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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

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

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

Release Date: 10-13-04

WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

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

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WEST CARROLL PARISH SHERIFF
 Oak Grove, Louisiana

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

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RICHARD B. GARRETT
Certified Public Accountant
1537 Frenchman's Bend Road
Monroe, Louisiana 71289

**Independent Auditor's Report
on the Financial Statements**

HONORABLE GARY K. BENNETT
WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

I have audited the accompanying financial statements of the governmental activities, the major fund (General Fund), and the aggregate remaining fund information of the West Carroll Parish Sheriff, as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements as listed in the "Table of Contents." These financial statements are the responsibility of the management of the West Carroll Parish Sheriff. My responsibility is to express opinions 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. These 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 opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the governmental activities, the major fund (General Fund), and the aggregate remaining fund information of the West Carroll Parish Sheriff, as of June 30, 2004, and the changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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HONORABLE GARY K. BENNETT
WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana
Audit Report, June 30, 2004

As described in Note 1.A. of the Notes to the Basic Financial Statements, the West Carroll Parish Sheriff has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government*, as of June 30, 2004.

In accordance with Government Auditing Standards, I have also issued my report dated September 30, 2004, on my consideration of the West Carroll Parish Sheriff's internal control over financial reporting and my tests of his compliance with certain provisions of laws and regulations. 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.

The "Management's Discussion and Analysis" presented on pages 11 through 19 and the "Budgetary Comparison Schedule" presented on page 34 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. 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 West Carroll Parish Sheriff's basic financial statements. The information presented in the financial section of the "Table of Contents" labeled as "Supplemental Information" is presented for purposes of additional analysis and is 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 my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



RICHARD B. GARRETT

Monroe, Louisiana
September 30, 2004

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

*As of June 30, 2004 and for the Year
Ended June 30, 2004*

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

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WEST CARROLL PARISH SHERIFF
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2004

Management's discussion and analysis of the West Carroll Parish Sheriff's financial performance provides an overall review of the Sheriff's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the Sheriff's financial performance as a whole. The reader should read this discussion in conjunction with the notes to the basic financial statements, and the financial statements, which are all included in this report, to enhance their understanding of the West Carroll Parish Sheriff's financial performance.

Financial Highlights

- The Sheriff of 26 years retired June 30, 2004
- Grant revenue decreased for the year
- The Sheriff received homeland security equipment from the Department of Justice
- Health insurance premiums increased by 3 percent
- Employer's contribution to retirement increased

Using this Annual Financial Report (AFR)

This AFR consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the West Carroll Parish Sheriff as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Sheriff as a whole and present a longer-term view of the Sheriff's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the Sheriff. These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the Sheriff's General Fund. The General Fund is the West Carroll Parish Sheriff's only significant fund.

Reporting the Sheriff as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the Sheriff as a whole and his activities in a way to try to inform the reader as to how the Sheriff did financially during the 2003-04 fiscal year. In short, is the Sheriff better off financially or is he worse off financially than he was this time last year? These

statements report all assets and liabilities of the Sheriff on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Sheriff's net assets and the change in those assets. This change in net assets is important because it tells the reader that, for the Sheriff as a whole, the financial position of the Sheriff improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the Sheriff include the parish's property tax base, the continued housing of State prisoners in the parish jail, and the state and federal government's continued funding of grants.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the Sheriff. Most of the Sheriff's programs and services are reported here including salaries and related benefits, operating services, statutory charges, and materials and supplies.

Reporting the Sheriff's Most Significant Fund (General Fund)

Fund Financial Statements

The analysis of the Sheriff's General Fund, which is the Sheriff's only major fund, begins on page 16. Fund Financial Statements provide detailed information about the Sheriff's major fund (General Fund). The Sheriff uses one fund to account for his general operating financial transactions.

Governmental Funds

Most of the Sheriff's activities are reported as a governmental fund (General Fund), which focuses on how money flows into and out of this fund and the balance left at year-end available for spending in future periods. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund's statements provide a detailed short-term view of the Sheriff's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The Sheriff as Trustee

Reporting the Sheriff's Fiduciary Responsibilities

The Sheriff is the trustee, or fiduciary, for the Sheriff's Fund and the Tax Collector Fund. The Sheriff's Fund and Tax Collector Fund account for assets held by the Sheriff as an

agent for deposits held pending court action (Sheriff's Fund) and for various taxing bodies (Tax Collector). All of the Sheriff's fiduciary activities are reported in a separate Comparative Statement of Net Assets on page 24. These activities have been excluded from the Sheriff's other financial statements because the Sheriff cannot use these assets to finance his operations. The Sheriff is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Sheriff as a Whole

The Sheriff's net assets decreased by \$63,721 from \$99,043 at June 30, 2003 to \$35,322 at June 30, 2004. Of the \$35,322 of net assets at June 30, 2004, the unrestricted net assets reflected a deficit of \$9,863. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the Sheriff's governmental activities.

Table 1
Governmental Activities
Net Assets
June 30, 2004 and June 30, 2003

	Year Ended	
	June 30,	
	2004	2003
Assets		
Current and other assets	\$51,628	\$39,851
Capital assets	44,385	60,431
Total assets	<u>96,013</u>	<u>100,282</u>
Liabilities		
Current and other liabilities	51,793	8,933
Long-term liabilities	8,898	12,398
Total liabilities	<u>60,691</u>	<u>21,331</u>
Net assets		
Invested in capital assets, net of debt	44,385	60,431
Unrestricted (Deficit)	(9,863)	38,612
Total net assets	<u>\$35,322</u>	<u>\$99,043</u>

The deficit of \$9,863 in the unrestricted-undesignated assets represents the accumulated results of all past years' operations. It means that if the Sheriff had to pay off all of his bills today including all of his noncapital liabilities (compensated absences for example), he would not have enough funds to pay them off. The majority of the unrestricted deficit consists of compensated absences totaling \$8,898.

