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SABINE PARISH POLICE JURY
Many, Louisiana

Basic Financial Statements
(Primary Government)
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2004

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SABINE PARISH POLICE JURY
Many, Louisiana

Basic Financial Statements
(Primary Government)
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2004

C O N T E N T S

SABINE PARISH POLICE JURY
Many, Louisiana
Table of Contents
(Continued)

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT
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Independent Auditor's Report

SABINE PARISH POLICE JURY
Many, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish Police Jury as of and for the year ended December 31, 2004, which collectively comprise the police jury's basic financial statements, as listed in the table of contents These financial statements are the responsibility of the police jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish Police Jury as of December 31, 2004, and the respective changes in financial position thereof for the year ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Sabine Parish Police Jury adopted, effective January 1, 2004, the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments: Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. Adoption of these standards results in a change in the format and content of the basic financial statements and additional disclosures.

Management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 38 through 42, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the police jury's basic financial statements. The combining and individual nonmajor fund financial statements are not a required part of the basic financial statements. The combining and individual nonmajor financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated April 21, 2005, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. *That report is an integral part of an audit performed in accordance with* Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
April 21, 2005

REQUIRED SUPPLEMENTAL INFORMATION

PART I

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SABINE PARISH POLICE JURY
Many, Louisiana
Management's Discussion and Analysis
December 31, 2004

The Management's Discussion and Analysis (MD&A) of the Sabine Parish Police Jury's financial performance provides an overview of the police jury's financial activities for the year ended December 31, 2004. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts. Since this is the first year that the Sabine Parish Police Jury is reporting under GASB 34, comparisons with the prior year are limited.

FINANCIAL HIGHLIGHTS

The assets ($25.154 million) of the Sabine Parish Police Jury exceeded its liabilities ($.462 million) at the close of the most recent fiscal year by $24.693 million (net assets). Of this amount, $4.971 (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors. The government's total net assets increased by $.244 million.

At December 31, 2004, the Sabine Parish Police Jury's governmental funds reported combined ending fund balances of $5.101 million, an increase of $.387 million in comparison with the prior year's ending fund balance of $4.705 million. The total fund balance in the general fund is $1.773 million. The unrestricted fund balance in the general fund of $1.773 million is available for spending at the government's discretion. This balance is up by $.158 million from the prior year's balance in general fund of $1.615 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Sabine Parish Police Jury's basic financial statements. The Sabine Parish Police Jury's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Sabine Parish Police Jury's finances, in a manner similar to a private-sector business. These statements for the first time, combine governmental fund's current financial resources with capital assets and long-term debt obligations.

The statement of net assets presents information on all of the Sabine Parish Police Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sabine Parish Police Jury is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

The government-wide financial statements distinguish the different functions of the Sabine Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Sabine Parish Police Jury include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Sabine Parish Police Jury does not at this time have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now in on the major fund types rather than the non-major fund types. The Sabine Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

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

The Sabine Parish Police Jury maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Statement C and Statement E, respectively. At December 31, 2004, these 6 funds are considered to be major funds of the police jury. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Sabine Parish Police Jury adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparison statements have been provided at the fund type level for the major funds to demonstrate legal compliance with these budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this financial report.

Infrastructure Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other intangible assets that are used in operations and that have initial useful lives greater than one year. The parish has capitalized all purchased general capital and infrastructure assets. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time based on the date of acquisition and the life span of the asset in the 2004 financial statements

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Notes Section 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 Sabine Parish Police Jury's progress in funding its obligations. Required supplementary information can be found in the Required Supplementary section of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on the major fund's budgets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Sabine Parish Police Jury, assets exceeded liabilities by $24.693 million at the close of the most recent fiscal year.

A large portion of the Sabine Parish Police Jury's net assets (20.43 percent) reflects its investment in capital assets (land, buildings, machinery, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The Sabine Parish Police Jury uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Sabine's investment in its capital assets is reported net of related debt, it is not a spendable resource. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Sabine Parish Police Jury's Net Assets

Total net assets for Governmental activities are $24.693 million. The remaining balance of unrestricted net assets ($4.971 million) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Sabine Parish Police Jury is able to report positive balances in net assets. The government's total net assets increased by $.244 million during 2004. The following table presents, in millions, the statement of net assets in a condensed format. Since this is the initial year of implementation of GASB 34, condensed information for the year ended December 31, 2003, is not available and accordingly, is not presented.

	2004
ASSETS	
Current and other assets	$5.216
Capital assets, net	19.939
Total Assets	$25.155
LIABILITIES	
Current and other liabilities	$.271
Long-term liabilities	.191
Total Liabilities	0.462
NET ASSETS	
Invested in capital assets, net of related debt	19.722
Unrestricted	4.971
Total Net Assets	$24.693

The results of current year's operations for the police jury are reported on the Statement of Activities. The following table presents, for the year ended December 31, 2004, condensed financial information (in millions) from that statement. Since this is the initial year of implementation of GASB 34, condensed information for the year ended December 31, 2003, is not available and accordingly, is not presented.

