpose of acquiring a prison facility known as the East Carroll Detention Center, near Lake Providence, Louisiana. The principal is due in monthly installments of \$15,159 through November 15, 2008 with interest at 5.45 per cent. Debt retirement payments are made from the East Carroll Detention Center Operating Fund.

\$712,615

Certificates of Indebtedness - \$500,000 issue of August 7, 2000, for the purpose of acquiring and constructing sewerage lines and a lift station and closing a sewage treatment facility at the East Carroll Detention Center. The principal is due in fluctuating annual installments through August 1, 2010 with interest at 5.70 per cent, payable semi-annually. Monthly payments are made from the East Carroll Detention Center and Riverbend Detention Center operating funds and deposited into a reserve account held by the Paying Agent. The Paying Agent disburses annual principal and semi-annual interest payments to certificate holders as they become due.

378,000

Total bonded debt and certificates of indebtedness

\$1,090,615

The annual requirements to amortize all bonded debt and certificates of indebtedness outstanding at June 30, 2004, including interest of \$171,012 are as follows:

<u>Fiscal Year Ended June 30:</u>	Revenue Bonds	Certificates of Indebtedness	Total
2005	\$181,908	\$65,264	\$247,172
2006	181,908	65,613	247,521
2007	181,908	65,792	247,700
2008	181,908	65,799	247,707
2009	75,795	65,635	141,430
2010-2011		130,097	130,097
Total	<u>\$803,427</u>	<u>\$458,200</u>	<u>\$1,261,627</u>

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 Notes to the Financial Statements (Continued)

9. MANAGEMENT AGREEMENT

The East Carroll Parish Sheriff manages the Riverbend Detention Center which is a privately owned facility of Western Correctional Corporation (WCC). The management agreement is for a term of twenty years, beginning January 1, 2000. This agreement provides that the sheriff will receive 75 percent of all payments received for housing inmates in the facility and WCC will receive the remaining 25 percent. At the end of twenty years, the sheriff will own the detention center. The sheriff holds a deposit of \$100,000 from WCC for use in meeting operating expenses in the event that revenues fall below the amount required to meet those costs. Interest earned on the deposit is a revenue of the sheriff. If not needed as stated above, the deposit will be returned to WCC at the end of twenty years.

10. LITIGATION AND CLAIMS

At June 30, 2004, the East Carroll Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

**11. EXPENDITURES OF THE SHERIFF'S OFFICE
 PAID BY THE PARISH POLICE JURY**

The East Carroll Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the East Carroll Parish Police Jury.

12. GRANT PROGRAMS

The East Carroll Parish Sheriff participates in various grant programs funded by the state and federal governments. The following schedule provides selected information on various grants for the year ended June 30, 2004.

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS THROUGH GRANT NUMBER	EXPENDITURES
FEDERAL PROGRAMS			
United States Department of Agriculture Passed through Rural Development Office Community Facilities Grant	10.766	N/A	<u>\$33,000</u>
United States Department of Justice Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice - Street Sales Disruption	16.579	B01-2-009	<u>11,006</u>
Total Federal Financial Assistance			<u><u>\$44,006</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

PART II

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2004

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Taxes - ad valorem	\$285,000	\$267,000	\$268,404	\$1,404
Intergovernmental revenues:				
Federal grants - federal revenue		53,916	44,006	(9,910)
State funds:				
State revenue sharing (net)	42,000	42,167	42,167	
State supplemental pay	40,000	40,000	39,938	(62)
Other state grants	41,600	36,258	33,039	(3,219)
Local grant	8,000	1,300	4,479	3,179
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	14,000	15,250	12,774	(2,476)
Civil and criminal fees	54,000	58,000	58,335	335
Court attendance	3,000	2,000	3,944	1,944
Feeding prisoners				
Tax notices, etc	7,000	5,000	2,191	(2,809)
Bond fees	3,000	984	984	
Use of money and property	1,500	1,500	1,596	96
Other revenue	7,000	7,449	11,486	4,037
Total revenues	<u>506,100</u>	<u>530,824</u>	<u>523,343</u>	<u>(7,481)</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	990,500	1,060,000	1,094,432	(34,432)
Operating services	184,800	203,000	206,225	(3,225)
Materials and supplies	91,500	73,000	83,781	(10,781)
Travel and other charges	35,300	41,000	36,804	4,196
Debt service	16,000		836	(836)
Capital outlay		91,176	105,549	(14,373)
Total expenditures	<u>1,318,100</u>	<u>1,468,176</u>	<u>1,527,627</u>	<u>(59,451)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(812,000)</u>	<u>(937,352)</u>	<u>(1,004,284)</u>	<u>(66,932)</u>