The results of this year's operations for the Sheriff as a whole are reported in the Statement of Activities on page 25. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily

identifiable. Table 2 only reports the current year results of operation as this is the first year of GASB 34 implementation. A comparison to the prior year's statements would be misleading.

Table 2
Governmental Activities
Changes in Net Assets
Fiscal Year Ended June 30, 2004

Revenues:	
Program revenues:	
State grants and entitlements	\$13,347
Federal grants	31,389
General revenues:	
Ad valorem taxes	416,881
State grant – commission on state revenue sharing	44,166
Fee, charges, and commissions for services	158,098
Use of money and property – interest earnings	436
Other general revenues	<u>1,713</u>
Total revenues	<u>780,830</u>
Functions/Program Expenses:	
Public safety:	
Personnel services and related benefits	641,880
Operating services	74,805
Statutory charges	47,280
Materials and supplies	48,889
Travel and other charges	2,142
Depreciation expense	41,553
Interest on long-term lease	<u>39</u>
Total expenses	<u>854,551</u>
Decrease in net assets	<u>(\$63,721)</u>

West Carroll Parish Sheriff's 2003-04 revenues are presented below:



West Carroll Parish Sheriff's 2003-04 expenditures are presented below:



Governmental Activities

As reported in the Statement of Activities on page 15, the cost of governmental activities this year was \$785,015. The taxpayers in the parish provided \$416,881 in ad valorem taxes to help meet the total cost of governmental activities. Ad valorem tax revenue was down in 2003-04 by \$41,856 or 10 percent due to a large decrease in the assessed value of a company's inventory. The Sheriff collected \$258,095 from fees and commissions during the year to help meet the total cost of governmental activities. Revenues from fees and commissions stayed about the same in 2003-04 as in 2002-03.

The cost of governmental activities exceeding restricted state and Federal grants must be paid by the citizens of West Carroll Parish and unrestricted state grants. The following presentation shows the portion of governmental activities that was paid by the citizens of West Carroll Parish and unrestricted state grants in the 2003-04 fiscal year.

**Funding of Governmental Activities
2003-04**



Table 3 presents the total cost of each of the Sheriff's four largest functions – personal services and related benefits, operating services, statutory charges and materials and supplies, as well as each function's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the Sheriff's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3
Year Ended June 30, 2004
Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Personal services and related benefits	\$641,883	\$584,602
Operating services	74,805	74,805
Statutory charges	47,360	47,360
Material and supplies	<u>46,860</u>	<u>34,614</u>
Subtotal	810,908	741,281
All others	<u>43,734</u>	<u>43,734</u>
Total	<u>\$854,642</u>	<u>\$785,015</u>

The Sheriff's Funds

The Sheriff uses the General Fund to help him control and manage money to provide police protection to the citizens of West Carroll Parish. By accounting for money of the General Fund in a separate fund helps the reader to determine whether the Sheriff is being accountable for the resources taxpayers and others provide to him and it may also give the reader more insight into the Sheriff's overall financial health.

The Sheriff's General Fund, which is the only governmental fund, had a fund deficit balance of \$165 at June 30, 2004. This is a decrease of \$50,918 over the previous year's fund balance. The primary reason for the change is that revenues in the General Fund decrease by \$78,080. The large decrease in revenue was due to two of the Sheriff's main funding sources decreasing substantially. As stated previously, ad valorem taxes decreased by \$41,856 or 9.1 percent from \$408,737 to \$416,881. Also, State and Federal grants decreased from \$46,419 in 2003-03 to \$13,029 in 2003-04 or -69.6 per cent.

Expenditures in the General Fund increase by \$42,960 from \$790,192 in 2003-03 to \$813,153 in 2003-04. Personal services and related benefits accounted for \$51,482 of the increase in expenditures. Materials and supplies decreased by \$13,973 to help offset the increase in personal services and related benefits.

General Fund Budgetary Highlights

The Sheriff, in accordance with state law, must adopt a budget on the General Fund 15 days prior to the beginning of the fiscal year. In accordance with state law, the Sheriff may have variances of 5 percent of total revenues or expenditures in a fund before he is legally required to amend the budget. The Sheriff adopted his 2003-04 budget on April 25, 2003, and revised the budget on March 16, 2004. The original estimated revenues decreased by .7% or \$5,000 from \$828,500 to \$824,500 in the final amended budget. The only change in budgeted revenue was a decrease in ad valorem taxes. The original estimated expenditures decreased from the original budget to the final budget by \$5,284 or .6%. The decrease in expenditures was due to a decrease in personal services and related benefits of \$12,093 due to reducing the number of deputies by one. However, vehicle maintenance and office supplies were \$8,000 more than originally anticipated. Vehicle maintenance increased due to the age of the vehicle fleet and increased gasoline prices.

