

**RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE 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 11-17-04

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
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JUNE 30, 2004

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RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

AFFIDAVIT

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Personally came and appeared before the undersigned authority, Johnny Ray Norman, Red River Parish Sheriff, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Red River Parish Sheriff at June 30, 2004 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

  
Sheriff

Sworn to and subscribed before me, this 20<sup>th</sup> day of October, 2004.

  
NOTARY PUBLIC



# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 2188 - 133 EAST FIFTH STREET  
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA  
1926-1999

FRANK S. HINES, CPA  
LEWIS C. HINES, CPA  
E. MERLIN SQUYRES, CPA  
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458  
FAX (318) 352-0404  
office@hjhcpa.biz

## INDEPENDENT AUDITORS' REPORT

Honorable Johnny Ray Norman  
Red River Parish Sheriff  
P.O. Box 375  
Coushatta, Louisiana 71019

We have audited the accompanying basic financial statements of the Red River Parish Sheriff, Coushatta, Louisiana, 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 management of the Red River Parish Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Red River Parish Sheriff as of June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 20, 2004, on our consideration of the Red River Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 24, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

***Hines, Jackson & Hines***  
Natchitoches, Louisiana  
October 20, 2004

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS  
JUNE 30, 2004

The Management's Discussion and Analysis of the Red River Parish Sheriff's financial performance presents a narrative overview and analysis of Red River Parish Sheriff's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Red River Parish Sheriff's financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

- 1) The Red River Parish Sheriff had cash and investments of \$653,075 at June 30, 2004, which represents a decrease of \$262,788 from the prior year end.
- 2) The Red River Parish Sheriff had accounts receivable of \$56,826 at June 30, 2004, which represents an increase of \$2,949 from the prior year end.
- 3) The Red River Parish Sheriff had accounts payable and accruals of \$98,474 at June 30, 2004, which represents an increase of \$8,152 from the prior year end.
- 4) The Red River Parish Sheriff had total revenues of \$1,689,972 for the year ended June 30, 2004 which represents a decrease of \$133,941 from the prior year.
- 5) The Red River Parish Sheriff had ad valorem and sales taxes of \$960,431 for the year ended June 30, 2004 which represents a decrease of \$15,371 from the prior year.
- 6) The Red River Parish Sheriff had fees, charges and commissions for services of \$590,062 for the year ended June 30, 2004 which represents a decrease of \$33,972 from the prior year.
- 7) The Red River Parish Sheriff had personal services expense of \$1,631,420 for the year ended June 30, 2004, which represents a decrease of \$20,825 from the prior year.
- 8) The Red River Parish Sheriff had operating services expense of \$167,520 for the year ended June 30, 2004, which represents an increase of \$15,359 from the prior year.
- 9) The Red River Parish Sheriff had supplies expense of \$142,943 for the year ended June 30, 2004 which represents an increase of \$29,034 from the prior year.
- 10) The Red River Parish Sheriff had capital asset purchases of \$3,228 for the year ended June 30, 2004, which represents a decrease of \$4,971 from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for the Red River Parish Sheriff as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**Basic Financial Statements**

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Red River Parish Sheriff as a whole and present a longer-term view of the Sheriff's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Sheriff's net assets and changes in them. You can think of the Sheriff's net assets, the difference between assets and liabilities, as one way to measure the Sheriff's financial health, or financial position. Over time, increases or decreases in the Sheriff's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the Sheriff's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Sheriff's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's activities as well as what remains for future spending.

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of Year End

	2004	2003
Current and other assets	\$ 712,769	\$ 969,740
Capital assets, net	106,075	164,040
Total Assets	\$ 818,844	\$ 1,133,780
Other liabilities	\$ 98,474	\$ 90,322
Compensated absences payable	0	0
Total Liabilities	98,474	90,322
Net assets		
Investment in capital assets, net of related debt	106,075	164,040
Unrestricted	614,295	879,418
Total Net Assets	720,370	1,043,458
Total Liabilities and Net Assets	\$ 818,844	\$ 1,133,780

Net assets of the Red River Parish Sheriff decreased by \$323,088 or 30.96% from the previous fiscal year. The decrease is the result of expenses exceeding operating and nonoperating revenues during the fiscal year ended 2004 (See table below).

