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**ST. CHARLES PARISH SHERIFF**  
Hahnville, Louisiana

Financial Report

Year Ended June 30, 2004

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Release Date 1-12-05

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Gregory Champagne  
St. Charles Parish Sheriff  
Hahnville, Louisiana

We have audited the accompanying basic financial statements of the St. Charles Parish Sheriff, as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the St. Charles Parish Sheriff. Our responsibility is to express an opinion on these basic 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 St. Charles Parish Sheriff, as of June 30, 2004, and the results of his 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 our report dated December 22, 2004, on our consideration of the St. Charles Parish Sheriff's internal control over financial reporting and our tests of his 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 on pages 3 through 10, respectively, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplementary information on pages 32 and 33 and other supplementary information on pages 34 through 41 are presented for purposes of additional analysis and are not a required part of the basic financial statements of the St. Charles Parish Sheriff. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Information presented for the year ended June 30, 2003 was taken from our report for that year in which we expressed an unqualified opinion on the financial statements.

*Uzee, Butler, Arceneux + Bowes*

Harvey, Louisiana  
December 22, 2004

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL HIGHLIGHTS

The Parish Sheriff's assets exceeded its liabilities by \$12,251,687 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

- 1 Capital assets, net of related debt, of \$6,932,859 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
- 2 Net assets of \$602,975 are restricted by constraints imposed by lenders for debt service.
- 3 Unrestricted net assets of \$4,715,853 represent the portion available to maintain the Parish Sheriff's continuing obligations to citizens and creditors.

The Parish Sheriff's General Fund reported total ending fund balance of \$5,253,209 this year. This compares to the prior year ending fund balance of \$5,475,625 showing a decrease of \$222,416 during the current year. The General Fund unreserved balance of \$5,215,651 for fiscal year 2004 shows a \$215,246 decrease from the prior year.

At the end of the current fiscal year, undesignated fund balance for the General Fund was \$5,185,600, or 25% of total General Fund expenditures and 25% of total General Fund revenues including transfers.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Parish Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Parish Sheriff also includes in this report additional information to supplement the basic financial statements.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

The government-wide financial statements are presented on pages 11 & 12 of this report.

FUND FINANCIAL STATEMENTS

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

The Parish Sheriff has two kinds of funds:

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

**ST. CHARLES PARISH SHERIFF**  
Hahnville, Louisiana

**Management's Discussion and Analysis (Unaudited) (Continued)**

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

The basic governmental fund financial statements are presented on pages 13 through 15 of this report.

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

The basic agency fund financial statement is presented on page 17 of this report.

**Notes to the basic financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Parish Sheriff's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the General Fund. These schedules demonstrate compliance with the Parish Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 32 & 33 of this report.

In addition, more detailed information for the General Fund, Debt Service Fund and Agency Funds are presented as "other supplementary information" on pages 34 through 40 of this report.

**FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE (DOLLARS ARE IN THOUSANDS)**

The Parish Sheriff implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Parish Sheriff as a whole.

**ST. CHARLES PARISH SHERIFF**  
**Hahnville, Louisiana**

**Management's Discussion and Analysis (Unaudited) (Continued)**

The Parish Sheriff's net assets at fiscal year-end are \$12,251,687. The following table provides a summary of the Parish Sheriff's net assets:

**Summary of Net Assets**

	2004	Governmental Activities		
		% Total	2003	% Total
<b>Assets:</b>				
Current assets and other assets	\$ 6,778,672	27%	\$ 6,867,883	26%
Capital assets	<u>18,507,859</u>	<u>73%</u>	<u>19,243,780</u>	<u>74%</u>
<b>Total assets</b>	<u>25,286,531</u>	<u>100%</u>	<u>26,111,663</u>	<u>100%</u>
<b>Liabilities:</b>				
Current liabilities	1,057,878	8%	934,296	7%
Long-term liabilities	<u>11,976,966</u>	<u>92%</u>	<u>12,460,694</u>	<u>93%</u>
<b>Total liabilities</b>	<u>13,034,844</u>	<u>100%</u>	<u>13,394,990</u>	<u>100%</u>
<b>Net assets:</b>				
Investment in capital assets, net of debt	6,932,859	57%	7,168,780	56%
Restricted	602,975	5%	603,352	5%
Unrestricted	<u>4,715,853</u>	<u>38%</u>	<u>4,944,541</u>	<u>39%</u>
<b>Total net assets</b>	<u>\$ 12,251,687</u>	<u>100%</u>	<u>\$ 12,716,673</u>	<u>100%</u>

The Parish Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 6.41 to 1.

The Parish Sheriff reported positive balances in net assets for the governmental activities. Although net assets decreased \$464,986 for governmental activities in fiscal year ending 2004, the Parish Sheriff still reports \$12.2 million. This decrease is an improvement over last year's decrease of \$771,220.

**ST. CHARLES PARISH SHERIFF**  
Hahnville, Louisiana

**Management's Discussion and Analysis (Unaudited) (Continued)**

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

	Activities	of Total	Activities	of Total
<b>Revenues:</b>				
<b>Program:</b>				
Charges for services/finest	\$ 6,153,598	28%	\$ 5,233,906	26%
Operating grants	201,682	1%	668,666	3%
<b>General:</b>				
Property taxes	12,627,758	58%	11,870,080	58%
Unrestricted state grants	2,255,584	11%	2,101,057	11%
Interest	67,156	0%	97,676	0%
Miscellaneous	<u>382,874</u>	<u>2%</u>	<u>354,398</u>	<u>2%</u>
<b>Total Revenues</b>	<u>21,688,652</u>	<u>100%</u>	<u>20,325,783</u>	<u>100%</u>
<b>Program expenses:</b>				
Public safety	21,502,457	97%	20,483,850	97%
Interest on Long Term Debt	<u>651,181</u>	<u>3%</u>	<u>613,153</u>	<u>3%</u>
<b>Total expenses</b>	<u>22,153,638</u>	<u>100%</u>	<u>21,097,003</u>	<u>100%</u>
Change in net assets	(464,986)		(771,220)	
Beginning net assets	<u>12,716,673</u>		<u>13,487,893</u>	
Ending net assets	<u>\$ 12,251,687</u>		<u>\$ 12,716,673</u>	

**GOVERNMENTAL REVENUES**

The Parish Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 58% of the Parish Sheriff's total revenues. Unlike many other agencies, the Parish Sheriff receives no sales tax revenue. The Parish Sheriff's financial position has enabled him to earn \$67,156 in interest to support governmental activities. Also, note that program revenues cover 29% of governmental operating expenses. This means that the government's taxpayers and the Parish Sheriff's other general revenues fund 71% of its operations.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

The primary function of Parish Sheriff's office is public safety activities (activities of a general law enforcement nature). Other major functions are execution of district court orders and AdValorem tax collection. Of the total costs, depreciation on the Correctional Facility, equipment, and vehicles was \$1,270,466.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

FINANCIAL ANALYSIS OF THE PARISH SHERIFF'S FUNDS

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$5,856,184. Of this year-end total, \$5,185,600 or 88.5% is unreserved indicating availability for continuing the Parish Sheriff activities. Legally restricted fund balances (i.e., the reserved fund balances) include: \$602,975 committed to service debt and \$37,558, which is tied up in prepaid items.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Parish Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$222,416 from the prior year. The decrease for fiscal year 2003 was \$447,669 while the decrease in 2002 was \$3.29 million. The 2002 decrease reflected start-up costs related to the new Correctional Facility.

