

**NATCHITOCHE PARISH SHERIFF
NATCHITOCHE PARISH DETENTION CENTER
NATCHITOCHE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2004**

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

Release Date: 10-13-04

NATCHITOCHES PARISH SHERRY
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
TABLE OF CONTENTS
JUNE 30, 2004

	Exhibit	Schedule	Page
Letter	-	-	1
Independent Auditors' Report	-	-	2
Management's, Discussion, and Analysis	-	-	3
Statement of Net Assets	A	-	8
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B	-	8
Statement of Cash Flows	C	-	10
Notes to the Financial Statements	-	-	11
Other Supplementary Information:	-	-	18
Schedule of Findings and Questioned Costs	-	1	19
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	-	-	28
Summary Schedule of Prior Audit Findings	-	2	21
Corrective Action Plan for Current Year Audit Findings	-	2	22
Management Letter	-	-	23

MASSACHUSETTS DEPARTMENT OF REVENUE
MASSACHUSETTS TAXATION DEPARTMENT CENTER
100 FORT WASHINGTON STREET
BOSTON, MASSACHUSETTS 02114
TELEPHONE: 617-725-2000 FAX: 617-725-2001

Legislative Auditor
P. O. Box 9497
Baton Rouge, LA 70804-6197

AFFIDAVIT

Personally came and appeared before the undersigned authority, Vice Towne, Sheriff of Middlesex County, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Middlesex Parish Detention Center, at June 30, 2004 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Veronica L. Jones
Auditor

Sworn to and subscribed before me, this 26th day of August, 2004.

Emilia Sawyer
NOTARY PUBLIC



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

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2488 - 452 EAST FIFTH STREET
NATCHITOCHES, LA 70457

W. HENRI ANDREWS, JR., CPA
1998-1999

FRANK E. HINES, CPA
LENN C. HINES, CPA
E. MERLIN BOLDYRIS, CPA
JAY R. SHEFFIELD, CPA

Telephone (225) 262-5658
FAX (225) 262-5651
efh@jhja.com

INDEPENDENT AUDITORY REPORT

Responsible Victor Jones
Natchitoches Parish Sheriff
Natchitoches Parish Detention Center
Natchitoches, Louisiana 70457

We have audited the accompanying basic financial statements of the Natchitoches Parish Detention Center, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Sheriff, as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of management of the Natchitoches Parish Detention Center. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These 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 Natchitoches Parish Detention Center as of June 30, 2004, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 25, 2004, on our consideration of the Natchitoches Parish Detention Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our 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 information on pages 3 through 7 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.

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

Hines, Jackson & Hines
Natchitoches, Louisiana
August 25, 2004

MEMBER

American Institute of Certified Public Accountants Society of Certified Public Accountants

**NATCHITOCHEES PARISH SHERRY
NATCHITOCHEES PARISH DETENTION CENTER
NATCHITOCHEES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004**

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

FINANCIAL HIGHLIGHTS

- 1) The Natchitoches Parish Detention Center had cash and cash equivalents and investments of \$1,400,290 at June 30, 2004 which represents an increase of \$193,060 from prior year end.
- 2) The Natchitoches Parish Detention Center had accounts receivable of \$304,904 at June 30, 2004 which represents an increase of \$17,874 from prior year end.
- 3) The Natchitoches Parish Detention Center had accounts payable and accounts of \$280,799 at June 30, 2004 which represents an increase of \$10,905 from prior year end.
- 4) The Natchitoches Parish Detention Center had total operating revenues of \$4,640,948 for the year ended June 30, 2004 which represents an increase of \$232,415 from prior year.
- 5) The Natchitoches Parish Detention Center had charges for services revenues of \$1,872,875 for the year ended June 30, 2004 which represents an increase of \$58,838 from prior year.
- 6) The Natchitoches Parish Detention Center had total operating expenses of \$4,258,163 for the year ended June 30, 2004 which represents an increase of \$458,036 from prior year.
- 7) The Natchitoches Parish Detention Center had salaries of \$1,458,897 for the year ended June 30, 2004 which represents an increase of \$231,950 from prior year.
- 8) The Natchitoches Parish Detention Center had interest expense of \$204,624 for the year ended June 30, 2004 which represents a decrease of \$11,207 from prior year.
- 9) The Natchitoches Parish Detention Center had a net change in net assets of \$116,383 for the year ended June 30, 2004 which represents a decrease of \$128,944 from prior year.
- 10) The Natchitoches Parish Detention Center had capital asset purchases of \$89,940 for the year ended June 30, 2004 which represents a decrease of \$345,532 from prior year.
- 11) The Natchitoches Parish Detention Center had long-term debt principal payments of \$189,000 for the year ended June 30, 2004 which represents an increase of \$7,000 from prior year.

**NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES PARISH DETENTION CENTER
NATCHITOCHEES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014**

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Natchitoches Parish Detention Center as established by Government Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MSFA)

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

Basic Financial Statements

This annual report consists of a series of financial statements. The *Statement of Net Assets*, *Statement of Revenues, Expenses, and Changes in Fund Net Assets and Cash Flows* (on pages 8, 9 and 10) provide information about the activities of the Natchitoches Parish Detention Center as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the annual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

**NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES PARISH DETENTION CENTER
NATCHITOCHEES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR 2004**

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Assets
As of Year End**

	2004	2003
Current and other assets	\$ 1,893,039	\$ 1,861,070
Capital assets, net	2,888,058	2,887,882
Total Assets	\$ 4,781,097	\$ 4,748,952
Accounts payable, accounts and other liabilities	\$ 288,799	\$ 174,894
Long-term debt and leases	1,734,000	1,831,000
Total Liabilities	2,022,799	1,995,894
Net assets:		
Investment in capital assets, net of related debt	(281,044)	(312,588)
Unrestricted	1,573,130	1,466,311
Total Net Assets	1,292,086	1,153,723
Total Liabilities and Net Assets	\$ 4,314,885	\$ 4,249,617

Net assets of the Natchitoches Parish Detention Center's increased by \$118,363 or 11.84% from the previous fiscal year. The increase is the result of operating and other revenues exceeding operating and other expenses during the fiscal year ended 2004 (See table below).

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended**

	2004	2003
Operating Revenues	\$ 4,640,768	\$ 4,408,263
Operating Expenses	4,159,261	3,899,717
Operating Income	504,507	508,546
Nonoperating Revenues/Expenses	(154,300)	(244,823)
Change in net assets	\$ 350,207	\$ 263,723

The Natchitoches Parish Detention Center's total operating revenues increased by \$212,475 or 5.22% from the previous year. The total operating expenses increased by \$458,135 or 11.55% from the previous year.

**NATCHITOCHEES PARISH SHERRY
NATCHITOCHEES PARISH DETENTION CENTER
NATCHITOCHEES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR 2004**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the Natchitoches Parish Detention Center had \$1,088,836, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deletions) of \$170,388 or 1.59% from the previous year.

**Capital Assets at Year End
(Net of Depreciation)**

	2004	2003
Land	\$ 146,089	\$ 146,089
Construction in progress	21,835	0
Buildings and building improvements	2,183,647	2,866,650
Automobiles	6,838	14,107
Equipment, furniture and fixtures	54,155	20,153
Total	<u>\$ 1,468,664</u>	<u>\$ 1,287,199</u>

This year's major additions included:

Construction in progress	\$ 27,836
Equipment, furniture and fixtures	\$ 29,176

This year's major retirements included:

Equipment, furniture and fixtures	\$ 111,987
-----------------------------------	------------

Debt

The Natchitoches Parish Detention Center had \$2,704,000 in revenue bonds and certificates of indebtedness outstanding at year end compared to \$2,811,000 at the previous year end, a decrease of \$107,000 or 3.82% as shown in the table below.

Outstanding Debt at Year End

	2004	2003
Revenue bonds	\$ 1,650,000	\$ 1,815,000
Certificates of indebtedness	100,000	100,000
Total	<u>\$ 1,750,000</u>	<u>\$ 1,915,000</u>

New debt during the year included:

None.