(Continued)

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES				
Proceeds from insurance		\$7,263	\$7,736	\$473
Proceeds from lease purchase		36,500	36,540	40
Operating transfers in	<u>\$850,000</u>	<u>800,000</u>	<u>956,000</u>	<u>156,000</u>
Total financing sources	<u>850,000</u>	<u>843,763</u>	<u>1,000,276</u>	<u>156,513</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	38,000	(93,589)	(4,008)	89,581
FUND BALANCES AT BEGINNING OF YEAR	<u>100,000</u>	<u>210,890</u>	<u>210,890</u>	
FUND BALANCES AT END OF YEAR	<u><u>\$138,000</u></u>	<u><u>\$117,301</u></u>	<u><u>\$206,882</u></u>	<u><u>\$89,581</u></u>

(Concluded)

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

BUDGETARY COMPARISON SCHEDULE
EAST CARROLL DETENTION CENTER FUND
For the Year Ended June 30, 2004

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
State funds:				
Feeding and keeping prisoners	\$3,502,000	\$3,487,000	\$3,505,030	\$18,030
Other state grants	124,000	124,000	124,660	660
Use of money and property	5,000	3,500	4,036	536
Other revenue	<u>231,500</u>	<u>185,017</u>	<u>321,992</u>	<u>136,975</u>
Total revenues	<u>3,862,500</u>	<u>3,799,517</u>	<u>3,955,718</u>	<u>156,201</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	2,188,700	2,250,000	2,220,434	29,566
Operating services	469,900	535,000	538,120	(3,120)
Materials and supplies	484,500	560,000	591,915	(31,915)
Travel and other charges	8,000	3,000	113,190	(110,190)
Debt service	257,000	257,000	226,444	30,556
Capital outlay	<u>2,000</u>	<u>21,000</u>	<u>10,913</u>	<u>10,087</u>
Total expenditures	<u>3,410,100</u>	<u>3,626,000</u>	<u>3,701,016</u>	<u>(75,016)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>452,400</u>	<u>173,517</u>	<u>254,702</u>	<u>81,185</u>
OTHER FINANCING SOURCE (Use)				
Proceeds from lease		12,000		(12,000)
Transfers out	<u>(450,000)</u>	<u>(161,000)</u>	<u>(206,000)</u>	<u>(45,000)</u>
Total financing source (Use)	<u>(450,000)</u>	<u>(149,000)</u>	<u>(206,000)</u>	<u>(57,000)</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	2,400	24,517	48,702	24,185
FUND BALANCES AT BEGINNING OF YEAR	<u>100,000</u>	<u>107,040</u>	<u>392,541</u>	<u>285,501</u>
FUND BALANCES AT END OF YEAR	<u>\$102,400</u>	<u>\$131,557</u>	<u>\$441,243</u>	<u>\$309,686</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

BUDGETARY COMPARISON SCHEDULE
RIVERBEND DETENTION CENTER FUND
For the Year Ended June 30, 2004

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
State funds:				
Feeding and keeping prisoners	\$3,680,000	\$4,458,000	\$4,473,948	\$15,948
Other state grants		5,000	5,000	
Fees, charges, and commissions for services:				
Feeding prisoners	18,000	399,500	421,521	22,021
Use of money and property	1,500	2,060	2,570	510
Other revenue	2,500	20,458	103,014	82,556
Total revenues	<u>3,702,000</u>	<u>4,885,018</u>	<u>5,006,053</u>	<u>121,035</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	1,634,750	1,735,000	1,671,487	63,513
Operating services	1,333,900	1,800,000	1,784,699	15,301
Materials and supplies	297,000	612,000	555,783	56,217
Travel and other charges	2,750	1,500	1,764	(264)
Debt service	23,100	28,000	23,020	4,980
Capital outlay		5,000	4,675	325
Total expenditures	<u>3,291,500</u>	<u>4,181,500</u>	<u>4,041,428</u>	<u>140,072</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>410,500</u>	<u>703,518</u>	<u>964,625</u>	<u>261,107</u>
OTHER FINANCING USE				
Transfers out	<u>(400,000)</u>	<u>(650,000)</u>	<u>(750,000)</u>	<u>(100,000)</u>
Total financing source (Use)	<u>(400,000)</u>	<u>(650,000)</u>	<u>(750,000)</u>	<u>(100,000)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	10,500	53,518	214,625	161,107
FUND BALANCES AT BEGINNING OF YEAR	<u>10,000</u>	<u>36,704</u>	<u>52,566</u>	<u>15,862</u>
FUND BALANCES AT END OF YEAR	<u>\$20,500</u>	<u>\$90,222</u>	<u>\$267,191</u>	<u>\$176,969</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2004