Capital Assets and Debt Administration

Capital Assets

Capital assets of the Sheriff used in performance of general operations of the Sheriff's office are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements as explained in the Notes to the Basic Financial Statements. In the Government-wide Financial Statements, the capital assets are recorded as assets at their original cost at the time of purchase or fair market value, if seized by the courts. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

At June 30, 2004, as reported on the Statement of Net Assets, the Sheriff had \$44,385 invested in buildings and furniture and equipment, net of depreciation. Capital assets increased by \$7,777 or 2 percent during the current fiscal year. The net increase in capital assets was due to the Sheriff purchasing a vehicle for \$12,500 and donating two

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automobiles from the inventory. For more detail of capital assets, see Note 6 of the Notes to the Basic Financial Statements. Table 4 presents capital assets, net of depreciation, at June 30, 2004.

Table 4
Capital Assets at Year-end
Net of Depreciation
Governmental Activities

	2004	2003
Buildings	\$ -	\$ -
Furniture and equipment	<u>\$4,385</u>	<u>\$0,611</u>
Total	<u>\$4,385</u>	<u>\$0,611</u>

Debt

The Sheriff entered into a capital lease to purchase a computer and the related software on March 24, 1999. The lease called for 60 monthly payments of \$200 at an interest rate of 7.7 per cent. The Sheriff made the final payment on the capital lease in December 2003.

For the Future

The West Carroll Parish Sheriff continues to survive with very little or no fund balance from year to year. The General Fund has a deficit fund balance of \$165 at June 30, 2004. Roy "Chip" Gueter III took over as Sheriff on July 1, 2004. Immediately upon taking office, he organized an advisory committee to educate the citizens of West Carroll Parish about the finances of the Sheriff's office. The Sheriff plans for the committee to evaluate the possibility of bringing before the voters of West Carroll Parish a sales tax or an increase in the current ad valorem tax millage rate. The Sheriff hopes that within two years, he will have a new revenue source from one of these taxes to fund the operations of his office. In 2004-05, the Sheriff is pursuing additional revenue through a capital outlay grant from the State of Louisiana and a Federal Grant from the United States Department of Agriculture to help fund his office. Another source of revenue for the Sheriff's office is derived from keeping prisoners for the Louisiana Department of Corrections (LDOC). The Sheriff has plans for the future to borrow funds to expand the jail facilities to hold more LDOC inmates.

Contacting the Sheriff's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Sheriff's finances and to show the Sheriff's accountability for the money he receives. If you have questions about this report or need additional financial information contact Roy "Chip" Gueter III, Sheriff of West Carroll Parish, P.O. Box 344, Oak Grove, LA 71265 or call at (318) 428-2331 or E-mail to rcg3001@yahoo.com.

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

As of June 30, 2004 and for the Year
Ended June 30, 2004

BASIC FINANCIAL STATEMENTS

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

*As of June 30, 2004 and for the Year
Ended June 30, 2004*

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

Statement A

WEST CARROLL PARISH SHERIFF
Oak Grove, LouisianaSTATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES

For the Year Ended June 30, 2004

ASSETS:

Cash and cash equivalents (note 4)	85,918
Receivables (note 5)	40,710
Capital assets, net (Note 6):	
Furniture and equipment	<u>44,385</u>
Total assets	<u>171,013</u>

LIABILITIES:

Accounts payable	51,780
Long-term liabilities:	
Due within one year (Note 12)	1,000
Due in more than one year (Note 12)	<u>7,869</u>
Total liabilities	<u>60,649</u>

NET ASSETS:

Invested in capital assets	44,385
Unrestricted (deficit)	<u>(5,093)</u>
Total net assets	<u>392,320</u>

See accompanying notes to the basic financial statements.

Statement B

WEST CARROLL PARISH SHERIFF
Oak Grove, LouisianaSTATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES

For the Year Ended June 30, 2004

	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
		OPERATING GRANTS	CAPITAL GRANTS	
FUNCTIONS/PROGRAMS:				
Current:				
Public safety:				
Personnel services and related benefits	591,883	107,287	-	(484,596)
Operating services	74,888	-	-	(74,888)
Statutory charges	47,280	-	-	(47,280)
Materials and supplies	48,888	2,000	8,888	(37,999)
Traavel and other charges	2,142	-	-	(2,142)
Depreciation expense	41,888	-	-	(41,888)
Long-term obligations:				
Interest on long-term obligations	76	-	-	(76)
Total Governmental Activities	<u>806,977</u>	<u>109,287</u>	<u>8,888</u>	<u>(788,799)</u>
GENERAL REVENUES:				
All voters' fees				418,881
Intergovernmental revenues:				
State grants:				
Commissions on state revenue sharing				44,888
Fees, charges, and commissions for services:				
Commissions on licenses, etc.				(21,882)
Civil and criminal fees				64,874
Court attendance				4,114
Transporting prisoners				4,888
Feeding and keeping prisoners				158,727
Tax notices, etc.				7,481
Use of money and property - interest earnings				428
Proceeds from sale of assets				1,888
Miscellaneous				88
Total general revenues				<u>717,289</u>
CHANGES IN NET ASSETS				(69,510)
NET ASSETS AT BEGINNING OF YEAR				78,543
NET ASSETS AT END OF YEAR				(10,967)

See accompanying notes to the basic financial statements.

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

*As of June 30, 2004 and for the Year
Ended June 30, 2004*

FUND FINANCIAL STATEMENT (FFS)

WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
BALANCE SHEET

June 30, 2004

ASSETS

Cash and cash equivalents (note 3)	\$5,915
Receivables (note 4)	45,710
Total assets	<u>\$51,625</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$21,793
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Fund balance:

Fund balance (Deficit) - unreserved - undesignated	<u>(150)</u>
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Total liabilities and fund balance	<u>\$51,625</u>
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See accompanying notes to the basic financial statements.

WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

**Reconciliation of the Governmental Fund's
Balance Sheet to the Statement of Net Assets
Fiscal Year Ended June 30, 2004**

Total fund balance (deficit) – Governmental Funds	(8165)
---	--------

The cost of capital assets (a building and furniture and equipment) purchased is reported as an expenditure in the Governmental Funds. The Statement of Net Assets includes these capital assets among the assets of the Sheriff as a whole. The cost of these capital assets is allocated over their estimated useful lives (as depreciation expense) in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds.

Cost of capital assets	\$179,390	
Accumulated depreciation	(135,305)	44,085

Long term liabilities applicable to the Sheriff's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Assets. At June 30, 2004, the Sheriff had a balance in compensated absences of \$8,898.

...(8,898)

NET ASSETS	505,522
-------------------	----------------

See accompanying notes to the basic financial statements.

WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2004

REVENUES

Ad valorem taxes	8418,850
Intergovernmental revenues:	
State grants:	
Commission of state revenue sharing	84,188
State supplemental pay	37,747
Federal grants (Note 11):	
Louisiana Commission on Law Enforcement - Task Force Grant	21,787
U.S. Department of Justice:	
Bullet Proof Vest Grant	1,232
Fees, charges, and commissions for services:	
Commissions on licenses, etc.	30,982
Civil and criminal fees	84,878
Court attendance	4,114
Transporting prisoners	4,828
Feeding and keeping prisoners	152,737
Tax notices, etc.	7,491
Use of money and property - interest earnings	438
Miscellaneous	53
Total revenues	<u>9004,430</u>

See accompanying notes to the basic financial statements.

Statement D

EXPENDITURES

Current:

Public safety:	
Personal services and related benefits	\$943,571
Operating services	74,800
Statutory charges	47,250
Materials and supplies	40,800
Travel and other charges	2,142
Capital outlay	18,747
Debt service:	
Principal	1,700
Interest	38
Total expenditures	<u>1,030,958</u>

EXCESS (Deficiency) OF REVENUES

OVER EXPENDITURES (52,730)

OTHER FINANCING SOURCES

 Sale of assets 1,660

NET CHANGE (Decrease) IN FUND BALANCES

(51,070)

FUND BALANCE AT BEGINNING OF YEAR

50,918

FUND BALANCE (Deficit) AT END OF YEAR

(1,152)

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

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

Total net change (decrease) in fund balance - Governmental Funds	(351,082)
--	-----------

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 these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period:

Capital Outlays	\$25,307	
Depreciation	<u>(41,552)</u>	(16,045)

Repayment of long-term capital lease principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,780
---	-------

In the Statement of Activities, certain operating expenses—compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$15,511) exceeded the amounts earned (\$13,883) by \$1,628.	<u>1,628</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	(383,721)
--	------------------

See accompanying notes to the basic financial statements.

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES

June 30, 2004

	SHERIFF'S FUND	TAX COLLECTOR FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	<u> \$0</u>	<u>(\$22,683)</u>	<u> </u>
LIABILITIES			
Due to taxing bodies and others	<u> \$0</u>	<u>(\$22,683)</u>	<u> </u>

See accompanying notes to the basic financial statements.

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

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

INTRODUCTION

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the West Carroll Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 4, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the sheriff includes all funds, activities, or others, that are controlled by the sheriff as an independently elected parish official. As an independently elected parish official, the sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff's office that are paid by the parish police jury as required by Louisiana law, the sheriff is financially independent. Accordingly, the sheriff is a separate governmental reporting entity. Certain units of local government over which the sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish sheriff.

C. FUND ACCOUNTING

The sheriff uses funds to maintain his financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid the Sheriff by segregating transactions relating to certain sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

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

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1432, is the primary operating fund of the Sheriff's office and accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and Federal laws and according to the Sheriff's policy.

Fiduciary

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

B. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund, Statements C and D, 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 Balance 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 is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations.

The amounts reflected in the General Fund, of Statements C and D, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 90 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 (capital lease) 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

WEST CARROLL PARISH SHERIFF

Orls Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

All valorem taxes are recorded in the year the taxes are due and payable. All valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

Interest income on interest-bearing demand deposits and time deposits are recorded at the end of each month when credited by the bank.

Expenditures

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

Other Financing Sources

Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets (Statement A) and Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all of the financial activities of the Sheriff. Information contained in these statements reflect 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 recognized in accordance with the requirements of GASB Statement No. 22, *Accounting and Financial Reporting for Nonexchange Transactions*).

Program Revenues – Program revenues included in the Statement of Activities (Statement B) are derived from State and Federal grants. Program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

E. BUDGET PRACTICES

The Sheriff adopts an annual cash budget on the General Fund prior to the beginning of each fiscal year. In accordance with Louisiana Revised Statutes 29:1301-1304 the Sheriff amends the budget when actual revenues are not meeting anticipated revenues by 5 percent or more and when actual expenditures are exceeding budgeted expenditures by 5 percent or more.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not used by the sheriff in his accounting practices.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in petty cash, interest bearing demand deposits, and time deposits. Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

H. CAPITAL ASSETS

Capital assets, which include a building and furniture and equipment, are capitalized at historical cost, where the actual cost is known, estimated historical cost based on the cost of like items when the actual cost is not known (assets acquired prior to 1976), or estimated fair market value of the asset on the date the asset is turned over to the Sheriff by the courts. Capital assets provided by another parish sheriff through a grant and capital assets turned over to the sheriff by the courts as a result of drug seizures are recorded as capital assets. Capital assets provided by the parish police jury are not recorded as capital assets. The capital assets are depreciated over their estimated useful lives. The Sheriff considers assets with an initial individual cost of more than \$100 and an estimated useful life of 2 years or more as a capital asset.