Contributing factors to our financial situation are as follows: Correctional Facility generates nearly \$4.5 million but the facility cost over \$5 million to operate.

Operating expenditures increased \$1 million or 5% over 2003 (in comparison to a 1% reduction in 2002). The primary cause for this increase was related to personnel costs (including benefits).

The General Fund's ending fund balance was 25% of annual expenditures.

The Parish Sheriff's office also maintains a fund for contraband activities. The primary revenue stream in this fund is seized cash/equipment and interest income that we use to fund narcotics operations and related equipment for narcotics investigations. The total year-end fund balance in this fund was \$30,051. This is a non-major fund and was combined with the General Fund for financial purposes.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund's original and final revenue budgets varied by 6%. An increase of \$1.218 million original to final budget was realized compared to \$215,000 for the prior year 2003. Ad valorem tax collection was the primary reason for the increase in 2004.

The original and final expenditure budget varied by \$453,488 or an increase of 2%. Significant increases were in personnel costs and liability insurance.

**ST. CHARLES PARISH SHERIFF**  
**Hahnville, Louisiana**

**Management's Discussion and Analysis (Unaudited) (Continued)**

There was virtually no variance between final budget and actual expenditures. Actual revenue exceeded final budget revenue by \$270,000, of which \$184,000 was prisoner related fees.

Significant changes from original to final budget expenditures included:

- Increase - Personnel Cost (Deputy Salaries)      \$327,732
- Increase - Personnel benefits (Pension)            \$185,000
- Increase - Liability insurance                        \$184,000
- Decrease - Other Professional                        \$235,000

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Parish Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$18,507,859. The overall decrease was \$735,921 or 4% for the Parish Sheriff as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

**Capital Assets**

	<i>Governmental Activities</i>		
	2004	2003	2002
Depreciable assets:			
Correctional Facility	\$ 16,063,878	\$ 16,063,878	\$ 16,063,878
Office equipment & furniture	\$ 4,864,977	\$ 4,958,081	\$ 4,717,061
Vehicles	<u>4,372,480</u>	<u>4,113,912</u>	<u>4,178,344</u>
Total depreciable assets	25,301,335	25,135,871	24,959,283
Less accumulated depreciation	<u>7,318,730</u>	<u>6,417,345</u>	<u>5,438,782</u>
Book value - depreciable assets	\$ 17,982,605	\$ 18,718,526	\$ 19,520,501
Book value - land	<u>\$ 525,254</u>	<u>\$ 525,254</u>	<u>\$ 525,254</u>
Total Capital Assets	<u>\$ 18,507,859</u>	<u>\$ 19,243,780</u>	<u>\$ 20,045,755</u>
Percentage depreciated	<u>29%</u>	<u>26%</u>	<u>22%</u>

**ST. CHARLES PARISH SHERIFF**  
Hahnville, Louisiana

**Management's Discussion and Analysis (Unaudited) (Continued)**

At June 30, 2004, the depreciable capital assets for governmental activities were 29% depreciated versus 26% in the prior year.

The major capital addition was as follows:

Thirty-one vehicles	\$ 446,000
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Long-term debt

At the end of the fiscal year, the Parish Sheriff had total certificates of indebtedness outstanding of \$11,575,000. The total amount of this debt is secured by General Fund ad valorem taxes. During the year, the Parish Sheriff retired \$500,000 or 4% of the beginning outstanding bonded debt balance. See note 12 for additional information regarding long-term debt.

**CONTACTING THE PARISH SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Parish Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Parish Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Greg Champagne, Sheriff, St. Charles Parish Sheriff and Tax Collector, P.O. Box 426, Hahnville, LA 70057.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Statement of Net Assets  
June 30, 2004

ASSETS

Cash and cash equivalents	\$ 5,374,242
Investments	532,100
Due from other governmental units	566,052
Other receivables	268,720
Prepaid items	37,558
Capital assets, net	<u>18,507,859</u>
Total assets	<u>25,286,531</u>

LIABILITIES

Current Liabilities:	
Accounts and other accrued payables	833,885
Interest payable	135,390
Claims payable	25,000
Deferred revenue	63,603
Non-current Liabilities:	
Due within one year	926,966
Due in more than one year	<u>11,050,000</u>
Total liabilities	<u>13,034,844</u>

NET ASSETS

Invested in capital assets, net of related debt	6,932,859
Restricted for debt service	602,975
Unrestricted	<u>4,715,853</u>
Total net assets	<u>\$ 12,251,687</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Statement of Activities  
Year Ended June 30, 2004

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Public Safety	\$ 21,502,457	\$ 6,153,598	\$ 201,682	\$ (15,147,177)
Interest on long-term debt	<u>651,181</u>	-	-	<u>(651,181)</u>
Total	<u>\$ 22,153,638</u>	<u>\$ 6,153,598</u>	<u>\$ 201,682</u>	<u>(15,798,358)</u>
General revenues:				
Taxes -				
Property taxes levied for general purposes				12,627,758
Grants and contributions not restricted to specific programs				2,255,584
Video poker				278,160
Interest earnings				67,156
Gain on sale of capital assets				14,325
Miscellaneous				<u>90,389</u>
Total general revenues				<u>15,333,372</u>
Changes in net assets				(464,986)
Net assets at beginning of year				<u>12,716,673</u>
Net assets at end of year				<u>\$ 12,251,687</u>

See accompanying notes to basic financial statements.