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

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

OTHER SUPPLEMENTARY INFORMATION

PART III

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 2003

SPECIAL REVENUE FUNDS

NARCOTICS FUND

The Narcotics Fund accounts for monies seized from suspects and monies given the sheriff's office by court order on drug cases. These funds are restricted and are to used for drug enforcement.

EAST CARROLL DETENTION CENTER COMMISSARY FUND

The Commissary Fund accounts for the purchase and resale of personal items to the inmates at the East Carroll detention center.

RIVERBEND DETENTION CENTER COMMISSARY FUND

The Commissary Fund accounts for the purchase and resale of personal items to the inmates at the Riverbend detention center.

CONSTRUCTION FUND

The Construction Fund accounts for the construction of the sewer lines and a lift station and closing a sewage treatment facility.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Balance Sheet, June 30, 2004

	<u>NARCOTICS</u>	<u>ECDC COMMISSARY</u>	<u>RBDC COMMISSARY</u>	<u>CONSTRUCTION</u>	<u>TOTAL</u>
ASSETS					
Cash	\$5,047	\$45,632	\$84,591	\$92,773	\$228,043
Due from other funds				100,000	100,000
TOTAL ASSETS	<u>\$5,047</u>	<u>\$45,632</u>	<u>\$84,591</u>	<u>\$192,773</u>	<u>\$328,043</u>
FUND EQUITY					
Fund Balance - Unreserved - undesignated	<u>\$5,047</u>	<u>\$45,632</u>	<u>\$84,591</u>	<u>\$192,773</u>	<u>\$328,043</u>
FUND EQUITY	<u>\$5,047</u>	<u>\$45,632</u>	<u>\$84,591</u>	<u>\$192,773</u>	<u>\$328,043</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2004

	<u>NARCOTICS</u>	<u>ECDC COMMISSARY</u>	<u>RBDC COMMISSARY</u>	<u>CONSTRUCTION</u>	<u>TOTAL</u>
REVENUES					
Use of money and property	\$44	\$516	\$949	\$827	\$2,336
Other revenues		138,378	284,439		422,817
Total revenues	<u>44</u>	<u>138,894</u>	<u>285,388</u>	<u>827</u>	<u>425,153</u>
EXPENDITURES					
Public safety:					
Current:					
Operating services	500	3,814	8,287		12,601
Materials and supplies		94,500	194,254		288,754
Total expenditures	<u>500</u>	<u>98,314</u>	<u>202,541</u>	<u>NONE</u>	<u>301,355</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(456)	40,580	82,847	827	123,798
FUND BALANCES AT BEGINNING OF YEAR	<u>5,503</u>	<u>5,052</u>	<u>1,744</u>	<u>191,946</u>	<u>204,245</u>
FUND BALANCES AT END OF YEAR	<u>\$5,047</u>	<u>\$45,632</u>	<u>\$84,591</u>	<u>\$192,773</u>	<u>\$328,043</u>

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2004

FIDUCIARY FUND TYPE - AGENCY FUNDS

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.

CONFISCATED FUNDS

The Confiscated Funds account was established to track funds seized in narcotics arrests.

CRIMINAL FUND

The Criminal Fund accounts for the collection of bonds, fines and costs, and payment of the collections to recipients in accordance with applicable laws.

CIVIL FUND

The Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments and payments of these collections to recipients in accordance with applicable laws.

JAIL INMATE FUND

The Jail Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the jail.