<u>Revenues</u>	
Program revenues:	
Charges for services	$.393
General revenues:	
Ad valorem taxes	1.320
Sales and use taxes	2.238
Federal grants	.001
State grants	1.245
Interest and investment earnings	.095
Other general revenues	.088
Total revenues	5.380
<u>Functions/Program Expenses</u>	
Current:	
General government:	
Legislative	.159
Judicial	.651
Elections	.024
Finance and administration	.264
Other	.306
Public safety	.224
Public works	3.440
Health and welfare	.045
Economic development and assistance	.015
Debt service - interest and fiscal charges	.008
Total expenses	5.136
Increase in net assets	$0.244

Governmental Activities.

Total revenues from governmental activities were 5.380 million, down from the prior year revenues of $5.569 millions. Sales taxes received this year were $2.237 million up by $.088 million over the previous year. Ad valorem taxes collected were $1.319 million, up by $.115 million. Funds received from the Louisiana Department Transportation and Development (Parish Transportation Act funds) were $.231 million, down from the prior year receipts of $.234 million.

Total expenditures in support of governmental activities were $5.094 million, down from the prior year expenditures of $5.804 million. Expenditures for public work projects (roads, bridges, etc.) totaled $3.207 million for 2004, down from the previous year expenditures of $3.644 million. Expenditures in support of the parish's judicial system were $.651 million for 2004, down from the previous year expenditures of $.673 million.

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the Sabine Parish Police Jury's governmental funds reported combined ending fund balances of approximately $5.101 million, an increase of $.386 million from the previous year. Total fund balance for the general fund is $1.773 million, and increase of $.158 million from the previous year. The unreserved fund balance in the general fund, $1.773 million, which constitutes an amount which is available for spending at the government's discretion. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The remainder of fund balance is in special purpose funds to indicate that it is not necessarily available for new spending because it has already been committed to pay for a variety of other special purposes for which the funds were created, Special Revenue Funds, $3.260 million.

The general fund is the chief operating fund of the Sabine Parish Police Jury. At the end of the current year, total fund balance of the General Fund was $1.773 million. The fund balance of the Sabine Parish Police Jury's General Fund increased by $.158 million from the previous year.

Budgetary Highlights

The major funds of the Sabine Parish police Jury includes the governmental funds presented on Statements C and E of the police jury's basic financial statements. Budgetary comparisons for these major funds is presented, as required supplemental information, on Schedules 1 through 5 of the police jury's basic financial statements. The following presents significant highlights of selected funds and the budgetary process.

General Fund - actual revenues exceeded budgeted revenues by approximately $.130 million or 4.60 per cent. Actual expenditures were less than budgeted expenditures by approximately $.128 million or 9.77 percent.

Transportation Fund - actual revenues were less than budgeted revenues by approximately $.002 million or .001 per cent. Actual expenditures were less than budgeted expenditures by approximately $.103 million or 6.28 percent.

Sales Tax Fund - actual revenues exceeded budgeted revenues by approximately $.093 million or 2.98 per cent. Actual expenditures were less than budgeted expenditures by approximately $.351 million or 14.54 percent.

Criminal Court Fund - is exempt from the requirements of Louisiana law relating to the adoption of an annual budget; accordingly, a budgetary comparison is not presented in these supplemental schedules.

Road District No. 17 - actual revenues were less than budgeted revenues by approximately $.004 million or .008 per cent. Actual expenditures were less than budgeted expenditures by approximately $.081 million or 37.20 percent.

Health Unit Fund - actual revenues exceeded budgeted revenues by approximately $.003 million or .19 per cent. Actual expenditures were less than budgeted expenditures by approximately $.022 million or 35.57 percent.

Capital Asset and Debt Administration

Capital Assets

The Sabine Parish Police Jury's investment in capital assets for its governmental activities at December 31, 2004, amounts to $19.939 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure added this year. Additional information on Sabine Parish Police Jury's capital assets can be found in the Note section of this report. The following table shows capital assets (in millions), net of accumulated depreciation, for the year ended December 31, 2004:

	2004
Land	$.526
Construction in progress	.172
Buildings and improvements	1.628
Machinery and equipment	1.889
Furniture and fixtures	.019
Infrastructure	15.705
Totals	$19.939

Debt Administration

At December 31, 2004, the Sabine Parish Police Jury had total debt outstanding of $.339 million. Of this amount, $.209 million is comprised of capital lease agreements, and $.130 million in compensated absences. Additional information on the Sabine Parish Police Jury's long-term debt can be found in the Note section of this report.

Economic Factors and Next Years Budgets and Rates

Police Jurors and appointed officials use citizen input and consider many factors when setting the upcoming year's budget and tax millages. Our ad valorem taxes, state revenue sharing, severance taxes and sales tax collections are very important in this process accounting for approximately 83% of the 2004 revenues. Budgetary estimates for the ad valorem and state revenue sharing are based upon expectations of what the tax rolls and approved millages will provide. The jury budgeted the severance taxes and sales tax revenues (combined approximately 56% of total 2004 revenues) conservatively for the ensuing year's budget. Sales tax revenues have continued a slow trend of increasing over the past 20 years. Severance taxes are primarily controlled by the amount of timber harvested it the parish with some amount of oil activity. One major timberland owner recently sold all its mills and timberlands to a partnership and the timberlands were sold again to a private corporation. It is expected that they will continue to harvest timber to supply fiber to mills in the surrounding area.