## FUND FINANCIAL STATEMENTS

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Balance Sheet - Governmental Funds  
June 30, 2004

ASSETS

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 4,771,267	\$ 602,975	\$ 5,374,242
Investments	532,100	-0-	532,100
Receivables:			
Due from other governmental units	566,052	-0-	566,052
Other	268,720	-0-	268,720
Inventory	16,731	-0-	16,731
Prepaid expenses	<u>20,827</u>	<u>-0-</u>	<u>20,827</u>
Total assets	<u>\$ 6,175,697</u>	<u>\$ 602,975</u>	<u>\$ 6,778,672</u>

LIABILITIES AND FUND BALANCE

Liabilities:			
Accounts and other accrued payables	\$ 833,885	\$ -0-	\$ 833,885
Claims payable	25,000	-0-	25,000
Deferred revenue	<u>63,603</u>	<u>-0-</u>	<u>63,603</u>
Total liabilities	<u>922,488</u>	<u>-0-</u>	<u>922,488</u>
Fund balance:			
Reserved for inventory and prepaid expenses	37,558	-0-	37,558
Reserved for debt service	-0-	602,975	602,975
Unreserved:			
Designated for contraband activities	30,051	-0-	30,051
Undesignated	<u>5,185,600</u>	<u>-0-</u>	<u>5,185,600</u>
Total fund balance	<u>5,253,209</u>	<u>602,975</u>	<u>5,856,184</u>
Total liabilities and fund balance	<u>\$ 6,175,697</u>	<u>\$ 602,975</u>	<u>\$ 6,778,672</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF  
HAHNVILLE, LOUISIANA

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

Total fund balances for governmental funds at June 30, 2004		\$ 5,856,184
Amounts reported for governmental activities in the government - wide statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and building	\$ 16,589,132	
Vehicles	4,372,480	
Equipment and office furnishings	<u>4,864,977</u>	
	25,826,589	
Less accumulation depreciation	<u>7,318,730</u>	
Capital assets, net		18,507,859
Long - term liabilities at are not due and payable in the current period and therefore are not reported in the governmental funds:		
Revenue bonds	(11,575,000)	
Compensated absences payable	(401,966)	
Accrued interest payable	<u>(135,390)</u>	<u>(12,112,356)</u>
Total net assets of governmental activities at June 30, 2004		\$ <u>12,251,687</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
Year Ended June 30, 2004

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem property taxes	\$12,627,758	\$ -0-	\$12,627,758
Intergovernmental:			
Federal and state grants	201,682	-0-	201,682
State revenue sharing - net	299,553	-0-	299,553
State supplemental pay	845,943	-0-	845,943
Parish supplemental pay	1,110,088	-0-	1,110,088
Video poker	278,160	-0-	278,160
Fees, charges, and commissions for services:			
Civil and criminal fees	801,384	-0-	801,384
Court attendance	24,650	-0-	24,650
Feeding and keeping prisoners	4,064,910	-0-	4,064,910
Transporting prisoners	31,682	-0-	31,682
Paid details	801,757	-0-	801,757
Telephone commissions and other	429,215	-0-	429,215
Interest income	62,210	4,946	67,156
Miscellaneous:			
Contraband	38,713	-0-	38,713
Donations	18,204	-0-	18,204
Other	<u>31,972</u>	<u>-0-</u>	<u>31,972</u>
Total revenues	<u>21,667,881</u>	<u>4,946</u>	<u>21,672,827</u>
Other financing sources (uses):			
Transfers from (to) other funds	(1,155,858)	1,155,858	-0-
Sale of assets	<u>25,217</u>	<u>-0-</u>	<u>25,217</u>
Total revenues and other financing sources	<u>20,537,240</u>	<u>1,160,804</u>	<u>21,698,044</u>
Expenditures:			
Current:			
Public safety:			
Personnel services and related benefits	13,668,229	-0-	13,668,229
Contracted services	3,343,440	-0-	3,343,440
Operation and maintenance	3,179,243	-0-	3,179,243
Debt service:			
Principal retirement	-0-	500,000	500,000
Interest and other charges	24,807	661,181	685,988
Capital outlay	<u>543,937</u>	<u>-0-</u>	<u>543,937</u>
Total expenditures	<u>20,759,656</u>	<u>1,161,181</u>	<u>21,920,837</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(222,416)	( 377 )	(222,793)
Fund balances at beginning of year	<u>5,475,625</u>	<u>603,352</u>	<u>6,078,977</u>
Fund balances at end of year	<u>\$ 5,253,209</u>	<u>\$ 602,975</u>	<u>\$ 5,856,184</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF  
HAHNVILLE, LOUISIANA

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

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (222,793)
Amounts reported for governmental activities in the government-wide statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the government - wide statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 543,937	
Vehicle received as a donation	1,500	
Depreciation expense for the year ended June 30, 2004	<u>(1,270,466)</u>	(725,029)
Cost less accumulated depreciation on capital assets sold		(10,892)
Revenue bond principal retirement not considered an expense on Statement of Activities		500,000
Difference between interest on long - term debt on modified accrual basis versus interest on long - term debt on an accrual basis		10,000
Excess of compensated absences earned over compensated absences used		<u>(16,272)</u>
<b>Total changes in net assets at June 30, 2004 per Statement of Activities</b>		<b>\$ <u>(464,986)</u></b>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Statement of Fiduciary Net Assets  
June 30, 2004

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 878,662
Investments	<u>1,210</u>
Total assets	<u>879,872</u>
LIABILITIES	
Due to General Fund	65,428
Due to taxing bodies, prisoners and others	<u>814,444</u>
Total liabilities	<u>879,872</u>
NET ASSETS	
Net assets	\$ <u><u>-0-</u></u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements

Introduction

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

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

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

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, activities, etc., that are controlled by the Sheriff as an independently elected parish official. There are no component *units included or required to be included as part of the financial reporting entity*. The Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursements of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of the local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the St. Charles Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain his financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund might be considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements - continued

corresponding total for all governmental funds. Both of the governmental funds of the Sheriff are considered to be major funds. The funds of the Sheriff are described below:

Governmental Funds

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

Debt Service Fund - This fund is used to account for the accumulation of resources for the payment of revenue bond principal and interest.

Fiduciary Funds

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

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting - Continued

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

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

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

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

Deferred Revenues

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

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

D. Budgets

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

1. The financial officer prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted on June 23, 2003 and as finally amended on June 12, 2004.

E. Cash and Cash Equivalents

Cash includes cash on hand, amounts in demand deposits, interest-bearing demand deposits and time deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. Investments

Under state law, the Sheriff may invest in United States bonds, treasury notes, treasury bills, any other federally insured investment or Louisiana Asset Management Pool, Inc. (LAMP). LAMP operates under Louisiana law as a cooperative endeavor to assist local Louisiana governmental entities in the investment of cash balances. LAMP invests in obligations issued by the U.S. Government, its agencies, and instrumentalities. LAMP is subject to regulatory

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

F. Investments - Continued

oversight of the state treasurer and its board of directors. Audited financial statements are available from LAMP.