EAST CARROLL DETENTION CENTER INMATE FUND (ECDC)

The East Carroll Detention Center Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

RIVERBEND DETENTION CENTER INMATE FUND (RBDC)

The Riverbend Detention Center Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2004

	TAX COLLECTOR FUND	CON- FISCATED FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	JAIL INMATE FUND	ECDC INMATE FUND	RBDC INMATE FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$85,509</u>	<u>\$2,367</u>	<u>\$29,070</u>	<u>\$5,418</u>	<u>\$570</u>	<u>\$25,078</u>	<u>\$43,836</u>	<u>\$191,848</u>
ADDITIONS								
Deposits :								
Ad valorem taxes	2,492,764							2,492,764
State Revenue Sharing	172,561							172,561
Beer and Liquor licenses	3,640							3,640
Interest on:								
NOW accounts	1,136							1,136
Delinquent taxes	4,319							4,319
Protested taxes held in escrow	743							743
Redemptions	735							735
Tax notices, etc.	1,946							1,946
Appearance bonds, fines, etc.			299,275					299,275
Inmate deposits		597			1,837	281,220	588,021	871,675
Sheriff's sales, etc.	1,946			201,963				203,909
Total additions	<u>2,679,790</u>	<u>597</u>	<u>299,275</u>	<u>201,963</u>	<u>1,837</u>	<u>281,220</u>	<u>588,021</u>	<u>4,052,703</u>
Total	<u>2,765,299</u>	<u>2,964</u>	<u>328,345</u>	<u>207,381</u>	<u>2,407</u>	<u>306,298</u>	<u>631,857</u>	<u>4,244,551</u>
REDUCTIONS								
Deposits settled to:								
Clerk of Court	50		21,092	8,770				29,912
Louisiana Dept. Of Forestry	2,059							2,059
Louisiana Tax Commission	1,081							1,081
Fifth District Levee Board	110,377							110,377
Crime Lab			12,421					12,421
Judicial Expense			5,563					5,563
Louisiana Comm. on Law Enf.			4,133					4,133
East Carroll Parish:								
Criminal Court Fund			77,360					77,360
District attorney			33,570					33,570
Police Jury	1,254,215							1,254,215
School Board	368,994							368,994
Sheriff	322,322		42,418	12,410				377,150
Assessor	197,063							197,063
Hospital	237,313							237,313
Indigent Defender Board			40,623					40,623
Litigants			7,925	101,823				109,748
Lake Providence Port Comm.	108,494							108,494
Pension Funds	76,658							76,658

(Continued)

EAST CARROLL PARISH SHERIFF
 Lake Providence, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS
 Combining Schedule of Changes in Balances
 Due to Taxing Bodies and Others, 2004

	<u>TAX COLLECTOR FUND</u>	<u>CON- FISCATED FUND</u>	<u>CRIMINAL FUND</u>	<u>SHERIFF'S CIVIL FUND</u>	<u>JAIL INMATE FUND</u>	<u>ECDC INMATE FUND</u>	<u>RBDC INMATE FUND</u>	<u>TOTAL</u>
REDUCTIONS (CONTD.)								
Deposits settled to (contd.):								
Inmate disbursements					\$1,824	\$292,149	\$597,813	\$891,786
Redemptions	\$420							420
Refunds			\$1,025					1,025
Other settlements			<u>7,588</u>	<u>\$78,960</u>				<u>86,548</u>
Total reductions	<u>2,679,046</u>	<u>NONE</u>	<u>253,718</u>	<u>201,963</u>	<u>1,824</u>	<u>292,149</u>	<u>597,813</u>	<u>4,026,513</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT END OF YEAR								
	<u>\$86,253</u>	<u>\$2,964</u>	<u>\$74,627</u>	<u>\$5,418</u>	<u>\$583</u>	<u>\$14,149</u>	<u>\$34,044</u>	<u>\$218,038</u>

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

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent Auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

I have audited the basic financial statements of the East Carroll Parish Sheriff, a component unit of the East Carroll Parish Police Jury, as of and for the year ended June 30, 2004 and have issued my report thereon dated August 24, 2004. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the East Carroll 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the East Carroll Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the 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 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 operation that I consider to be material weaknesses.

EAST CARROLL PARISH SHERIFF

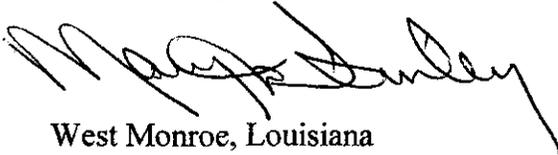
Lake Providence, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2004

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



West Monroe, Louisiana

August 24, 2004

EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unqualified opinion on the general purpose financial statements of the East Carroll Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the East Carroll Parish Sheriff were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**EAST CARROLL PARISH SHERIFF
Lake Providence, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004**

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