Requests for Information

This financial report is designed to provide a general overview of the Sabine Parish Police Jury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sabine Parish Police Jury, ATTN: Secretary/Treasurer, 400 S. Capitol Street, Room 101, Many, Louisiana 71449, telephone 318-256-5637.

SABINE PARISH POLICE JURY
Many, Louisiana

BASIC FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2004, AND FOR THE YEAR THEN ENDED

Statement A

SABINE PARISH POLICE JURY
Many, Louisiana

Statement of Net Assets
December 31, 2004

ASSETS	
Cash and cash equivalents	$3,682,849
Receivables	1,533,301
Capital assets (net of accumulated depreciation):	
Land	526,116
Construction in progress	171,665
Buildings and improvements	1,627,521
Machinery and equipment	1,888,689
Furniture, equipment, and other	18,543
Infrastructure:	
Roads	12,118,195
Road right-of way	983,498
Bridges	2,604,466
TOTAL ASSETS	$25,154,843
LIABILITIES	
Accounts, salaries, and other payables	$115,047
Interest payable	7,816
Long-term liabilities:	
Due within one year	148,625
Due in more than one year	190,350
Total Liabilities	461,838
NET ASSETS	
Invested in capital assets, net of related debt	19,721,679
Unrestricted	4,971,325
TOTAL NET ASSETS	$24,693,004

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

SABINE PARISH POLICE JURY
Many, Louisiana

Statement of Activities
For the Year Ended December 31, 2004

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
Governmental activities:					
General government:					
Legislative	$159,477				($159,477)
Judicial	650,735	$390,417			(260,318)
Elections	23,967				(23,967)
Finance and administrative	264,231	1,939			(262,292)
Other	306,313				(306,313)
Public safety	224,425				(224,425)
Public works	3,440,447				(3,440,447)
Health and welfare	44,800				(44,800)
Economic development and assistance	14,654				(14,654)
Debt service	7,816				(7,816)
Total Governmental Activities	5,136,866	392,356	NONE	NONE	(4,744,510)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	1,318,672
Sales and use taxes, levied for general purposes	2,237,227
Grants and contributions not restricted to specific purposes:	
Federal grant programs	6,415
State grant programs	1,243,935
Interest and investment earnings	93,897
Miscellaneous	87,612
Special item - gain on sale of assets	508
Total general revenues and special items	4,988,265
Changes in net assets	243,756
Net assets - January 1, 2004	24,449,249
Net assets - December 31, 2004	$24,693,004

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

SABINE PARISH POLICE JURY
Many, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2004

	GENERAL FUND	TRANSPORTATION FUND	SALES TAX FUND	CRIMINAL COURT FUND
ASSETS				
Cash and cash equivalents	$1,224,569	$126,949	$709,328	$39,282
Receivables	510,831	44,245	6,172	15,967
Interfund receivables	64,139			
TOTAL ASSETS	$1,799,539	$171,195	$715,500	$55,249
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	$26,772	$6,085	$5,854	$8,596
Interfund payables				23,326
Total Liabilities	26,772	6,085	5,854	31,923
Fund balances - unreserved - reported in:				
General Fund	1,772,767			
Special Revenue Funds		165,109	709,646	23,326
Debt Service Funds				
Total Fund Balances	1,772,767	165,109	709,646	23,326
TOTAL LIABILITIES AND FUND BALANCES	$1,799,539	$171,195	$715,500	$55,249

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

Statement C

ROAD DISTRICT FUND NO. 17	HEALTH UNIT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
	$1,262,531	$320,189	$3,682,849
$247,382	148,132	560,573	1,533,301
			64,139
$247,382	$1,410,663	$880,762	$5,280,289
$9,814	$5,439	52,488	$115,047
30,728		10,084	64,139
40,542	5,439	62,572	179,185
			1,772,767
206,840	1,405,224	750,338	3,260,483
			67,853
206,840	1,405,224	818,191	5,101,104
$247,382	$1,410,663	$880,762	$5,280,289

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Statement D

SABINE PARISH POLICE JURY
Many, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2004

Total Fund Balances - Governmental Funds		$5,101,104
Cost of capital assets	$70,662,446	
Less - accumulated depreciation	(50,723,754)	19,938,692
Elimination of interfund assets and liabilities:		
Interfund receivables	64,139	
Interfund payables	(64,139)	NONE
Long-term liabilities:		
Capital lease agreements	(209,198)	
Compensated absences	(129,778)	
Interest payable - current	(7,816)	(346,792)
Net Assets		$24,693,004