Investments which mature in 90 days or less from the date acquired are classified as cash equivalents. Investments are stated at cost or at amortized cost which approximates fair value.

G. Short-Term Interfund Receivables/Payables

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

H. Inventory

The inventory is stated at cost, which is determined by the first-in, first-out method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed or used. The reported inventory is equally offset by a fund balance reserve which indicates that it does not constitute an "available spendable resource" even though it is a component of total assets.

I. Prepaid Items

Prepaid balances are for payments made by the Sheriff in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

J. 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 \$500 or more for capitalizing capital assets.

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

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

J. Capital Assets - Continued

<u>Asset Class</u>	<u>Estimated Useful Lives in Years</u>
Building (correctional facility)	50
Vehicles	5
Equipment and office furnishings	5-7

K. Compensated Absences

Employees of the Sheriff's office earn from 4 to 20 hours per month of vacation leave depending on total years of service and number of hours worked. The maximum vacation leave carryover allowed, at the beginning of each fiscal year is 120 hours unless otherwise approved. Unused vacation leave is payable upon termination of employment. Employees earn from 6 to 10 hours per month of sick leave depending on total years of service. Sick leave may be accumulated; however, if an employee resigns, retires, or is terminated, the accumulated sick leave is forfeited.

In lieu of payment for overtime work, some non-enforcement employees (principally clerical) accrue compensatory leave. The limitation on the amount of compensatory leave which may be accrued is 240 hours in accordance with The Fair Labor Standards Act. Employees who exceed this limit are paid overtime. Upon termination of employment, payment is made for unused compensatory leave.

At June 30, 2004, the accrued accumulated and vested vacation and compensatory leave was \$401,966.

L. Restricted Net Assets

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

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

M. Fund Equity

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

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

N. Interfund Transactions

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

O. Estimates

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

(2) Cash and Cash Equivalents and Investments

At June 30, 2004, the sheriff had cash and cash equivalents (book balances) totaling \$6,252,904 as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Demand deposits	\$ 12,000	\$ 143,308	\$ 155,308
Interest-bearing demand deposits	1,659,942	735,354	2,395,296
Time deposits	3,700,000	-0-	3,700,000
Cash on hand (petty cash and change funds)	<u>2,300</u>	<u>-0-</u>	<u>2,300</u>
<b>Total</b>	<b><u>\$ 5,374,242</u></b>	<b><u>\$ 878,662</u></b>	<b><u>\$ 6,252,904</u></b>

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. 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.

At June 30, 2004, the sheriff had \$2,479,524 in deposits (collected bank balances). These deposits were secured from risk by \$212,000 of federal deposit insurance and \$8,609,613 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB Statement 3, Louisiana Revised Statutes 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Investments

At June 30, 2004, the Sheriff's investments totaled \$533,100 as follows:

	Governmental Funds	Fiduciary Funds	Total
LAMP, at amortized cost	\$ 532,100	\$ -0-	\$ 532,100
Time deposits, at cost	-0-	1,210	1,210
Total	\$ 532,100	\$ 1,210	\$ 533,100

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

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

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

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Ad Valorem Property Taxes

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

Ad valorem property taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2004, law enforcement taxes applicable to the Sheriff's General Fund were levied at the rate of 17.66 mills on property with assessed valuations totaling \$717,494,628.

The activity of the tax collections and disbursements are shown in the supplemental information section of this report under "Agency Funds." The Tax Collector Agency Fund as of year end contained \$4,761 of "unsettled balances."

The unsettled balances of \$4,761 due to taxing bodies and others at June 30, 2004 consist of \$1,210 in protested taxes, \$3,088 in prior years taxes, and \$463 in interest.

(5) Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2004, all of which were subsequently collected, consisted of the following:

New Orleans Aviation Board	\$ 55,917
St. Charles Parish Council	451,862
State of Louisiana	26,128
U.S. Treasury	32,145
	<u>\$ 566,052</u>

(6) Other Receivables

Other receivables are comprised of the following, all of which were collected subsequent to June 30, 2004.

Due from Fiduciary Funds	\$ 65,428
Accrued interest	29,058
Other accrued revenues	174,234
	<u>\$ 268,720</u>

(7) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2004 are as follows:

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Capital Assets - Continued

<u>Governmental Activities</u>	Balance, July 1, 2003	Additions	Deletions	Balance, June 30, 2004
Land	\$ 525,254	\$ -0-	\$ -0-	\$ 525,254
Building (correctional facility)	16,063,878	-0-	-0-	16,063,878
Vehicles	4,113,912	446,135	187,567	4,372,480
Equipment and office furnishings	<u>4,958,081</u>	<u>99,303</u>	<u>192,407</u>	<u>4,864,977</u>
Total	<u>\$25,661,125</u>	<u>\$ 545,438</u>	<u>\$ 379,974</u>	<u>\$25,826,589</u>
Less accumulated depreciation:				
Building	625,181	323,068	-0-	948,249
Vehicles	3,124,206	431,474	186,229	3,369,451
Equipment and office furnishings	<u>2,667,958</u>	<u>515,924</u>	<u>182,852</u>	<u>3,001,030</u>
Total	<u>6,417,345</u>	<u>1,270,466</u>	<u>369,081</u>	<u>7,318,730</u>
Capital net, assets	<u>\$ 19,243,780</u>	<u>\$(725,028)</u>	<u>\$(10,893)</u>	<u>\$18,507,859</u>

(8) Pension and Deferred Compensation Plans

Employees of the St. Charles Parish Sheriff participate in a pension plan and a deferred compensation plan, described as follows:

A. Plan Description: The St. Charles Parish Sheriff contributes to the Sheriffs' Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriffs' Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members and non-deputized employees throughout the State of Louisiana. The Sheriffs' Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, LA 70806.

Funding Policy: Plan members are required to contribute 9.8% of their annual covered salary and the St. Charles Parish Sheriff is required to contribute at an actuarially determined rate. The actuarially determined rate for the year ended June 30, 2004 was 9.25% of annual covered payroll. The contribution requirements of plan members and the St. Charles Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. The St. Charles Parish Sheriff's contributions to the retirement plan for the years ended June 30, 2004, and 2003 were \$1,056,946, and \$861,839, respectively.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans - Continued

B. Deferred Compensation Plan: During 2001, the Sheriff's office adopted for its full time employees an I.R.C. 457 Deferred Compensation Plan. The Plan is unqualified, and allows for matching contributions by the Sheriff of up to \$600 per employee per year. Matching amounts are considered taxable to the employee for purposes of social security and medicare, but not for federal or state taxation. Amounts expended by the Sheriff's office for matching contributions for the years ended June 30, 2004 and 2003 were \$136,861 and \$132,197, respectively.