**MACHIBODOU PARISH DETENTION
MACHIBODOU PARISH DETENTION CENTER,
MACHIBODOU, LOUISIANA
MANAGEMENT'S FINANCIAL AND FORMAL REPORT (CONTINUED)
JUNE 30, 2004**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND BATES

Management of the Machibodou Parish Detention Center consider the following economic indicators when setting next year's budget and rates. These factors and indicators include:

- 1) Number of inmates
- 2) Intergovernmental revenues (local, state and federal grants)
- 3) Long-term debt
- 4) Cost of Operations

The Machibodou Parish Detention Center does not expect any significant changes in cooperating activities in next year's results as compared to the current year. However, the Detention Center expects the construction of a work release dormitory to be completed in October 2004 which will house 48 inmates. The effect of the completion of this project on the Detention Center's financial statements will be based on the number and timing of any new inmates being housed at the Detention Center.

CONTACTING MACHIBODOU PARISH DETENTION CENTER'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Machibodou Parish Detention Center's financial activities and the Machibodou Parish Detention Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Wayne Jones, Sheriff, 200 Edwin Drive, Machibodou, Louisiana 71457.

**NATCHITOCHES PARISH SHREVE
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004**

EXHIBIT A

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 491,255
Investments	841,041
Accounts receivable	<u>731,928</u>
Total Current Assets	1,771,147
Noncurrent Assets	
Capital assets, net	2,848,058
Deferred debt expenses, net	<u>120,882</u>
Total Assets	\$ 4,639,987
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Current portion of long-term debt	\$ 298,666
Accounts payable and accruals	<u>288,799</u>
Total Current Liabilities	487,465
Noncurrent Liabilities	
Long-term debt, net of current portion	<u>1,528,800</u>
Total Liabilities	2,016,265
 NET ASSETS	
Investments in capital assets, net of related debt	(281,944)
Unrestricted	<u>1,337,208</u>
Total Net Assets	1,055,264
Total Liabilities and Net Assets	\$ 4,639,987

The accompanying notes are an integral part of this statement.

EXHIBIT B

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DISTRICT 10, CENTER
NATCHITOCHES, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES	
Charges for services	\$ 5,875,875
Commissary	403,315
Wife release revenues	293,479
Other	<u>10,159</u>
Total Operating Revenues	6,582,768
OPERATING EXPENSES	
Amortization expense	18,480
Depreciation	228,311
Employee benefits	688,919
Food	675,231
Fuel	29,289
Insurance	158,893
Medical expenses	262,794
Miscellaneous	4,064
Payroll taxes	50,818
Pension security	15,087
Professional services	21,844
Repairs and maintenance	49,842
Retirement	113,528
Salaries	1,488,697
Supplies	133,678
Training	3,798
Telephone	21,693
Uniforms	38,682
Utilities	<u>240,318</u>
Total Operating Expenses	4,380,283
Operating Income	2,202,485
Nonoperating Revenues(Expenses)	
Interest income	4,319
Interest expense	(304,629)
Intergovernmental revenues	198,100
Transfers out	<u>(114,995)</u>
Total Nonoperating Revenues(Expenses)	172,805
Change in Net Assets	136,960
Net Assets, Beginning of year as restated	<u>1,158,981</u>
Net Assets, End of year	<u>\$ 1,295,941</u>

The accompanying notes are an integral part of this statement.

**WATKINSVILLE PARISH SCHOOL BOARD
WATKINSVILLE PARISH DISTRICT SCHOOL BOARD
WATKINSVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

EXHIBIT C

Cash Flows From Operating Activities	
Receipts from customers	\$ 4,672,118
Cash payments to suppliers for goods and services	(2,175,694)
Cash payments to employees for services	(1,695,997)
Other operating revenues/expenses	0
Net Cash From Operating Activities	<u>600,427</u>
Cash Flows From Non-Capital Financing Activities	
Intergovernmental revenues	181,222
Other nonoperating activity, interest income	22,122
Net Cash From Non-Capital Financing Activities	<u>203,344</u>
Cash Flows From Capital and Related Financing Activities	
Payments to Watkinsville Parish Sheriff, general fund	(144,903)
Principal payments on revenue bonds	(155,890)
Principal payments on certificates of indebtedness	(54,890)
Acquisition/construction of capital assets	(89,967)
Interest paid	(226,425)
Net Cash From Capital and Related Financing Activities	<u>(671,975)</u>
Cash Flows From Investing Activities	
Interest income	3,480
Purchase of investments	(2,169)
Cash Flows From Investing Activities	<u>1,311</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	130,097
Cash and Cash Equivalents, Beginning of year	<u>264,343</u>
Cash and Cash Equivalents, End of year	\$ 435,230
Reconciliation of Operating Income to Net Cash From Operating Activities	
Operating income	\$ 290,505
Adjustments to reconcile operating income to net cash from operating activities	
Allocation expense	30,480
Depreciation expense	236,111
(Increase)/decrease in operating assets:	
Accounts receivable	(6,678)
Increase/(decrease) in operating liabilities:	
Accounts payable and accruals	30,212
Net Cash Flows From Operating Activities	<u>\$ 600,427</u>

The accompanying notes are an integral part of this statement.