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

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2004

	GENERAL FUND	TRANSPORTATION FUND	SALES TAX FUND
REVENUES			
Taxes:			
Ad valorem	$327,083		
Sales and use			$2,237,227
Other taxes, licenses, and interest	72,094		
Intergovernmental revenues:			
Federal funds	6,415		
State funds	885,353	$231,615	19,221
Fees, charges, and commissions for services	1,939		
Fines and forfeitures			
Use of money and property	15,500	1,132	59,291
Other revenues	1,923		1,016
Total revenues	1,310,307	232,746	2,316,755
EXPENDITURES			
Current			
General government:			
Legislative	159,477		
Judicial	289,497		
Elections	23,967		
Finance and administrative	161,964		81,411
Other	292,199		
Public safety	224,425		
Public works		1,638,914	732,431
Health and welfare	9,684		
Economic development and assistance	14,654		
Debt service			
Total expenditures	1,175,867	1,638,914	813,842

(Continued)

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

CRIMINAL COURT FUND	ROAD DISTRICT FUND NO. 17	HEALTH UNIT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	$246,992	$153,962	$590,634	$1,318,672
				2,237,227
				72,094
				6,415
	19,330	27,471	60,946	1,243,935
				1,939
356,312			34,105	390,417
302	280	12,465	4,928	93,897
1,725	2,902		7,952	15,518
358,338	269,504	193,898	698,596	5,380,114
				159,477
320,751			40,488	650,735
				23,967
			20,856	264,231
	8,688	5,426		306,313
				224,425
	160,001		675,911	3,207,257
		35,116		44,800
				14,654
	50,004		148,374	198,378
320,751	218,694	40,542	885,628	5,094,239

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2004

	GENERAL FUND	TRANSPORTATION FUND	SALES TAX FUND
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	$134,439	($1,406,169)	$1,502,912
OTHER FINANCING SOURCES (Uses)			
Operating transfers in	23,326	1,446,000	
Operating transfers out			(1,600,000)
Increase in capital leases			
Total other financing sources (uses)	23,326	1,446,000	(1,600,000)
SPECIAL ITEMS			
Sale of fixed assets		508	
Total Special Items	NONE	508	NONE
NET CHANGE IN FUND BALANCE	157,766	40,339	(97,088)
FUND BALANCE AT BEGINNING OF YEAR	1,615,001	124,770	806,734
FUND BALANCES AT END OF YEAR	$1,772,767	$165,109	$709,647

(Concluded)

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

CRIMINAL COURT FUND	ROAD DISTRICT FUND NO. 17	HEALTH UNIT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$37,587	$50,810	$153,356	($187,062)	$285,875
	22,000		132,000	1,623,326
(23,326)				(1,623,326)
			100,183	100,183
(23,326)	22,000	NONE	232,183	100,183
				508
NONE	NONE	NONE	NONE	508
14,261	72,810	153,356	45,122	386,566
9,065	134,030	1,251,868	763,069	4,704,538
$23,326	$206,840	$1,405,224	$818,191	$5,101,104

Statement F

SABINE PARISH POLICE JURY
Many, Louisiana

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

For the Year Ended December 31, 2004

Total net change in fund balances - governmental funds		$386,566
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the period:		
Capital outlays	$1,188,771	
Depreciation expense	(1,522,144)	(333,373)
Repayment of bond principal, bank loans, capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		184,873
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		5,691
Change in net assets of governmental activities		$243,756

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

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SABINE PARISH POLICE JURY
(Primary Government)
Many, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

INTRODUCTION

The Sabine Parish Police Jury is the governing authority for Sabine Parish and is a political subdivision of the State of Louisiana. The police jury is governed by 9 jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2008.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

This financial report has 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

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the police jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Governmental Accounting Standards Board (GASB) Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the component units that comprise the reporting entity are included in the accompanying financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

C. FUNDS

The police jury 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 police jury functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the police jury are classified as follows:

Governmental Funds

Governmental funds account for all or most of the police jury'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 police jury. The following are the police jury's primary governmental funds:

General Fund -- the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group.

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

D. **MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

Government-Wide Financial Statements - include the Statement of Net Assets (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the police jury as a whole. Fiduciary funds, if applicable, are not included at this level, as they are only reported in the Statement of Fiduciary Net Assets at the fund financial statement level.

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 nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the police jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the police jury's general revenues.

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

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. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the police jury. 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, if applicable, 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 police jury 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

Federal and state entitlements (which includes state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

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

Sales and use taxes are recorded in the month collected by the Sabine Parish Tax Commission (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

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

Substantially all other revenues are recorded when they are available to the police jury.

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the police jury.

Expenditures

Salaries are recorded as expenditures when earned.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur.