Statement of Activities  
For the Year Ended

	2004	2003
General government		
Expenses	\$ (2,013,060)	\$ (1,988,435)
Program revenues		
Fees, charges, and commissions for services	590,062	624,034
Operating and capital grants and contributions	107,194	176,692
Subtotal	(1,315,804)	(1,187,709)
General revenues	992,716	1,023,187
Change in net assets	\$ (323,088)	\$ (164,522)

The Red River Parish Sheriff's total revenues decreased by \$133,941 or 7.34% from the previous year. The total cost of all programs and services increased by \$24,625 or 1.24% from the previous year.



RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
JUNE 30, 2004

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$48,837 more than budgeted amounts due to taxes and fees, charges, and commissions for services being more than expected.

Actual expenditures were \$21,737 less than budgeted amounts due to personal services expenses being less than expected.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Red River Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues
- 3) Fees, charges, and commissions for services

The Red River Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE RED RIVER PARISH SHERIFF'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Red River Parish Sheriff's finances and to show the Red River Parish Sheriff's accountability for the money it receives. *If you have questions about this report or need additional financial information, contact, Mr. Johnny Ray Norman, Red River Parish Sheriff, P. O. Box 375, Coushatta, Louisiana 71019.*

EXHIBIT A

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

ASSETS	
Current Assets	
Cash	\$ 653,075
Accounts receivable	56,826
Prepaid expenses	<u>2,868</u>
Total Current Assets	712,769
Noncurrent Assets	
Capital assets, net	<u>106,075</u>
Total Assets	<u>\$ 818,844</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Accounts payable and accruals	\$ <u>98,474</u>
Total Current Liabilities	98,474
Noncurrent Liabilities	
Compensated absences payable	<u>0</u>
Total Liabilities	98,474
NET ASSETS	
Investment in capital assets, net of related debt	106,075
Unrestricted	<u>614,295</u>
Total Net Assets	<u>720,370</u>
Total Liabilities and Net Assets	<u>\$ 818,844</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

	Expense	Fees, Charges, and Commissions for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
General Government					
Personal services	\$ 1,631,420	\$ 493,189	\$ 106,140	\$ 0	\$ (1,032,091)
Travel	2,440	738	330	0	(1,372)
Operating services	167,520	50,642	724	0	(116,154)
Supplies	142,943	43,213	0	0	(99,730)
Professional services	7,544	2,280	0	0	(5,264)
Depreciation	61,193	0	0	0	(61,193)
Total General Government	<u>\$ 2,013,060</u>	<u>\$ 590,062</u>	<u>\$ 107,194</u>	<u>\$ 0</u>	<u>\$ (1,315,804)</u>
General Revenues					
Taxes					960,431
State revenue sharing					24,580
Interest					3,404
Miscellaneous					4,301
Total General Revenues					<u>992,716</u>
Change in Net Assets					(323,088)
Net Assets, Beginning of year as restated					<u>1,043,458</u>
Net Assets, End of year					<u>\$ 720,370</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004

<b>ASSETS</b>	
Cash	\$ 653,075
Accounts receivable	56,826
Prepaid expenses	<u>2,868</u>
Total Assets	<u>\$ 712,769</u>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable and accruals	<u>\$ 98,474</u>
Total Liabilities	98,474
 <b>FUND BALANCES</b>	
Unreserved	<u>614,295</u>
Total Fund Balances	<u>614,295</u>
Total Liabilities and Fund Balances	<u>\$ 712,769</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2004

Total Fund Balances for Governmental Funds (Exhibit C) \$ 614,295

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	\$ 22,278	
Buildings and building improvements, net of \$13,803 in accumulated depreciation	11,294	
Automobile, net of \$456,514 in accumulated depreciation	52,152	
Equipment, furniture and fixtures, net of \$22,719 in accumulated depreciation	<u>\$ 20,351</u>	
Total Capital Assets		106,075