**MACHODOUS PARISH SHERRIF
MACHODOUS PARISH DETENTION CENTER
MACHODOUS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

As provided by Article V, Section 17 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district, which includes administering the parish/jail system. Construction of the facility was completed and the first prisoners were received on June 18, 1996.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of the Machodous Parish Detention Center present information only as to the transactions of the programs of the Machodous Parish Detention Center as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement basis applied.

The accounts of the Machodous Parish Detention Center are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 5, the Machodous Parish Detention Center defines cash and cash equivalents as follows:

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

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

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Receivables

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

D. Bad Debt

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2004, 2003, 2002, 2001 and 2000, 20 were considered to be uncollectible.

E. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Detention Center are charged as an expense against operations in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 20 years for buildings and building improvements and five years for movable property. Expenditures for maintenance, repairs and minor materials are charged to earnings or incurred. Major expenditures for renewals and betterments are capitalized.

F. Compensated Absence

Employees of the Natchitoches Parish Detention Center that have been employed one year or more earn two weeks of vacation leave per year. Vacation leave is granted for employees having less than a year of service. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

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

NATCHITOCHEES PARISH Sheriff
NATCHITOCHEES PARISH DETENTION CENTER
NATCHITOCHEES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 1 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions (Continued)

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging/fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at June 30, 2004 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet (does not include \$100 in petty cash)	\$ 411,122	\$ 0	\$ 411,122
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 293,064	\$ 0	\$ 293,064
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	293,871	0	293,871
3. Uncollateralized, including any securities held for the entity but not in entity's name	1,999	0	1,999
Total Bank Balances	\$ 588,934	\$ 0	\$ 588,934

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

Banking Institution	Amount
Bank of Montgomery	\$ 400,000
City Bank and Trust Company	88,834
Total	\$ 488,834

B. Investments

The Natchitoches Parish Detention Center maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the District may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the Detention Center as of June 30, 2004 are summarized below by the category of risk.

Category 1 Insured or registered in the entity's name, or security held by the entity or its agent in the entity's name.

**NAACP/TOUCHER PAROLE CENTER
 NAACP/TOUCHER PAROLE DETENTION CENTER
 NAACP/TOUCHER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2004**

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Category 2 Deposited or registered with securities held by the company's trust department or agent in the entity's name.

Category 3 Deposited and unregistered with securities held by the company, or by its trust department or agent but not in the entity's name.

Type of Investment	Reported Amount	Fair Value
Money market accounts	\$ 947,011	\$ 947,011
Total	<u>\$ 947,011</u>	<u>\$ 947,011</u>

NOTE 3 ACCOUNTS RECEIVABLE

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

Class of Receivable	\$	2004
Charges for services	\$	322,468
Intergovernmental revenues		11,399
Interest		634
Total	<u>\$</u>	<u>334,501</u>

NOTE 4 CAPITAL ASSETS

A summary of the NaACP/Toucher Parole Detention Center's capital assets at June 30, 2004 follows:

	Balance June 30, 2003	Additions	Retirements	Balance June 30, 2004
Capital assets, not being depreciated				
Land	\$ 144,000	\$ 0	\$ 0	\$ 144,000
Construction in progress	0	73,826	0	73,826
Total Capital Assets, not being depreciated	<u>144,000</u>	<u>73,826</u>	<u>0</u>	<u>217,826</u>
Capital assets, being depreciated				
Buildings and Building Improvements	1,477,433	0	0	1,477,433
Less accumulated depreciation	(1,400,400)	(132,540)	0	(1,532,940)
Total Buildings and Building Improvements	<u>77,033</u>	<u>(132,540)</u>	<u>0</u>	<u>(55,507)</u>
Automobiles	104,401	0	0	104,401
Less accumulated depreciation	(88,533)	(12,000)	0	(100,533)
Total Automobiles	<u>15,868</u>	<u>(12,000)</u>	<u>0</u>	<u>3,868</u>
Equipment, Furniture and Fixtures	464,934	23,129	(341,947)	146,116
Less accumulated depreciation	(400,077)	(28,126)	(33,987)	(462,190)
Total Equipment, Furniture and Fixtures	<u>64,857</u>	<u>(4,997)</u>	<u>(65,934)</u>	<u>(31,311)</u>
Total Capital Assets, being depreciated	<u>1,447,748</u>	<u>(137,517)</u>	<u>(341,947)</u>	<u>968,284</u>
Total Capital Assets, net	<u>\$ 1,447,748</u>	<u>\$ (137,517)</u>	<u>\$ 0</u>	<u>\$ 1,280,231</u>

**NATCHITOCHEES PARISH SHERIFF
NATCHITOCHEES PARISH DETENTION CENTER
NATCHITOCHEES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004**

NOTE 3 ACCOUNTS PAYABLE AND ACCRUALS

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

<u>Class of Payable</u>		
Vendor	\$	143,829
Salaries and benefits		2,341
Interest		17,083
Other		87,044
Total	\$	<u>248,297</u>

NOTE 4 LONG-TERM DEBT

The following is a summary of the long-term debt of the Natchitoches Parish Detention Center for the year ended June 30, 2004:

	<u>Balance</u>			<u>Balance</u>	
	<u>June 30, 2003</u>	<u>additions</u>	<u>Expirations</u>	<u>June 30, 2004</u>	<u>Current</u>
					<u>Accounts</u>
Revenue bonds	\$ 2,821,000	\$ 0	\$ 155,000	\$ 2,666,000	\$ 170,000
Certificate of indebtedness	398,000	0	34,000	364,000	36,000
Total	<u>\$ 3,219,000</u>	<u>\$ 0</u>	<u>\$ 189,000</u>	<u>\$ 3,030,000</u>	<u>\$ 206,000</u>

The terms of the individual debt issues of the Detention Center are as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Outstanding</u>
Revenue Bonds	3.25% - 7.25%	06/01/03	\$ 2,666,000	\$ 2,666,000
Certificate of indebtedness	3.17%	01/01/04	398,000	364,000
Total			<u>\$ 3,064,000</u>	<u>\$ 3,030,000</u>

The annual requirements to service all debt outstanding as of June 30, 2004, including interest payments are as follows:

<u>Year Ended</u>	<u>Certificate of</u>		
<u>June 30,</u>	<u>Revenue Bonds</u>	<u>Indebtedness</u>	<u>Total</u>
2005	\$ 368,310	\$ 28,000	\$ 396,310
2006	378,240	28,000	406,240
2007	376,310	0	376,310
2008	371,640	0	371,640
2009	371,880	0	371,880
Thereafter	<u>2,146,000</u>	<u>0</u>	<u>2,146,000</u>
Total	<u>\$ 3,632,380</u>	<u>\$ 56,000</u>	<u>\$ 3,688,380</u>

**MACHDOCHES PARISH DETENTION CENTER
MACHDOCHES PARISH DETENTION CENTER
MACHDOCHES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004**

NOTE 7 RETIREMENT SYSTEM

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month and who are between the ages of 18 and 50 at the time of original employment are required to participate in the system. Employees are eligible to retire at or after age 55 with at least 11 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent if total service is at least 12 but less than 15 years, 1.75 percent if total service is at least 15 but less than 20 years, and 1 percent if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of the final average salary. Final average salary is the employee's average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate with at least 11 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefits accrued to their date of termination. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Sheriff's Pension & Relief Fund, Monroe, Louisiana, 71208-0100 or by calling (318) 362-3100.

Contributions to the system include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the state of Louisiana. State statute requires covered employees to contribute 9.8 percent of their salary to the system and requires an employer contribution equal to 9.25 percent of each covered employee's salary. As provided by Louisiana Revised Statutes 11:203, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Machdoches Parish Detention Center's contributions to the system for the years ending June 30, 2004, 2003 and 2002 were \$113,508, \$89,127 and \$75,233, respectively, equal to the required contribution for each year.