Deferred Revenues

The police jury, if applicable, reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the police jury 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 police jury has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The police jury adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the secretary/treasurer and the finance committee of the police jury during October/November of each year. During November/December, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At its meeting in December, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the police jury as a whole. The budgets are then adopted, and notice is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The secretary/treasurer is authorized to transfer amounts between line items within a fund; however, when requested by the police jury, budgetary comparisons are prepared and presented to the police jury during a regular meeting. The police jury reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the police jury minutes published in the official journal. Budget amounts included in the accompanying financial statements include the original and final amended budget amounts.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the police jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the police jury, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the police jury may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury capitalizes all assets with an estimated useful life of more than one year. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. All capital assets, other than land and construction in progress, are depreciated using the straight-line method of depreciation. Interest costs on debt used to finance the acquisition and/or construction of capital assets are not capitalized. The following is a summary of the estimated useful life(s) of the various capital assets of the police jury:

Asset Type	Useful Life (Years)
Buildings	25 - 80
Machinery and Equipment	10 - 20
Furniture and fixtures	5 - 10

K. COMPENSATED ABSENCES

Employees of the police jury earn 5 to 20 days of vacation leave and 12 days of sick leave each year, depending on their length of service. Vacation leave accumulates without limitation and employees are paid for their accumulated vacation leave upon termination of employment. Sick leave may be accumulated to a maximum of 45 days; however, accumulated sick leave is forfeited upon termination of employment.

The registrar of voters and the chief deputy of Sabine Parish are employees of the State of Louisiana, Department of Elections and Registration and are paid in part by the Sabine Parish Police Jury. Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, upon separation of employment, classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours.

Employees of the Eleventh Judicial District Criminal Court Fund earn 10 days of vacation leave and 45 days of sick leave each year, depending on their length of service. Vacation and sick leave do not accumulate, and employees cannot be paid for unused leave upon termination of employment.

For the portion of the salaries paid by the Sabine Parish Police Jury, the cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. Police jury employees and employees of the Department of Elections and Registration, paid in part by the police jury, have accumulated and vested $129,778 of employee leave benefits, which were computed in accordance with GASB Codification Section C60.

L. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets, if applicable, are reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or 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. Designations of fund balance represent tentative management plans that are subject to change.

N. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. 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, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

SABINE PARISH POLICE JURY
Many, Louisiana

Notes to the Basic Financial Statements
(Continued)

P. SALES TAXES

The Sabine Parish Police Jury levies a one per cent sales and use tax. The tax proposition provides that the tax be used to establish, construct, acquire, improve, and operate a solid waste collection and disposal system for the parish, with the balance of the funds used to establish, maintain, and improve roads and bridges. The tax went into effect on August 1, 1984, was renewed during 2003, and will expire on July 31, 2014. Delinquencies and July taxes would be remitted to the jury after July 31, 2014.

Q. 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

At December 31, 2004, the police jury has cash and cash equivalents (book balance) as follows:

Petty cash	$100
Interest-bearing demand deposits	3,682,749
Total Cash and Cash Equivalents	$3,682,849

The collected bank balances (cash and cash equivalents), at December 31, 2004, are secured as follows:

	Category			Bank	Book
Description	1	2	3	Balance	Balance
Demand deposits	$200,000	NONE	$3,801,639	$4,001,639	$3,682,749

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the police jury or its agent in the police jury's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the police jury's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the police jury's name.

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

3. RECEIVABLES

The receivables at December 31, 2004, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Total
Taxes - ad valorem	$283,945	$858,806	$1,142,752
Licenses and permits			
Intergovernmental revenues	208,947	132,031	340,978
Other	17,938	31,633	49,571
Total	$510,831	$1,022,471	$1,533,301

4. CAPITAL ASSETS

Governmental capital assets and depreciation activity as of and for the year ended December 31, 2004, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$523,472	$2,644		$526,116
Construction in Progress		171,665		171,665
Buildings	2,416,913			2,416,913
Machinery and Equipment	3,147,474	130,264		3,277,738
Furniture and Fixtures	79,296	8,659		87,955
Subtotal	6,167,155	313,232	NONE	6,480,387
Infrastructure:				
Roads	59,291,750			59,291,750
Right-of-Way	983,498			983,498
Bridges	2,969,599	975,723	($38,511)	3,906,811
Subtotal	63,244,847	975,723	(38,511)	64,182,059

	Beginning Balance	Additions	Deletions	Ending Balance
Total Capital Assets	$69,412,002	$1,288,955	($38,511)	$70,662,446
Less - Accumulated Depreciation:				
Buildings	(756,428)	(32,964)		(789,393)
Machinery and Equipment	(1,227,092)	(161,957)		(1,389,049)
Furniture and Fixtures	(64,296)	(5,116)		(69,412)
Subtotal	(2,047,817)	(200,037)	NONE	(2,247,854)
Infrastructure:				
Roads	(45,935,715)	(1,237,840)		(47,173,555)
Bridges	(1,256,589)	(84,267)	38,511	(1,302,345)
Subtotal	(47,192,304)	(1,322,107)	38,511	(48,475,900)
Net Capital Assets	$20,171,881	($233,189)	NONE	$19,938,692

5. PENSION PLAN

Substantially all employees of the police jury, are members of the Parochial Employees Retirement System of Louisiana ("system"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from funds and all elected parish officials are eligible to participate in the system. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 per cent of final compensation, plus $24 for each year of supplemental plan only service earned prior to January 1, 1980. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. 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 Parochial Employees' Retirement System, Post office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 11.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The employer contributions to the System under Plan A for the years ending December 31, 2004, 2003, and 2003, were $134,310, $92,020, and $88,927, respectively, equal to the required contributions for each year.