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

0

Total Net Assets of Governmental Activities (Exhibit A) \$ 720,370

EXHIBIT E

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES	
Taxes	\$ 960,431
State revenue sharing	24,580
Intergovernmental revenues	107,194
Fees, charges, and commissions for services	590,062
Interest	3,404
Miscellaneous	<u>4,301</u>
Total Revenues	1,689,972
EXPENDITURES	
General government	
Personal services	1,631,420
Travel	2,440
Operating services	167,520
Supplies	142,943
Professional services	7,544
Capital outlay	<u>3,228</u>
Total Expenditures	<u>1,955,095</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(265,123)
Fund Balance, Beginning of year	<u>879,418</u>
Fund Balance, End of year	<u>\$ 614,295</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (265,123)

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. This is the amount by which depreciation (\$61,193) exceeds capital outlay (\$3,228) in the current period. (57,965)

Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 0

Change in Net Assets of Governmental Activities (Exhibit B) \$ (323,088)

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2004

	<u>Fines, Bonds and Costs Fund</u>	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 89,845	\$ 25,832	\$ 24,634	\$ 140,311
Total Assets	<u>\$ 89,845</u>	<u>\$ 25,832</u>	<u>\$ 24,634</u>	<u>\$ 140,311</u>
<b>LIABILITIES</b>				
Due to others	\$ 89,845	\$ 25,832	\$ 24,634	\$ 140,311
Total Liabilities	<u>\$ 89,845</u>	<u>\$ 25,832</u>	<u>\$ 24,634</u>	<u>\$ 140,311</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

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

**A.           Basis of Presentation**

The accompanying financial statements of the Red River Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

**B.           Reporting Entity**

The Red River Parish Sheriff is an independent elected parish official. His office receives funding primarily through ad valorem taxes, fees, charges, and commissions for services. The office is independent and receives no financial benefit from the Red River Parish Police Jury other than the provision of office space. The Red River Parish Sheriff was determined not to be a component unit of the Red River Parish Police Jury.

Based on the application of criteria established by GASB Statement No. 14, it was determined that the Red River Parish Sheriff has no financial accountability and exercises no oversight responsibility for any other entity. Therefore, the accompanying financial statements present information only on the funds maintained by the Red River Parish Sheriff.

**C.           Fund Accounting**

The Red River Parish 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. Funds of the Sheriff are classified into two categories: governmental and fiduciary, as follows:

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

**NOTE 1          SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C.          Funds Accounting (Continued)**

**Governmental Funds**

Governmental funds account for all or most of the Sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Sheriff. The following are the Sheriff's governmental funds:

**General Fund** - The general fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Red River Parish Sheriff and is used to account for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

**Fiduciary Funds**

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. 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.

**Agency Fund** - The agency funds are used as depositories for ad valorem taxes, civil suits, cash bonds, taxes and fees. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law.

**D.          Measurement Focus/Basis of Accounting**

**Government - Wide Financial Statements**

The Statement of Net Assets (Exhibit A) and the Statement of Activities (Exhibit B) display information about the reporting government as a whole. These statements include all the financial activities of the Red River Parish Sheriff, except for the fiduciary fund. Fiduciary funds are reported in the Statement of Fiduciary Assets and Liabilities (Exhibit G).

The government - wide financial statements were 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 nonchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D.           Measurement Focus/Basis of Accounting (Continued)**

**Fund Financial Statements**

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet (Exhibit C). The Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit E) 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.

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.

Governmental funds and the agency fund 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 Red River Parish Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Those revenues susceptible to accrual include ad valorem taxes, state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues other than interest revenue are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

**E.           Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The Red River Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Sheriff amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

**F.           Cash and Cash Equivalents**

The Red River Parish Sheriff defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.        Cash and Cash Equivalents (Continued)**

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**G.        Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**H.        Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2004, \$0 were considered uncollectible.