(9) Post-retirement Health Care and Life Insurance Benefits

The Sheriff provides certain continuing health care and life insurance benefits for his retired employees. Substantially all of the Sheriff's employees become eligible for those benefits if they reach normal retirement age while working for the Sheriff. At June 30, 2004, twenty-eight employees were receiving benefits under this plan. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the Sheriff. The Sheriff's costs of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the years ended June 30, 2004 and 2003, the costs of retiree benefits totaled \$99,680 and \$80,903, respectively.

(10) Changes in Agency Balances

A summary of changes in the total liabilities of the various agency fund follows:

	Civil Fund	Tax Collector Fund	Installment Fines Fund	Bonds and Fines Fund	Prison Inmate Fund
Balances, July 1, 2003	\$ 12,011	\$ 69,191	\$ 34,835	\$ 756,039	\$ 80,382
Additions	910,933	84,615,448	132,317	2,528,922	734,701
Reductions	<u>(912,936)</u>	<u>(84,667,648)</u>	<u>(128,174)</u>	<u>(2,707,704)</u>	<u>(568,445)</u>
 Balances, June 30, 2004	 <u>\$ 10,008</u>	 <u>\$ 6,991</u>	 <u>\$ 38,978</u>	 <u>\$ 577,257</u>	 <u>\$ 246,638</u>

(11) Long-Term Debt

The St. Charles Parish Sheriff entered into a loan agreement with Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) under which the Authority issued \$13,000,000 of revenue bonds, the proceeds of which were used for construction of a 590-bed correctional facility by the St. Charles Parish Sheriff. These bonds were issued April 1, 1999 and are to be repaid by the St. Charles Parish Sheriff.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(12) Long Term - Debt - Continued

over a period of eighteen years beginning April 1, 2002 with interest at rates beginning at 8% and declining to as low as 4.15%. The bonds are expected to be repaid principally from charges the Sheriff will make for housing of prisoners. Annual debt service requirements of these bonds to maturity are as follows:

Year ending <u>June 30</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2005	\$ 541,560	\$ 525,000	\$ 1,066,560
2006	504,810	555,000	1,059,810
2007	481,778	585,000	1,066,778
2008	457,208	615,000	1,072,208
2009	430,763	645,000	1,075,763
2010	402,382	680,000	1,082,382
2011	371,783	715,000	1,086,783
2012	338,892	755,000	1,093,892
2013	303,785	790,000	1,093,785
2014	267,050	835,000	1,102,050
2015	228,222	880,000	1,108,222
2016	187,302	925,000	1,112,302
2017	144,290	970,000	1,114,290
2018	98,700	1,025,000	1,123,700
2019	<u>50,525</u>	<u>1,075,000</u>	<u>1,125,525</u>
Total	<u>\$ 4,809,050</u>	<u>\$ 11,575,000</u>	<u>\$ 16,384,050</u>

During the year ended June 30, 2004, the following changes occurred in non-current liabilities reported in the Statement of Net Assets.

	<u>Balance 7/1/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/04</u>
Compensated absences:				
Vacation leave	\$ 373,540	\$ 643,539	\$ 625,750	\$ 391,329
Compensatory time	<u>12,154</u>	<u>-</u>	<u>1,517*</u>	<u>10,637</u>
	385,694	643,539	627,267	401,966
Revenue bonds	<u>12,075,000</u>	<u>-</u>	<u>500,000</u>	<u>11,575,000</u>
Total	<u>\$ 12,460,694</u>	<u>\$ 643,539</u>	<u>\$ 1,127,267</u>	<u>\$ 11,976,966</u>

\*The components of the net decrease in compensatory time were not readily determinable.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Litigation and Claims

At June 30, 2004, the Sheriff is involved in several lawsuits claiming damages. For many of the cases, in the opinion of the Sheriff's management, the only exposure to the Sheriff would be any costs in defense of the lawsuits with no liability to the Sheriff in excess of insurance coverage. For those cases which are estimated to exceed insurance coverage, an accrual has been recorded in the general fund and is presented as claims payable.

(14) Lease Obligations

The Sheriff is committed under various leases for office space, and copy machines.

The leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2004 amounted to \$176,593. Future minimum lease payments for these leases are as follows:

<u>Year ended</u> <u>June 30,</u>	<u>Amount</u>
2005	\$ 176,620
2006	90,765
2007	78,638

(15) Risk Management

The Sheriff is exposed to risks of loss in areas of general and auto liability, property hazards, and workers' compensation. Those risks are covered by purchasing commercial insurance. During the year ended June 30, 1998, the Sheriff implemented a risk management program. Under this program a loss fund was established to cover a self-insured retention (SIR) of \$10,000 for property damage and \$50,000 for third party liability per occurrence. Claims in excess of the SIR are payable by the insurance company. The loss fund had a balance of \$361,054 at June 30, 2004 and is included as part of the cash and cash equivalents in the accompanying financial statements.

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

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

(17) On-Behalf Payments for Salaries

Qualified employees of the Sheriff's office receive a monthly salary supplement from either the state or the parish. These supplements which aggregated \$1,956,031 for the year ended June 30, 2004 are reported as revenue and expenditures in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual - General Fund  
Year Ended June 30, 2004  
With Comparative Actual Amounts for Year Ended June 30, 2003  
2004