6. LONG-TERM LIABILITIES

The police jury records items under capital leases as an asset and an obligation in the accompanying financial statements. The lease obligations, consisting of equipment, i.e., vehicles, tractors, motor graders, et cetera, are paid from the Parish Transportation Fund and the Road District Maintenance Funds.

The following is a schedule of changes in long-term liabilities for the year ended December 31, 2004:

	Compensated Absences	Capital Leases	Total
Beginning Balance	$122,994	$293,886	$416,880
Additions	51,251	100,183	151,435
Deductions	(44,467)	(184,872)	(229,339)
Ending Balance	$129,778	$209,198	$338,976
Current	$44,467	$104,158	$148,625
Long-term	85,311	105,040	190,350
Total	$129,778	$209,198	$338,976

The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments:

Year Ended December 31,	
2005	$111,974
2006	54,651
2007	33,273
2008	19,371
2009	3,629
Total minimum lease payments	222,898
Less - amount representing interest	(13,700)
Present value of net minimum lease payments	$209,198

7. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. The following details the amount due for the two years ended December 31, 2003:

Balance due, December 31, 2003	$9,065
Amount due for 2004	23,326
Remitted during 2004	(9,065)
Balance due, December 31, 2004	$23,326

8. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at December 31, 2003, are as follows:

	Interfund	
	Receivable	Payable
General Fund	$64,139	
Special Revenue Funds:		
Criminal Court Fund		$23,326
Road District No. 11		2,083
Road District No. 17		30,729
Road District No. 18		1,718
Road District No. 20		6,283
Totals	$64,139	$64,139

9. RISK MANAGEMENT

The police jury 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 police jury carries commercial insurance for all the aforementioned risks of loss and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SABINE PARISH POLICE JURY
Many, Louisiana

Notes to the Basic Financial Statements
(Continued)

10. LITIGATION

At December 31, 2003, the police jury is involved in several lawsuits. In the opinion of the police jury's legal counsel, none of the lawsuits will result in loss to the police jury in excess of the police jury's insurance.

11. LANDFILL

On April 29, 1994, the Sabine Parish Police Jury (the Parish) entered into a Contract of Landfill Management (Contract) with TransAmerican Waste Industries, Inc., (Contractor) which transfers operation and maintenance of the Sabine Parish Landfill from the Parish to the Contractor. The Contract frees the Parish from any and all future environmental liabilities and/or responsibility associated with ownership, operation of, and management of the Sabine Parish Landfill.

Since the financial obligation related to closure and postclosure care of the landfill has been legally transferred to the Contractor and it has been determined that the Contractor is financially capable of meeting the financial obligations imposed by the closure and postclosure care responsibilities, the Parish is not required to, and has not, recognized any closure and postclosure costs relating to the operation of the Sabine Parish Landfill.

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REQUIRED SUPPLEMENTAL INFORMATION

PART II

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Schedule 1

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	$1,281,719	$1,615,001	$1,615,001	NONE
Resources (inflows)				
Taxes, licenses, and permits	345,155	396,286	399,177	2,891
Intergovernmental grants	720,253	791,441	891,768	100,327
Fines, fees, forfeitures, and permits	1,000	1,560	1,939	379
Use of money and property	12,200	13,713	17,423	3,710
Operating transfers in	1,000	1,000	23,326	22,326
Amounts available for appropriations	2,361,327	2,819,001	2,948,634	129,633
Charges to appropriations (outflows)				
Current:				
General government:				
Legislative	168,777	170,054	159,477	10,577
Judicial	325,064	348,036	289,497	58,539
Elections	40,037	40,037	23,967	16,070
Finance and administration	163,174	168,826	161,964	6,862
Other	339,096	332,746	292,199	40,547
Public safety	187,292	218,353	224,425	(6,072)
Public works				
Health and welfare	9,984	9,984	9,684	300
Culture and recreation				
Economic development and assistance	15,125	15,125	14,654	471
Intergovernmental				
Other financing uses				
Total charges to appropriations	1,248,549	1,303,161	1,175,867	127,294
BUDGETARY FUND BALANCES - ENDING	$1,112,778	$1,515,840	$1,772,767	$256,927

See auditor's report.

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Schedule 2

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUND - TRANSPORTATION FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	$60,500	$124,770	$124,770	NONE
Resources (inflows)				
Intergovernmental grants	234,973	234,973	231,614	(3,359)
Use of money and property	400	400	1,640	1,240
Operating transfers in	1,446,000	1,446,000	1,446,000	0
Amounts available for appropriations	1,741,873	1,806,143	1,804,024	(2,119)
Charges to appropriations (outflows)				
Current:				
Public works	1,741,873	1,741,873	1,638,914	102,959
Total charges to appropriations	1,741,873	1,741,873	1,638,914	102,959
BUDGETARY FUND BALANCES - ENDING	NONE	$64,270	$165,109	$100,839

See auditor's report.