Of the \$379,590 of capital assets reported on the balance sheet, approximately 96.5 per cent, or \$366,188, are valued at historical cost, 3.2 per cent, or \$12,153, are valued at estimated historical cost based on the cost of like items, and .3 per cent, or \$1,249, are valued at their estimated fair market value on the date the asset is turned over to the sheriff by the courts.

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

Capital assets are recorded in the Statement of Net Assets and the Statement of Activities. Estimated useful life is the Sheriff's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because the Sheriff feels that the salvage value is immaterial. Straight-line depreciation is used on all capital assets based on the following estimated useful lives:

Building	5 years
Furniture and equipment	2 to 5 years

The June 30, 2003, capital asset balance has been restated to include accumulated depreciation on the building and furniture and equipment in accordance with GASB Statement No. 34. For more detail, see Note 6.

I. COMPENSATED ABSENCES

Full-time deputies of the sheriff's office earn from 40 to 104 hours of annual leave each year depending on length of service with the Sheriff's office. Annual leave is earned each month. A maximum of 24 hours can be accumulated and carried forward into a new calendar year. Upon termination of employment, unused annual leave is paid to deputies at the deputies' current rates of pay.

Annual leave that has been claimed by deputies as of the end of the fiscal year is recorded as an expenditure in the year claimed. Annual leave accrued as of the end of the fiscal year is valued using deputies' current rates of pay and the total is included in the Statement of Net Assets as a long-term liability. The Sheriff and the deputies are required to contribute to the retirement system for annual leave payments. Accrued annual leave will be paid from future years' resources.

Full-time deputies earn 80 hours of sick leave each year. Sick leave may not be accumulated and carried forward to a new calendar year. Upon termination of employment, unused sick leave is not paid to employees. At June 30, 2004, there are no accumulated and vested benefits relating to sick leave that require accrual or disclosure to conform with GASB Codification Section C60.

J. LONG-TERM LIABILITIES

Long-term obligations (capital lease) expected to be financed from governmental funds (General Fund) are reported as expenditures for principal and interest payments in the Statement of Revenues, Expenditures, and Changes in Fund Balance when due. The final payment on the capital lease was made in December 2003.

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

K. ESTIMATES

The preparation of the 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 these estimates.

L. RISK MANAGEMENT

The Sheriff carries insurance policies with no deductibles for liability, workman's compensation, and auto. The liability and auto insurance carry an aggregate limit of \$1 million. Property coverage for the Sheriff is carried by the West Carroll Parish Police Jury.

2. DEFICIT FUND EQUITY

The General Fund has a deficit in the unreserved fund balance of \$163. The Sheriff plans to eliminate the deficit by applying for more grants and forming a citizens committee to study the feasibility of passing a sales tax, or increasing the current millage rate on ad valorem taxes.

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended June 30, 2004:

Authorized Millage	10.87
Levied Millage	10.87

4. CASH AND CASH EQUIVALENTS

At June 30, 2004, as reported in the Statement of Net Assets (Statement A) and in the Agency Funds' Combining Statement of Assets and Liabilities (Statement F), the sheriff has cash and cash equivalents (book balances) totaling \$258,811, as follows:

Interest bearing demand deposits	\$7,486
Time deposits	250,825
Petty cash	300
Total	<u>\$258,811</u>

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

At June 30, 2004, the sheriff has \$971,853 in deposits (collected bank balances). These deposits are secured from risk by \$149,160 of federal deposit insurance and \$228,693 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 99:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

8. RECEIVABLES

The General Fund receivables of \$45,710 at June 30, 2004, are as follows:

<u>Class of Receivable</u>	<u>Amount</u>
Federal grants	\$21,797
Commissions on forfeits, etc.	3,745
Civil and criminal fines	5,092
Court attendance	340
Transporting prisoners	413
Feeding and keeping prisoners	13,188
Refunds	835
Total	<u>\$45,710</u>

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

6. CAPITAL ASSETS

A summary of changes in capital assets (building and furniture and equipment) and depreciation follows:

	Balance June 30, 2003, Restated	Additions	Deletions	Balance June 30, 2004
Governmental Activities:				
Capital assets, being depreciated:				
Buildings	\$1,336	\$ -	\$ -	\$1,336
Equipment	378,476	23,587	(17,728)	378,254
Total capital assets, being depreciated	379,812	23,587	(17,728)	379,590
Less accumulated depreciation:				
Buildings	(1,336)	-		(1,336)
Equipment	(318,845)	(41,533)	17,728	(331,690)
Total accumulated depreciation	(319,981)	(41,533)	17,728	(331,203)
Governmental activities capital assets, net	69,831	(17,946)	\$ -	\$44,385

The capital asset balance at June 30, 2003, has been restated to include accumulated depreciation on the building and furniture and equipment in accordance with GASB Statement No. 34.

7. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 3.33 percent. The retirement benefit cannot exceed 100 percent of their 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 12 years of service and do not withdraw their

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 6354 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 536-9049.