NOTE 8 LEASES

The Machdoches Parish Detention Center was not obligated under any capital or operating leases at June 30, 2004.

NOTE 9 LITIGATION

The Machdoches Parish Detention Center is a defendant in various litigations as of the close of business on June 30, 2004. Although the outcome of these lawsuits are not presently determinable, in the opinion of the Detention Center's legal counsel, resolution of these matters would not create a liability in excess of insurance coverage, and therefore would not have a material adverse effect on the financial condition of the Machdoches Parish Detention Center.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 10 RISK MANAGEMENT

The Natchitoches Parish Detention Center is exposed to various risks-of-loss related to theft, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Natchitoches Parish Detention Center maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Detention Center.

OTHER SUPPLEMENTARY INFORMATION

**MACHODOCHES PARISH SHERIFF
 MACHODOCHES PARISH DETENTION CENTER
 MACHODOCHES, LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2004**

SECTION 01**SUMMARY OF AUDITORS' RESULTS****FINANCIAL STATEMENTS**

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

SECTION 02**FINANCIAL STATEMENT FINDINGS**

2004-01	The bank deposit balances of the Machodoches Parish Detention Center exceeded Federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage.
---------	--

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

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 3188 • 100 EAST FIFTH STREET
NATCHITOCHES, LA 71457

Telephone (225) 332-9400
FAX (225) 332-9404
cjh@hjhna.com

HINES, JACKSON & HINES, L.L.C.
100 EAST FIFTH STREET
NATCHITOCHES, LA 71457

FRANK E. HINES, CPA
LEWIS C. HINES, CPA
E. MICHAEL GULFBERG, CPA
JAY H. SHEFFIELD, CPA

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

Honorable Victor Jones
Natchitoches Parish Sheriff
Natchitoches Parish Detention Center
Natchitoches, Louisiana 71457

We have audited the basic financial statements of the Natchitoches Parish Detention Center, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Sheriff, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 26, 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 Natchitoches Parish Detention Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*. A description of the finding can be found in Findings 2004-01 of the accompanying *Corrective Action Plan For Current Year Audit Findings*, Schedule 3.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the Natchitoches Parish Detention Center and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 242:11, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana

August 26, 2004

SCHEDULE 1

MACHDOCHEL PARISH SHERIFF
 MACHDOCHEL PARISH DETENTION CENTER
 MACHDOCHEL, LOUISIANA
 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2004

Ref. No.	Fiscal Year Finding Initially Discovered	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
----------	---	------------------------	---	--

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE J

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2004-01	The bank deposit balances of the Natchitoches Parish Detention Center exceeded federal deposit insurance coverage (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage.	The amount of securities being pledged to cover bank deposits will be reviewed quarterly with each financial institution.	Walter Jones, Sheriff	9/30/2004

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

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2788 - 100 EAST FIFTH STREET
MONTECARLO, LA 70007

MEMBER, AICPA, CPA, CMA
1000-0000

FRANK J. HINES, CPA
LARRY G. HINES, CPA
E. WENDY H. JACKSON, CPA
JAY H. JACKSON, CPA

Telephone (504) 332-9400
Fax (504) 332-9404
www.hjha.com

Honorable Victor Jones
Natchitoches Parish Sheriff
Natchitoches Parish Detention Center
Natchitoches, Louisiana 70401

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Natchitoches Parish Detention Center, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Sheriff, as of June 30, 2004, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Detention Center and are intended to be constructive in nature.

Relative Conditions

As June 30, 2004, the bank deposit balances of the Natchitoches Parish Detention Center exceeded federal deposit insurance corporation (FDIC) coverage. This resulted in bank deposits not being insured against loss because the depositing banks did not pledge sufficient securities to a third party custodian to cover the excess deposits.

LSA-RS 39:1221 requires that the amount of security maintained on bank deposits shall at all times be equal to one hundred percent of the amount of bank deposits except that portion of the deposits insured by the FDIC.

Recommended Action

We suggest management of the Natchitoches Parish Detention Center review on a quarterly basis the amount of securities being pledged to each institution that deposits are maintained to ensure that proper security is being maintained over the funds as required by LSA-RS 39:1221.

Management's Response

The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Detention Center's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Jackson & Hines

Natchitoches, Louisiana
August 26, 2004