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SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUND - SALES TAX FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	$703,343	$806,734	$806,734	NONE
Resources (inflows)				
Taxes, licenses, and permits	2,110,000	2,150,000	2,237,227	87,227
Use of money and property	55,000	73,637	79,528	5,891
Amounts available for appropriations	2,868,343	3,030,371	3,123,489	93,117
Charges to appropriations (outflows)				
Current:				
General government - finance and administration	102,000	102,000	81,411	20,589
Public safety	550,000	1,062,741	732,431	330,310
Other financing uses	1,600,000	1,600,000	1,600,000	
Total charges to appropriations	2,252,000	2,764,741	2,413,842	350,899
BUDGETARY FUND BALANCES - ENDING	$616,343	$265,630	$709,646	$444,016

See auditor's report.

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUND - ROAD DISTRICT NO. 17 FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	$110,930	$134,030	$134,030	NONE
Resources (inflows)				
Taxes, licenses, and permits	220,278	246,987	246,992	5
Intergovernmental grants	19,653	19,150	19,330	180
Use of money and property	5,176	7,123	3,182	(3,941)
Other financing sources	22,000	22,000	22,000	
Amounts available for appropriations	378,037	429,290	425,534	(3,756)
Charges to appropriations (outflows)				
Current:				
General government - public works	217,990	250,038	168,914	81,124
Debt service:				
Principal	47,195	47,195	47,195	
Interest	2,810	2,809	2,586	223
Total charges to appropriations	267,995	300,042	218,694	81,348
BUDGETARY FUND BALANCES - ENDING	$110,042	$129,248	$206,840	$77,592

See auditor's report.

Schedule 5

SABINE PARISH POLICE JURY
Many, Louisiana
GOVERNMENTAL FUND - HEALTH UNIT FUND

Budgetary Comparison Schedule
For the Year Ended December 31, 2004

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	$1,224,393	$1,251,868	$1,251,868	NONE
Resources (inflows)				
Taxes, licenses, and permits	137,090	153,958	153,962	4
Intergovernmental grants	14,455	14,266	27,471	13,205
Use of money and property	10,000	23,000	12,465	(10,535)
Amounts available for appropriations	1,385,938	1,443,092	1,445,766	2,674
Charges to appropriations (outflows)				
Current:				
General government - health and welfare	148,934	62,926	40,542	22,384
Total charges to appropriations	148,934	62,926	40,542	22,384
BUDGETARY FUND BALANCES - ENDING	$1,237,004	$1,380,166	$1,405,224	$25,058

See auditor's report.

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SABINE PARISH POLICE JURY
MANY, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

NONMAJOR GOVERNMENTAL FUNDS

ROAD DISTRICT FUNDS -- are separate taxing districts which levy ad valorem property taxes at varying millages. The revenues collected by the individual road districts can only be expended within that district.

JUROR AND WITNESS FEE FUND -- pays fees for law enforcement officers who appear in court while off duty and individuals serving the parish's judicial system. Financing is provided through court costs designated for that purpose.

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SABINE PARISH POLICE JURY, PRIMARY GOVERNMENT
MANY, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet, December 31, 2004

	ROAD DISTRICTS	JUROR AND WITNESS FEES	INDUSTRIAL DISTRICT NO.1 DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and cash equivalents	$210,360	$41,975	$67,853	$320,189
Receivables	558,493	2,080		560,573
TOTAL ASSETS	$768,854	$44,055	$67,853	$880,762
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$52,488			$52,488
Interfund payables	10,084			10,084
Total liabilities	62,572	NONE	NONE	62,572
Fund Balance - unreserved/ undesignated (deficit):				
Special Revenue Funds	706,282	44,055		750,338
Debt Service Funds			$67,853	67,853
Total Fund Balance	706,282	44,055	67,853	818,191
TOTAL LIABILITIES AND FUND BALANCE	$768,854	$44,055	$67,853	$880,762

See auditor's report.

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2004

	ROAD DISTRICTS	JUROR AND WITNESS FEE	INDUSTRIAL DISTRICT NO.1 DEBT SERVICE FUND	TOTAL
REVENUES				
Taxes - ad valorem	$590,634			$590,634
Intergovernmental revenues - state funds	60,946			60,946
Fines and forfeitures		$34,105		34,105
Use of money and property	3,754	500	$675	4,929
Other revenues	7,952			7,952
Total revenues	663,286	34,605	675	698,567
EXPENDITURES				
Current:				
General government:				
Judicial		40,488		40,488
Finance and administrative	20,856			20,856
Public works	675,911			675,911
Debt service:				
Principal	137,676			137,676
Interest	10,698			10,698
Total expenditures	845,141	40,488	NONE	885,628
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(181,855)	(5,882)	675	(187,062)

(Continued)

See auditor's report.

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Schedule 7

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2004

	ROAD DISTRICTS	JUROR AND WITNESS FEE	INDUSTRIAL DISTRICT NO.1 DEBT SERVICE FUND	TOTAL
OTHER FINANCING SOURCES (Uses)				
Operating transfers in	$132,000			$132,000
Increase in capital leases	100,183			100,183
Total other financing sources (uses)	232,183	NONE	NONE	232,183
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	50,329	($5,882)	$675	45,122
FUND BALANCES AT BEGINNING OF YEAR	655,954	49,938	67,178	773,069
FUND BALANCES AT END OF YEAR	$706,282	$44,055	$67,853	$818,191

(Concluded)

See auditor's report.