**I.        Capital Assets**

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Sheriff are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**J.        Compensated Absences**

Full-time employees that have been employed one year earn one week of vacation and two weeks of sick leave and employees that have been employed two or more years earn two weeks of vacation and two weeks of sick leave per year. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Sick leave does carryover from one fiscal year to the next and can be accumulated up to a maximum of four week; however, there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

**K.        Estimates**

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

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Red River Parish Sheriff may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Sheriff may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties. The deposits at June 30, 2004 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 771,749	\$ 21,037	\$ 792,786
	Cash	Certificates of Deposit	Total
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 195,559	\$ 21,037	\$ 216,596
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	595,373	0	595,373
3. Uncollateralized, including any securities held for the entity but not in entity's name	0	0	0
Total Bank Balances	\$ 790,932	\$ 21,037	\$ 811,969

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
American Bank & Trust Co	\$ 116,596
Bank of Coushatta	695,373
Total	\$ 811,969

**B. Investments**

At June 30, 2004, the Red River Parish Sheriff had investments of \$0.

**RED RIVER PARISH SHERIFF**  
**COUSHATTA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE 3      ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at June 30, 2004:

<u>Class of Receivable</u>				
Taxes	\$		3,606	
Intergovernmental revenues			4,268	
Fees, charges, and commissions for services			48,683	
Other			269	
Total		\$	<u>56,826</u>	

**NOTE 4      CAPITAL ASSETS**

A summary of Red River Parish Sheriff's capital assets at June 30, 2004 follows:

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2004</u>
Capital Assets, not being depreciated				
Land	\$ 22,278	\$ 0	\$ 0	\$ 22,278
Total Capital Assets, not being depreciated	22,278	0	0	22,278
Capital Assets, being depreciated				
Buildings and building improvements	25,097	0	0	25,097
Less accumulated depreciation	<u>(12,548)</u>	<u>(1,255)</u>	<u>0</u>	<u>(13,803)</u>
Total Buildings and Building Improvements	12,549	(1,255)	0	11,294
Automobile	508,666	0	0	508,666
Less accumulated depreciation	<u>(403,740)</u>	<u>(52,774)</u>	<u>0</u>	<u>(456,514)</u>
Total Automobile	104,926	(52,774)	0	52,152
Furniture, fixtures and equipment	254,916	3,228	(215,074)	43,070
Less accumulated depreciation	<u>(230,629)</u>	<u>(7,164)</u>	<u>215,074</u>	<u>(22,719)</u>
Total Furniture, fixtures and equipment	24,287	(3,936)	0	20,351
Total Capital Assets, being depreciated	<u>141,762</u>	<u>(57,965)</u>	<u>0</u>	<u>83,797</u>
Total Capital Assets, net	<u>\$ 164,040</u>	<u>\$ (57,965)</u>	<u>\$ 0</u>	<u>\$ 106,075</u>

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at June 30, 2004:

<u>Class of Payable</u>				
Vendor	\$		38,051	
Salaries and related benefits			60,423	
Other			0	
Total		\$	<u>98,474</u>	

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE 6          PENSION PLAN**

Substantially all employees of the sheriff's office are members of the Sheriff's Pension and Relief Fund ("System"), a multiple-employer, cost-sharing public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month and who are between the ages of 18 and 50 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 average final salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent if total service is at least 12 but less than 15 years, 2.75 percent if total service is at least 15 but less than 20 years, and 3 percent if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of the 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 who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefits 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 the ages of 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.

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 Sheriffs Pension & Relief Fund, Monroe, Louisiana, 71210-3163 or by calling (318) 362-3188.

Contributions to the system include one-half of 1 percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. State statute requires covered employees to contribute 9.8 percent of their salary to the system and requires an employer contribution equal to 9.25 percent of each covered employee's salary. 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 Red River Parish Sheriff's contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$104,051, \$86,764 and \$76,804, respectively, equal to the required contribution for each year.