	Budget		Actual	Variance with Final Budget Positive (Negative)	2003 Actual
	Original	Final			
<b>Revenues:</b>					
Ad valorem property taxes	\$ 11,350,000	\$ 12,630,000	\$ 12,627,758	\$ (2,242)	\$ 11,870,080
<b>Intergovernmental:</b>					
Federal and state grants	200,000	167,600	201,682	34,082	668,666
State revenue sharing - net	296,650	299,553	299,553	-0-	298,120
State supplemental pay	850,000	845,000	845,943	943	822,255
Parish supplemental pay	950,000	1,085,000	1,110,088	25,088	980,682
Video poker	250,000	270,000	278,160	8,160	269,007
<b>Fees, charges, and commissions for services:</b>					
Civil and criminal fees	776,500	798,300	801,384	3,084	820,231
Court attendance	25,000	24,500	24,650	150	24,004
Feeding and keeping prisoners	4,160,000	3,990,000	4,064,910	74,910	3,401,923
Transporting prisoners	10,000	32,000	31,682	(318)	7,750
Paid details	750,000	795,000	801,757	6,757	722,449
Telephone commissions and other	275,000	320,200	429,215	109,015	257,549
Interest income	101,000	67,500	62,210	(5,290)	91,229
<b>Miscellaneous:</b>					
Contraband	20,000	30,000	38,713	8,713	17,902
Donations	5,000	17,000	18,204	1,204	11,723
Other	85,191	3,817	31,972	28,155	30,754
Total revenues	<u>20,104,341</u>	<u>21,375,470</u>	<u>21,667,881</u>	<u>292,411</u>	<u>20,294,324</u>
<b>Other financing sources (uses):</b>					
Transfer to other funds	(1,081,560)	(1,133,974)	(1,155,858)	(21,884)	(1,089,937)
Sale of assets	<u>25,000</u>	<u>25,000</u>	<u>25,217</u>	<u>217</u>	<u>35,529</u>
Total revenues and other financing sources	<u>19,047,781</u>	<u>20,266,496</u>	<u>20,537,240</u>	<u>270,744</u>	<u>19,239,916</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Public safety:</b>					
Personal services and related benefits	13,170,700	13,707,720	13,668,229	39,491	13,002,987
Contracted services	3,405,500	3,315,988	3,343,440	(27,452)	3,233,839
Operation and maintenance	3,053,852	3,221,447	3,179,243	42,204	2,882,372
Debt service - interest	15,000	24,807	24,807	-0-	13,340
Capital outlay	<u>705,000</u>	<u>533,578</u>	<u>543,937</u>	<u>(10,359)</u>	<u>555,047</u>
Total expenditures	<u>20,350,052</u>	<u>20,803,540</u>	<u>20,759,656</u>	<u>43,884</u>	<u>19,687,585</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(1,302,271)	(537,044)	(222,416)	314,628	(447,669)
Fund balance at beginning of year	<u>4,450,052</u>	<u>5,475,625</u>	<u>5,475,625</u>	<u>-0-</u>	<u>5,923,294</u>
Fund balance at end of year	\$ <u>3,147,781</u>	\$ <u>4,938,581</u>	\$ <u>5,253,209</u>	\$ <u>314,628</u>	\$ <u>5,475,625</u>

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis) - General Fund  
Year Ended June 30, 2004  
With Comparative Actual Amounts for Year Ended June 30, 2003  
2004

	Budget		Actual	Variance with Final Budget Positive (Negative)	2003 Actual
	Original	Final			
Current:					
Public Safety:					
Personnel services and related benefits:					
Sheriff's salary	\$ 84,700	\$ 121,988	\$ 121,988	\$ -0-	\$ 84,700
Deputies' salaries	11,850,000	12,177,732	12,145,044	32,688	11,713,717
Deferred compensation	150,000	137,000	136,861	139	132,197
Pension and payroll taxes	1,061,000	1,246,000	1,238,218	7,782	1,047,104
Vacation	<u>25,000</u>	<u>25,000</u>	<u>26,118</u>	<u>(1,118)</u>	<u>25,269</u>
	<u>13,170,700</u>	<u>13,707,720</u>	<u>13,668,229</u>	<u>39,491</u>	<u>13,002,987</u>
Contracted services:					
General liability insurance	580,500	764,500	682,696	81,804	579,218
Hospitalization insurance	1,475,000	1,474,488	1,465,329	9,159	1,228,271
Attorney fees	45,000	35,000	52,907	(17,907)	60,408
Other professional services	1,060,000	825,000	930,734	(105,734)	1,058,546
Computer software	60,000	25,000	35,181	(10,181)	132,557
Rent/lease	<u>185,000</u>	<u>192,000</u>	<u>176,593</u>	<u>15,407</u>	<u>174,839</u>
	<u>3,405,500</u>	<u>3,315,988</u>	<u>3,343,440</u>	<u>(27,452)</u>	<u>3,233,839</u>
Operation and maintenance:					
Auto fuel	300,000	355,000	356,292	(1,292)	318,837
Auto repairs and maintenance	535,000	537,000	520,151	16,849	523,574
Building maintenance	40,000	44,000	52,639	(8,639)	41,040
Community service	35,000	35,000	35,914	(914)	33,529
Crime lab	41,252	41,252	41,252	-0-	41,252
Criminal investigation	25,500	16,100	14,152	1,948	14,761
Deputy uniforms, supplies, etc.	265,800	270,900	262,960	7,940	274,584
Dues and subscription	33,000	32,500	30,251	2,249	32,164
Litigation	-0-	4,816	4,816	-0-	308
Office supplies and expenses	538,800	482,179	447,299	34,880	444,813
Prisoner feeding and maintenance	666,500	751,000	807,872	(56,872)	575,750
Radio repairs and maintenance	20,000	10,000	8,277	1,723	15,117
Telephone and utilities	542,000	628,000	577,985	50,015	556,264
Travel	2,000	5,000	9,838	(4, 838)	1,879
Other	<u>9,000</u>	<u>8,700</u>	<u>9,545</u>	<u>(845)</u>	<u>8,500</u>
	<u>3,053,852</u>	<u>3,221,447</u>	<u>3,179,243</u>	<u>42,204</u>	<u>2,882,372</u>
Debt service:					
Interest	<u>15,000</u>	<u>24,807</u>	<u>24,807</u>	<u>-0-</u>	<u>13,340</u>
Capital outlay:					
Purchase of vehicles	500,000	439,676	444,634	(4,958)	243,614
Purchase of radios and other equipment	<u>205,000</u>	<u>93,902</u>	<u>99,303</u>	<u>(5,401)</u>	<u>311,433</u>
	<u>705,000</u>	<u>533,578</u>	<u>543,937</u>	<u>(10,359)</u>	<u>555,047</u>
<b>Total expenditures</b>	<b>\$ <u>20,350,052</u></b>	<b>\$ <u>20,803,540</u></b>	<b>\$ <u>20,759,656</u></b>	<b>\$ <u>43,884</u></b>	<b>\$ <u>19,687,585</u></b>