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - ROAD DISTRICT FUNDS

Combining Balance Sheet, December 31, 2004

	No. 1	No. 4	No. 9	No. 11	No. 15
ASSETS					
Cash and cash equivalents	$70,078	$20,423	$26,076		$12,098
Receivables	43,771	32,706	114,531	15,773	114,025
TOTAL ASSETS	$113,849	$53,130	$140,607	$15,773	$126,122
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	$2,429	$4,948	$10,685	$684	$8,342
Interfund payables				2,083	
Total liabilities	2,429	4,948	10,685	2,768	8,342
Fund Balance - unreserved/ undesignated	111,420	48,181	129,922	13,006	117,781
TOTAL LIABILITIES AND FUND BALANCE	$113,849	$53,130	$140,607	$15,773	$126,122

See auditor's report.

No. 16	No. 18	No. 19	No. 20	TOTAL
$21,775		$59,911		$210,360
67,919	$111,568	47,326	$10,874	558,493
$89,694	$111,568	$107,237	$10,874	$768,854
$3,133	$9,108	$12,712	$446	$52,488
	1,718		6,283	10,084
3,133	10,825	12,712	6,729	62,572
86,561	100,742	94,525	4,145	706,282
$89,694	$111,568	$107,237	$10,874	$768,854

SABINE PARISH POLICE JURY
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - ROAD DISTRICT FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2004

	No. 1	No. 4	No. 9	No. 11
REVENUES				
Taxes - ad valorem	$51,625	$33,094	$126,044	$18,865
Intergovernmental revenues - state funds - state revenue sharing	6,772	3,854	11,505	2,670
Use of money and property	794	619	549	27
Other revenues	870	1,224		870
Total revenues	60,061	38,791	138,098	22,432
EXPENDITURES				
Current:				
General government - other	1,808	1,166	4,431	672
Public works	46,806	86,692	136,228	26,158
Debt service:				
Principal	30,883	22,021	3,129	20,588
Interest	1,371	731	500	914
Total expenditures	80,868	110,611	144,287	48,333
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(20,807)	(71,820)	(6,189)	(25,900)
OTHER FINANCING SOURCES				
Operating transfers in	11,000	11,000	11,000	11,000
Increase in capital leases			25,150	
Total other financing sources	11,000	11,000	36,150	11,000
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(9,807)	(60,820)	29,961	(14,900)
FUND BALANCE AT BEGINNING OF YEAR	121,227	109,001	99,961	27,906
FUND BALANCE AT END OF YEAR	$111,420	$48,182	$129,922	$13,006

See auditor's report.

No. 15	No. 16	No. 18	No. 19	No. 20	TOTAL
$118,911	$78,795	$111,813	$41,804	$9,684	$590,634
13,786	7,169	7,601	5,255	2,334	60,946
313	283	323	845		3,754
1,725	922	896	508	936	7,952
134,736	87,169	120,634	48,411	12,954	663,286
4,200	2,771	3,865	1,590	353	20,856
74,979	89,970	105,436	108,290	1,353	675,911
17,650	3,129		18,254	22,021	137,676
4,737	500		1,213	731	10,698
101,566	96,369	109,301	129,347	24,459	845,141
33,170	(9,200)	11,333	(80,936)	(11,505)	(181,855)
22,000	11,000	22,000	22,000	11,000	132,000
	25,150		49,883		100,183
22,000	36,150	22,000	71,883	11,000	232,183
55,170	26,950	33,333	(9,052)	(505)	50,329
62,611	59,610	67,409	103,577	4,650	655,954
$117,781	$86,561	$100,742	$94,525	$4,145	$706,283

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SABINE PARISH POLICE JURY
Many, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

For the Year Ended December 31, 2003

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, the president receives $900 per month, while the other jurors receive $800 per month.

SABINE PARISH POLICE JURY
Many, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE

For the Year Ended December 31, 2004

COMPENSATION PAID POLICE JURORS

Craig, Gene	$9,739
Ellzey, Patrick L.	8,490
Ezernack, Albert J., Jr.	9,600
Funderburk, Kenneth	10,661
Hopkins, Rodney	9,600
McDonald, Jerry	9,600
McNeely, Clyde	1,110
Procell, Gerald	9,600
Ruffin, William E.	9,600
Slay, J. Michael	9,600
Total	$87,600

OTHER REPORTS REQUIRED BY

GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The reports are based solely on the audit of the general purpose financial statements.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT
55 Terra Avenue
Alexandria, LA 71303
318/442-7568
Fax: 318/442-9495

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

SABINE PARISH POLICE JURY
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Parish Police Jury as of and for the year ended December 31, 2004, and have issued my report thereon dated April 21, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

SABINE PARISH POLICE JURY
Many, Louisiana
Compliance and Internal Control Report
(Continued)

Prior Year Audit Findings

The audit for the year ended December 31, 2003, disclosed no instances of noncompliance that were required to be reported under Government Auditing Standards or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

General

Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
April 21, 2005