Funding Policy: Plan members were required by state statute to contribute 9.8 percent of their annual covered salary during the 2003-04 fiscal year. The West Carroll Parish Sheriff was required to contribute at an actuarially determined rate. The rate for the 2003-04 fiscal year was 9.25 percent of the covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the West Carroll Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:165, 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 West Carroll Parish Sheriff's contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$39,452, \$36,783, and \$36,203, respectively, equal to the required contributions for each year.

8. POSTEMPLOYMENT BENEFITS

As required by Louisiana Revised Statutes, the Sheriff provides certain continuing health care and life insurance benefits for certain retired employees through the Sheriff's group insurance plan. Retired employees are eligible for these benefits if they reached normal retirement age, as defined by the retirement system (see Note 7), while working for the Sheriff. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as expenditures when the monthly premiums are due. The cost of retiree benefits totaled \$3,400 during the 2003-04 fiscal year. Two employees received benefits under this plan.

9. DEFERRED COMPENSATION PLAN

The Sheriff offers a deferred compensation plan to employees of his office under the provisions of Internal Revenue Service Code 457 (Deferred Compensation Plan). The deferred compensation plan is strictly on a voluntary basis with only employee contributions being made to the Plan. At June 30, 2004, the Plan had assets with an approximate market value of \$98,764. The assets in the Plan are

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

held in trust solely for the benefit of participants and their beneficiaries. Therefore, in accordance with GASB Statement No. 31, they are not reported in the Sheriff's financial statements.

10. COMPENSATED ABSENCES

As June 30, 2004, employees of the sheriff have accumulated and vested \$8,898 of employee leave benefits, which were computed in accordance with GASB Codification Section C60. The leave benefits have been recorded in the Government-Wide Financial Statements' Statement of Net Assets as a long-term liability and in the Statement of Activities as an expense.

11. LEASES

The Sheriff records assets acquired by capital lease as an asset and an obligation in the accompanying Government-Wide Financial Statements. The Sheriff entered into a capital lease to purchase a computer and the related software on March 24, 1999. The lease calls for 60 monthly payments of \$203 at an interest rate of 7.7 percent. The recorded amount of the computer and the related software is \$22,118. The final lease payment was made in December 2003.

12. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations at July 1, 2003	\$1,779	\$10,326	\$12,105
Additions	-	13,883	13,883
Deductions	(1,779)	(13,511)	(15,290)
Long-term obligations at June 30, 2004	None	\$8,698	\$8,698
Accounts due within one year		\$1,000	\$1,000

WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana
Notes to the Basic Financial Statements (Continued)

13. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others for the year ended June 30, 2004, follows:

	<u>Sheriff's</u>	<u>Tax Collector</u>	<u>Total</u>
Balance June 30, 2003	\$0	\$290,120	\$290,120
Additions	144,711	3,205,410	3,350,121
Deductions	(144,680)	(3,202,667)	(3,347,347)
Balance June 30, 2004	<u>\$20</u>	<u>\$292,863</u>	<u>\$292,883</u>

14. TAXES PAID UNDER PROTEST

The unrecorded balances due to taxing bodies and others in the agency funds at June 30, 2004, as reflected on Statement F, include \$224,644 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$51,781. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

15. LITIGATION AND CLAIMS

At June 30, 2004, the sheriff was involved in one lawsuit. In the opinion of the Sheriff's legal counsel, the suit will not result in a loss to the Sheriff in excess of his insurance coverage. The Sheriff's legal counsel was not aware of any unasserted claims or assessments.

16. ON-BEHALF PAYMENTS

The sheriff's office is located in the parish courthouse. Expenditures for operation and maintenance of the parish courthouse, as required by statute, are paid by the West Carroll Parish Police Jury. These expenditures are not included in the accompanying basic financial statements.

The Louisiana Department of Public Safety - Louisiana State Police received a grant through Homeland Security to provide equipment to parish sheriff's offices. The West Carroll Sheriff received equipment from the Louisiana Department of Public Safety valued at \$8,759. This equipment has been recorded at historical cost as capital assets in the Government-Wide Financial Statements' Statement of Net Assets. The equipment and the related grant revenue have not been included in the Government-Wide Financial Statements' Statement of Activities nor in the Fund Financial Statements' General Fund.

WEST CARROLL PARISH SHERIFF

Oak Grove, Louisiana

Notes to the Basic Financial Statements (Continued)

17. FEDERAL FINANCIAL ASSISTANCE

The Sheriff participated in the following Federal financial assistance programs during the year ended June 30, 2004:

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Bureau of Justice Assistance, Department of Justice		
Passed through the Louisiana Department of Public Safety: Bulletproof Vest Program	16.607	\$1,232
Passed through the Louisiana Commission on Law Enforcement - through Franklin Parish Sheriff - Drug Control and System Improvement - Formula Grant Fund - Task Force Grant	16.579	<u>21,787</u>
Total		<u>\$23,019</u>

18. SUBSEQUENT EVENTS

The Sheriff made three bank loans from July 2004 to September 2004 totaling \$115,000 from a local bank to help his cash flow until his ad valorem taxes are collected. The Sheriff was authorized by the Louisiana State Bond Commission to borrow up to \$250,000. The loans are to be repaid by June 30, 2005, at an interest rate of 4.050 per cent. The Sheriff anticipates having to borrow an additional \$25,000 this year.