OTHER SUPPLEMENTARY INFORMATION

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana  
General Fund

Comparative Balance Sheet  
June 30, 2004 and 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 4,771,267	\$ 920,682
Investments	532,100	4,003,243
Receivables:		
Accrued interest	29,058	1,419
Due from other governmental units	566,052	528,966
Due from agency funds	65,428	1,152
Other	174,234	764,341
Inventory	16,731	12,888
Prepaid expenses	<u>20,827</u>	<u>31,840</u>
 Total assets	 <u>\$ 6,175,697</u>	 <u>\$ 6,264,531</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts and other accrued payables	\$ 833,885	\$ 718,823
Claims payable	25,000	50,000
Deferred revenue	<u>63,603</u>	<u>20,083</u>
 Total liabilities	 <u>922,488</u>	 <u>788,906</u>
 Fund balance:		
Reserved for inventory	16,731	12,888
Reserved for prepaid expenses	20,827	31,840
Unreserved:		
Designated for contraband activities	30,051	54,270
Undesignated	<u>5,185,600</u>	<u>5,376,627</u>
Total fund balance	<u>5,253,209</u>	<u>5,475,625</u>
 Total liabilities and fund balance	 <u>\$ 6,175,697</u>	 <u>\$ 6,264,531</u>

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana  
Correctional Facility Debt Service Fund

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

	<u>Revenue Bond Interest Account</u>	<u>Revenue Bond Principal Account</u>	<u>Revenue Bond Reserve Account</u>	<u>Total</u>	
				<u>2004</u>	<u>2003</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ <u>4</u>	\$ <u>8</u>	\$ <u>602,963</u>	<u>\$602,975</u>	<u>\$ 603,352</u>
Total	\$ <u><u>4</u></u>	\$ <u><u>8</u></u>	\$ <u><u>602,963</u></u>	<u>\$602,975</u>	<u>\$ 603,352</u>
<b>FUND BALANCE</b>					
Reserved for debt service	\$ <u>4</u>	\$ <u>8</u>	\$ <u>602,963</u>	<u>\$602,975</u>	<u>\$ 603,352</u>
Total fund balance	\$ <u><u>4</u></u>	\$ <u><u>8</u></u>	\$ <u><u>602,963</u></u>	<u>\$602,975</u>	<u>\$ 603,352</u>

The Correctional Facility Debt Service Fund is used to account for the accumulation of resources for the payment of revenue bond principal and interest. The trust indenture under which the revenue bonds were issued requires the establishment of separate accounts within the debt service fund for bond interest and bond principal. The indenture also requires the establishment of a reserve account to be used to remedy any deficiency in the bond interest or bond principal accounts.

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana  
Correctional Facility Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
June 30, 2004  
With Comparative Totals for Year Ended June 30, 2003

	Revenue Bond Interest Account	Revenue Bond Principal Account	Revenue Bond Reserve Account	<u>Total</u>	
				<u>2004</u>	<u>2003</u>
Revenues:					
Interest income	\$ 3,004	\$ 78	\$ 1,864	\$ 4,946	\$ 6,447
Other financing sources:					
Interfund transfers	<u>578,194</u>	<u>499,980</u>	<u>77,684</u>	<u>1,155,858</u>	<u>1,089,937</u>
Total revenues and other financing sources	<u>581,198</u>	<u>500,058</u>	<u>79,548</u>	<u>1,160,804</u>	<u>1,096,384</u>
Expenditures:					
Principal payment	-0-	500,000	-0-	500,000	475,000
Interest payment	581,560	-0-	-0-	581,560	619,560
Bank fees	61	72	1,804	1,937	3,093
Arbitrage rebate fees	<u>-0-</u>	<u>-0-</u>	<u>77,684</u>	<u>77,684</u>	<u>-0-</u>
Total expenditures	<u>581,621</u>	<u>500,072</u>	<u>79,488</u>	<u>1,161,181</u>	<u>1,097,653</u>
Excess(deficiency) of revenues and other financing sources over expenditures	( 423)	( 14)	60	( 377)	(1,269)
Fund balance at beginning of year	<u>427</u>	<u>22</u>	<u>602,903</u>	<u>603,352</u>	<u>604,621</u>
Fund balance at end of year	\$ <u>4</u>	\$ <u>8</u>	\$ <u>602,963</u>	\$ <u>602,975</u>	\$ <u>603,352</u>

## FIDUCIARY FUND TYPE - AGENCY FUNDS

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

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

Installment Fines Fund - To account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

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

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

ST. CHARLES PARISH SHERIFF  
Hahnville Louisiana  
Agency Funds

Combining Balance Sheet  
June 30, 2004

With Comparative Totals for June 30, 2003

	Civil Fund	Tax Collector Fund	Installment Fines Fund	Bonds and Fines Fund	Prison Inmate Fund	Total
						2004      2003
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,008	\$ 5,781	\$ 38,978	\$ 577,257	\$ 246,638	\$ 951,267
Investments	<u>-0-</u>	<u>1,210</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,191</u>
Total assets	\$ <u>10,008</u>	\$ <u>6,991</u>	\$ <u>38,978</u>	\$ <u>577,257</u>	\$ <u>246,638</u>	\$ <u>952,458</u>
<b>LIABILITIES</b>						
Due to General Fund	\$ 8	\$ -0-	\$ 332	\$ 659	\$ 64,429	\$ 1,152
Due to taxing bodies and others	10,000	6,991	38,646	576,598	96,127	870,924
Due to inmates	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>86,082</u>	<u>80,382</u>
Total liabilities	\$ <u>10,008</u>	\$ <u>6,991</u>	\$ <u>38,978</u>	\$ <u>577,257</u>	\$ <u>246,638</u>	\$ <u>952,458</u>

ST. CHARLES PARISH SHERIFF  
Hahnville Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2004  
With Comparative Totals for Year Ended June 30, 2003