**NOTE 7          OTHER POSTEMPLOYMENT BENEFITS**

The Red River Parish Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach retirement age of 55 and have 16 years of service. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due, which totaled \$157,843 for the year ended June 30, 2004. The cost of retiree benefits totaled \$14,447 for 5 retirees.

**NOTE 8          LEASES**

The Red River Parish Sheriff was not obligated under any capital or operating lease agreements at June 30, 2004.

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE 9            LITIGATION**

There was no outstanding litigation against the Red River Parish Sheriff at June 30, 2004.

**NOTE 10          RISK MANAGEMENT**

The Red River Parish 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. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

**NOTE 11          EXPENDITURES OF THE SHERIFF PAID BY THE PARISH POLICE JURY**

The Red River Parish Police Jury provided office space and paid the utilities related to the office space of the Red River Parish Sheriff for the year ended June 30, 2004.

**NOTE 12          PRIOR YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets for June 30, 2004.

Fund Balance, beginning of year as previously reported	\$        879,418
Adjustments:    Investments in Capital Assets, beginning of year	810,957
Accumulated Depreciation, beginning of year	<u>          (646,917)</u>
Net Assets, beginning of year as restated	<u>\$       1,043,458</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

**RED RIVER PARISH SHERIFF**  
**COUSHATTA, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.</u>
<b>REVENUES</b>				
Taxes	\$ 980,000	\$ 928,434	\$ 960,431	\$ 31,997
State revenue sharing	24,299	24,580	24,580	0
Intergovernmental revenues	86,500	107,677	107,194	(483)
Fees, charges, and commissions for services	579,466	576,594	590,062	13,468
Interest	5,000	3,850	3,404	(446)
Miscellaneous	<u>0</u>	<u>0</u>	<u>4,301</u>	<u>4,301</u>
Total Revenues	1,675,265	1,641,135	1,689,972	48,837
<b>EXPENDITURES</b>				
General government				
Personal services	1,800,000	1,684,759	1,631,420	53,339
Travel	4,000	2,500	2,440	60
Operating services	145,000	156,766	167,520	(10,754)
Supplies	145,000	121,445	142,943	(21,498)
Professional services	10,000	10,000	7,544	2,456
Capital outlay	<u>10,000</u>	<u>1,362</u>	<u>3,228</u>	<u>(1,866)</u>
Total Expenditures	<u>2,114,000</u>	<u>1,976,832</u>	<u>1,955,095</u>	<u>21,737</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(438,735)	(335,697)	(265,123)	70,574
Fund Balance, Beginning of year	<u>879,418</u>	<u>879,418</u>	<u>879,418</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 440,683</u>	<u>\$ 543,721</u>	<u>\$ 614,295</u>	<u>\$ 70,574</u>

**OTHER SUPPLEMENTARY INFORMATION**

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

- |    |   |             |
|----|---|-------------|
| 1. | Type of auditors' report issued.  | Unqualified |
| 2. | Internal control over financial reporting:                                    |             |
|    | a) Material weaknesses identified?  | None        |
|    | b) Reportable conditions identified not considered to be material weaknesses? | None        |
|    | c) Noncompliance material to the financial statements noted?                  | None        |

**SECTION #2**

FINANCIAL STATEMENT FINDINGS

None reported.

# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 2188 - 133 EAST FIFTH STREET  
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA  
1926-1999

FRANK S. HINES, CPA  
LEWIS C. HINES, CPA  
E. MERLIN SQUYRES, CPA  
JAY H. SHEFFIELD, CPA

Telephone (318) 352-6458  
FAX (318) 352-0404  
office@hjhcpa.biz

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

Honorable Johnny Ray Norman  
Red River Parish Sheriff  
P. O. Box 375  
Coushatta, Louisiana 71019

We have audited the basic financial statements of the Red River Parish Sheriff, Coushatta, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 20, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Red River Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Red River Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

### ***Hines, Jackson & Hines***

Natchitoches, Louisiana  
October 20, 2004

SCHEDULE 3

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 4

RED RIVER PARISH SHERIFF  
COUSHATTA, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.