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

*As of June 30, 2004 and for the Year
Ended June 30, 2004*

**REQUIRED SUPPLEMENTAL
INFORMATION
(PART B)**

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2004

General Fund - with Legally Adopted Budget

The General Fund accounts for all activities of the Sheriff's office, except for the collection of fines, criminal and civil fines, and ad valorem taxes for others, which are accounted for in the Fiduciary - Agency Funds. The General Fund is the only fund legally required to adopt an annual budget.

WEST CARROLL PARISH SHERIFF
Caddo Parish, Louisiana

GENERAL FUND
Budgetary Comparison Schedule (Cash Basis)

For the Year Ended June 30, 2004

	<u>BUDGETED AMOUNT</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
BUDGETARY FUND BALANCE AT BEGINNING OF YEAR	<u>820,744</u>	<u>820,744</u>	<u>820,880</u>	<u>(28,056)</u>
RESOURCES (Inflows)				
All values-in fees	427,000	422,000	410,881	(5,119)
Intergovernmental (Recurrent)				
Grants-Federal and State	60,000	60,000	20,123	(39,877)
State grants:				
Contribution on state revenue sharing	48,000	48,000	44,186	(3,814)
State-supplemental pay	12,000	12,000	17,747	5,747
Fees, charges, and contributions for services				
Commissions on licenses, etc.	25,000	25,000	16,986	(8,014)
Old and retired fees	93,700	93,700	84,920	(8,780)
Court attendance	4,000	4,000	4,880	880
Transporting prisoners	4,000	4,000	4,840	840
Feeding and keeping prisoners	150,100	150,100	103,887	(46,213)
Tax returns, etc.	3,000	3,000	7,400	4,400
Use of money and property—interest earnings	2,200	2,200	430	(1,770)
Miscellaneous	-	-	80	80
Other sources:				
Proceeds from sale of assets	3,000	3,000	1,850	(1,150)
	<u>820,000</u>	<u>824,000</u>	<u>773,579</u>	<u>(50,421)</u>
Amounts available for appropriations				
CHARGES TO APPROPRIATIONS (Outflows)				
Current				
Public safety				
Personal services and related benefits	628,250	628,198	608,880	(19,310)
Operating services	73,100	73,000	72,880	(120)
Materials and supplies	30,000	47,000	45,710	(1,290)
Statutory charges	68,000	68,000	42,574	(25,426)
Travel and other charges	8,000	4,400	2,220	(5,780)
Capital outlay	18,000	17,000	16,747	(253)
Debt retirement	-	-	1,810	1,810
Total charges to appropriations	<u>825,350</u>	<u>837,600</u>	<u>790,827</u>	<u>46,773</u>
BUDGETARY FUND BALANCE AT END OF YEAR	<u>120,000</u>	<u>121,140</u>	<u>83,051</u>	<u>(38,089)</u>

See accompanying notes to the basic financial statements.

WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

NOTES TO BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2004

Budget and Budgetary Accounting

The Sheriff utilizes the following procedure in establishing the budgetary data reflected in the financial statements:

The proposed budget for the fiscal year ended June 30, 2004, was made available for public inspection on April 14, 2003. The proposed 2003-04 budget, prepared on the cash basis of accounting, was published in the official journal 10 days prior to the public hearing for comments from taxpayers, which was held at the West Carroll Parish Sheriff's office on April 25, 2003. The budget was legally adopted and amended, as necessary, by the sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

A system of encumbrance accounting is not used. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The following summary reconciles General Fund operations for the year from the budgetary basis (cash) to the GAAP basis of reporting:

Revenues	
Resources (Inflows) on budgetary basis - cash	\$771,929
Receivables, net	8,149
Expenditures	
Total charges to appropriations (Outflows) on budgetary basis - cash	(790,251)
Payables, net	(42,865)
Other financing sources	
Proceeds from sale of assets	1,622
Net change (decrease) in fund balance on GAAP basis	(51,083)
Fund balance - June 30, 2003, GAAP basis	50,918
Fund balance (Deficit) - June 30, 2004, GAAP basis	<u>(8,165)</u>

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

*As of June 30, 2004 and for the Year
Ended June 30, 2004*

SUPPLEMENTAL INFORMATION

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

FIDUCIARY FUND TYPE
AGENCY FUNDS

As of June 30, 2004 and for the Year
Ended June 30, 2004

Fiduciary Funds

Fiduciary Funds account for assets held by the School Board in a trust or agency capacity.

SHERIFF'S FUND

The Sheriff's Fund accounts for funds held in civil suits, sheriff's sales, and garnishments.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies. It also accounts for collections of bonds, fines, and costs and payments of these collections to the recipients in accordance with applicable laws.

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES AND OTHERS

For the Year Ended June 30, 2024

	SHERIFF'S FUND	TAX COLLECTOR FUND	TOTAL
BALANCES AT BEGINNING OF YEAR	<u>38</u>	<u>\$290,120</u>	<u>\$290,128</u>
ADDITIONS			
Deposits:			
Gifts, salaries, and sales	144,850	-	144,850
Interest earnings	40	-	40
Taxes, fees, etc., paid to tax collector	-	3,200,418	3,200,418
Total additions	<u>144,890</u>	<u>3,200,418</u>	<u>3,345,308</u>
Total	<u>144,790</u>	<u>3,198,800</u>	<u>3,343,590</u>
REDUCTIONS			
Taxes, fees, etc., distributed to taxing bodies and others	-	3,200,987	3,200,987
Deposits settled to:			
Sheriff's General Fund	20,048	-	20,048
Clerk of Court	8,000	-	8,000
Ligante	80,288	-	80,288
Attorneys, appraisers, etc.	1,758	-	1,758
Other settlements	13,000	-	13,000
Total reductions	<u>123,394</u>	<u>3,200,987</u>	<u>3,324,381</u>
BALANCES AT END OF YEAR	<u>130</u>	<u>\$300,603</u>	<u>\$300,603</u>

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE

For the Year Ended June 30, 2004

In accordance with the requirements of the *Louisiana Governmental Study Guide*, a schedule of corrective action taken on prior audit findings and recommendations has been included.