	Civil Fund	Tax Collector Fund	Installment Fines Fund	Bonds and Fines Fund	Prison Inmate Fund	Total	
						2004	2003
Balances, beginning of year	\$ <u>12,011</u>	\$ <u>69,191</u>	\$ <u>34,835</u>	\$ <u>756,039</u>	\$ <u>80,382</u>	\$ <u>952,458</u>	\$ <u>1,074,499</u>
Additions:							
Deposits -							
Sheriff's sales, suits and seizures	638,087	-	-	-	-	638,087	2,825,950
Garnishments	239,290	-	-	-	-	239,290	496,792
Advance deposits (suits)	33,400	-	-	-	-	33,400	33,900
Bonds and fines	-	-	-	2,523,431	-	2,523,431	2,638,472
Installment bonds and fines	-	-	131,985	-	-	131,985	127,937
Inmates	-	-	-	-	734,701	734,701	371,281
Taxes, fees, etc., paid to tax collector	-	84,615,448	-	-	-	84,615,448	80,776,170
Interest on investments	156	-	332	5,491	-	5,979	11,092
Total additions	<u>910,933</u>	<u>84,615,448</u>	<u>132,317</u>	<u>2,528,922</u>	<u>734,701</u>	<u>88,922,321</u>	<u>87,281,594</u>
Reductions:							
Taxes, fees, etc., distributed to taxing bodies and others	-	84,677,648	-	-	-	84,677,648	80,892,480
Deposits settled to -							
Sheriff's General Fund and Clerk of Court	173,523	-	-	488,958	-	662,481	720,970
Parish council	-	-	-	322,472	-	322,472	304,230
District attorney expense fund	-	-	-	491,436	-	491,436	495,969
Judicial expense	-	-	-	192,512	-	192,512	204,378
Indigent defender board	-	-	-	370,662	-	370,662	371,481
Litigation, attorneys	649,039	-	-	-	-	649,039	3,054,294
Appraisers	26,800	-	-	-	-	26,800	23,150
Wrecker and storage	11,019	-	-	-	-	11,019	14,485
Official publications	23,925	-	-	-	-	23,925	22,824
Louisiana Commission on Law Enforcement	-	-	-	34,893	-	34,893	38,378
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund	-	-	-	48,012	-	48,012	49,721
Court CMS-State Treasurer	-	-	-	23,326	-	23,326	23,507
Crime laboratory	-	-	-	35,012	-	35,012	35,278
Inmates	-	-	-	-	568,445	568,445	357,809
Other settlements	28,630	-	-	34,255	-	62,885	44,550
Other reductions -							
Transfer to bonds and fines fund	-	-	76,750	-	-	76,750	116,059
Restitution	-	-	50,799	23,425	-	74,224	50,458
Refunds	-	-	625	642,741	-	643,366	583,614
Total reductions	<u>912,936</u>	<u>84,677,648</u>	<u>128,174</u>	<u>2,707,704</u>	<u>568,445</u>	<u>88,994,907</u>	<u>87,403,635</u>
Balances, end of year	\$ <u>10,008</u>	\$ <u>6,991</u>	\$ <u>38,978</u>	\$ <u>577,257</u>	\$ <u>246,638</u>	\$ <u>879,872</u>	\$ <u>952,458</u>

ST. CHARLES PARISH SHERIFF  
Hahnville Louisiana  
Tax Collector Agency Fund  
Schedule of Collections, Distributions and Unsettled Balances  
Year ended June 30, 2004

Unsettled balances at July 1, 2003 \$ 69,191

Collections:

Ad valorem property taxes	82,650,142
State revenue sharing (See note below)	984,818
Parish occupational licenses	917,696
Interest earned	327
Tax notices, costs, etc.	44,849
Other	<u>17,616</u>
Total collections	<u>84,615,448</u>

Total available for distributions 84,684,639

Distributions:

St. Charles Parish:	
Assessor	1,082,682
Clerk of Court	1,647
Council	20,857,158
Drainage districts	174,812
Hospital service district	3,513,982
School Board	40,845,396
Sheriff	13,080,676
State of Louisiana:	
Lafourche Levee District	1,492,607
State Treasury - Ponchartrain Levee District	1,243,669
Tax Commission	23,420
Refunds and redemptions	21,651
Pension funds	<u>2,339,948</u>
Total distributions	<u>84,677,648</u>

Unsettled balances at June 30, 2004 \$ 6,991

Note - The state revenue sharing funds provided by Act 73 of 2002, which were received during the year ended June 30, 2004 were deposited in the Tax Collector Agency Fund and allocated among the taxing bodies as follows:

St. Charles Parish:	
Assessor	\$ 34,165
Community Service	30,000
Council	197,031
Hospital Service District	25,558
School Board	289,739
Sheriff:	
Law Enforcement District	198,657
Commission on collection	100,896
Lafourche Basin Levee District	45,318
Pension Funds	18,717
Ponchartrain Levee District	<u>44,737</u>
Total	<u>\$ 984,818</u>

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2004

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Federal Contract Number</u>	<u>Pass-through Entity Number</u>	<u>Federal Expenditures</u>
<u>Department of Justice:</u>				
Community Oriented Policing Services (COPS)	16.710	1995CFWX3184	-	\$ 7,293
Community Oriented Policing Services (COPS)	16.710	1999CMWX2952	-	24,495
Local Law Enforcement Block Grant Program	16.592	2002LBBX0427	-	19,173
Local Law Enforcement Block Grant Program	16.592	2003LBBX2011	-	3,870
Passed through Louisiana				
Commission on Law Enforcement:				
D.A.R.E.	16.579	E04-7-012	-	57,211
Victim Assistance - Electronic Equipment		C02-7-023	-	653
Combination Investigation	16.588	M00-7-004	-	9,028
Passed through Parish of St. Charles:				
Juvenile Accountability Incentive Grant Block	16.523	A01-8-002	-	4,767
Juvenile Accountability Incentive Grant Block	16.523	A02-8-002	-	28,567
<u>Department of Transportation:</u>				
Passed through Louisiana				
Highway Safety Commission:				
Safe & Sober Campaign 2002/2003	20.600			20,772
Safe & Sober Campaign 2003/2004	20.600		-	3,327
Safe Communities	20.600	DTNH22-01-H-35156	-	<u>4,926</u>
Total Expenditures of Federal Awards				\$ <u>184,082</u>

Note: The expenditures are presented in this schedule on the modified accrual basis of accounting and in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

COMPLIANCE AND INTERNAL CONTROL

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

The Honorable Gregory Champagne  
St. Charles Parish Sheriff  
Hahnville, Louisiana

We have audited the financial statements of the St. Charles Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated December 22, 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 St. Charles Parish Sheriff's financial statements are free of material misstatement, we performed tests of his 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 St. Charles 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the St. Charles Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of current and prior year audit findings and corrective action plan.

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

This report is intended for the information and use of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Harvey, Louisiana  
December 22, 2004

ST. CHARLES PARISH SHERIFF  
Hahnville, Louisiana

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

<u>Ref. No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact person</u>	<u>Anticipated Completion Date</u>
<b>CURRENT YEAR (6/30/04)</b>						
<u>Internal Control:</u>						
04-01	Unknown	The sheriff does not have adequate segregation of duties within the Accounting Department	N/A	None. Because of the limited number of personnel in the accounting department it is not possible to achieve adequate segregation of duties.	Maisy Robichaux Financial Officer	N/A
<b>PRIOR YEAR (6/30/03)</b>						
<u>Internal Control:</u>						
03-01	Unknown	The sheriff does not have adequate segregation of duties within the Accounting Department	N/A	None. Same as above.	Maisy Robichaux Financial Officer	N/A