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WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

Supplemental Information Schedule
Corrective Action Taken on Prior Audit
Findings and Recommendations
For the Year Ended June 30, 2004

In the prior audit report for the year ended June 30, 2003, there were no instances of noncompliance that were required to be reported under *Government Auditing Standards* nor were there any matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

In the management letter for the year ended June 30, 2003, there was an instance of noncompliance with the *Local Government Budget Act* discussed with the Sheriff. The Sheriff published the notice of availability and date of public hearing 5 days prior to the hearing and not at least 10 days prior to the public hearing, as required by Louisiana Revised Statute 18:1307. The Sheriff corrected the noncompliance matter in 2003-04.

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**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal control required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on compliance and internal control is based solely on the audit of the financial statements and includes, when applicable, any compliance matters that would be material to the presented financial statements and where appropriate, any reportable internal control conditions and/or material weaknesses.

RICHARD B. GARRETT
Certified Public Accountant
1517 Franchman's Bend Road
Meyers, Louisiana 71301

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDIT STANDARDS**

HONORABLE GARY K. BENNETT
WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

I have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the West Carroll Parish Sheriff, as of and for the year ended June 30, 2004, which collectively comprise the West Carroll Parish Sheriff's basic financial statements and have issued my report thereon dated September 20, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether the West Carroll Parish Sheriff's financial statements are free of material misstatement, I performed tests of his compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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*. However, I noted a certain immaterial instance of noncompliance related to the Budget Act that I have reported to the Sheriff of West Carroll Parish in a separate letter dated September 20, 2004.

EXHIBIT A

HONORABLE GARY K. BENNETT
WEST CARROLL PARISH SHERIFF
Compliance and Internal Control Report
September 20, 2004
Page 1

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the West Carroll Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions 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.

This report is intended solely for the information and use of the Sheriff and management of his office and is not intended to be and should not be used by anyone other than those specified parties. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.



RICHARD B. GARRETT

Monroe, La.
September 20, 2004

EXHIBIT A

RICHARD B. GARRETT
Certified Public Accountant
1327 Frenchman's Bend Road
Monroe, LA 71209

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MANAGEMENT LETTER

HONORABLE GARY E. BENNETT
WEST CARROLL PARISH SHERIFF
Oak Grove, Louisiana

The operations of the Sheriff's office are governed by the Louisiana Revised Statutes. The Statutes provide guidance for the operation of all areas of the Sheriff's office. The Statutes provide specific guidance for preparing and adopting the Sheriff's annual financial budget; for making purchases; for record keeping requirements of his financial records; and for record keeping requirements for property owned by the Sheriff. The Statutes also provide guidance for monitoring expenditures and securing bank deposits against loss. Compliance with the Louisiana Revised Statutes is mandatory for the Sheriff. In my audit team I reviewed the Statutes applicable to the Sheriff's operations to determine his compliance with the Statutes.

During my audit, I noted the following Louisiana Revised Statute that the Sheriff did not fully comply with:

Compliance with Budget Act

Louisiana Revised Statutes 39:1302-1314 require that the Sheriff prepare a comprehensive budget presenting a complete financial plan for the General Fund. The statutes require that the Sheriff's proposed budget be made available for public inspection no later than 15 days prior to the beginning of the fiscal year. Louisiana Revised Statute 39:1308 requires the Sheriff to publish a notice stating that the proposed budget is available for public inspection and that a public hearing on the proposed budget shall be held with the date, time, and place of the hearing specified in the notice. The notice shall be published at least 10 days prior the date of the first public hearing. The Statutes further require the Sheriff to certify completion of the budget process by publishing a notice or stating. The Sheriff is required by the Statutes to monitor and amend his budget during the year when total revenues and other sources plus projected revenues and other sources for the remainder of the year are falling to meet total budgeted revenues and other sources by 5 percent or more.

The Sheriff did not comply with the Budget Act requirement of amending the budget when total revenues and other sources plus projected revenues and other sources for the

remainder of the year are failing to meet total budgeted revenues and other sources by 5 percent or more. The Sheriff budgeted \$824,300 in revenue for 2003-04 but only received \$773,579. This is \$50,721 or 6.2 percent less than anticipated revenues for the year, which exceeds the 5 per cent variance allowed by the Statutes. The main reason for the large variance was that the Sheriff anticipated receiving \$50,000 in grants in 2003-04 but only received \$20,123. By not monitoring and amending the budget when revenues are not meeting expectations can result in overspending available funds. In the future, the budget should be monitored more closely and amended when revenues plus projected revenues are not meeting expected amounts by 5 percent or more.

Management's Corrective Action Plan

The Sheriff is now familiar with the requirements of the Budget Act and plans to comply with all requirements of the act.



RICHARD B. GARRETT

Monroe, LA
September 20, 2004