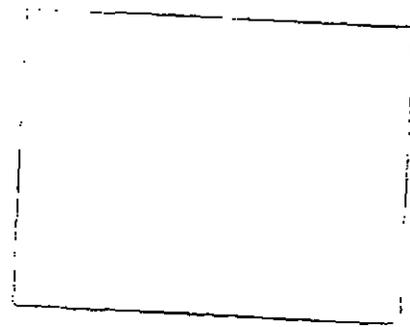


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CADDO PARISH SHERIFF
Shreveport, Louisiana

Financial Statements
Year ended June 30, 2004

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

Release Date 1-26-05

CADDO PARISH SHERIFF
Shreveport, Louisiana

Financial Statements
Year ended June 30, 2004

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Required Supplemental Information
Management's Discussion and Analysis (Unaudited)

CADDO PARISH SHERIFF
Shreveport, Louisiana

Management's Discussion and Analysis (Unaudited)
June 30, 2004

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

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$12,214,419 (net assets) for the fiscal year ended June 30, 2004.

The net assets are composed of the following:

- Capital assets, net of related debt, of \$1,669,471 representing property and equipment net of accumulated depreciation of \$4,558,880, which is reduced by outstanding debt of \$-0- related to the purchase of capital assets.
- Unrestricted net assets of \$10,514,948 represent the portion available to maintain the Sheriff's continuing obligation to the citizens of Caddo Parish.

The Sheriff's governmental funds reported total ending fund balance of \$12,243,613 this year. This compares to the prior year ending fund balance of \$9,960,297 showing an increase of \$2,283,316 during the current year.

At the end the current fiscal year, unreserved fund balance for the General Fund was \$12,216,017, which represents 63.75% of the total expenditures of the Sheriff's General Fund and 56.99% of total revenues in the General Fund including transfers. Overall, the Sheriff's office continues to maintain a strong financial position, in spite of a depressed economy.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Exhibit 1, below, summarizes the major features of the Sheriff's financial statements, including the portion of the Sheriff's government they cover and the types of information they contain. The remainder of this overview section of this Management's Discussion and Analysis explains the structure of contents of each of the statements.

Exhibit 1 Major Features of Sheriff's Government and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	The entire Sheriff's governmental unit (excluding fiduciary funds).	The activities of the Sheriff that are not proprietary or fiduciary, such as public safety.	Instances in which the Sheriff is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet. • Statement of revenue, expenditures and changes in fund balances. 	<ul style="list-style-type: none"> • Statement of fiduciary net assets.

	Fund Statements		
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Accounting basis and measurements focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resource focus.
Type of asset/liability	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included.	All assets and liabilities, both short-term and long-term; the Sheriff's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provided both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to private sector using the economic resources measurement focus and the accrual basis of accounting.

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

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

The government-wide financial statements present governmental activities of the Sheriff's that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 8 and 9.

FUND FINANCIAL STATEMENTS

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

The Sheriff uses two kinds of funds, governmental funds and fiduciary funds:

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both

the government fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic government fund financial statements are presented on pages 10 to 14 of this report.

Fiduciary funds – consists of agency funds which are reported in the fund financial statements and report taxes collected for the other taxing bodies, deposits held pending court actions and the individual prison inmate accounts.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentation. Budgetary comparison statements are included as "required supplementary information" for the General Fund. This statement demonstrates compliance with the Sheriff's adopted and final revised budget and can be found on page 26 in this report.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented a new financial reporting model, GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* which is used in this report, beginning with current fiscal year ended June 30, 2003. Over time, as year to year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's government-wide net assets at fiscal year end are \$12,214,419. The following table provides a summary of the Sheriff's government-wide assets, liabilities and net assets:

Assets		
Cash, cash equivalents, receivables and other assets	\$ 12,709,402	88.21%
Capital assets, net of accumulated depreciation	1,699,471	11.79%
Total assets	<u>14,408,873</u>	<u>100.00%</u>
Liabilities		
Current liabilities	1,605,599	73.17%
Long-term liabilities	588,855	26.83%
Total liabilities	<u>2,194,454</u>	<u>100.00%</u>
Net Assets		
Investment in capital assets	1,699,471	13.92%
Unrestricted	<u>10,514,948</u>	<u>86.09%</u>
Net assets	<u>\$ 12,214,419</u>	<u>100.00%</u>

The Sheriff continues to maintain a high current ratio. The current ratio compares assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for the government activities is 8.94:1.

The Sheriff reported positive balances in net assets of the government-wide activities. Net assets increased \$1,523,599 for government-wide activities over fiscal year 2003 net assets of \$10,690,820. The Sheriff has \$12,214,419 in net assets as of June 30, 2004, of which 13.91% of the government-wide

activities' net assets are associated with capital assets.. The Sheriff uses these capital assets to provide services to the citizens of Caddo Parish in the performance of its public safety activities.

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

Revenues	2004	2003
Program revenues		
Fees, fines and charges for services	\$ 4,850,588	\$ 4,322,900
Operating grants and contributions	462,901	542,645
General Revenues		
Taxes		
Property taxes	12,979,900	12,214,243
Sales and use taxes	1,688,803	506,482
State revenue sharing	407,544	414,335
Supplemental pay	668,950	655,904
Proceeds from sale of general fixed assets	22,512	33,322
Interest and investment earnings	92,637	107,076
Miscellaneous	502,668	642,938
Total revenues	<u>21,676,503</u>	<u>19,439,845</u>
Program expenses		
Public safety	<u>20,152,904</u>	<u>17,020,178</u>
Total expenses	<u>20,152,904</u>	<u>17,020,178</u>
Change in net assets	1,523,599	2,419,667
Beginning net assets	10,690,820	8,271,153
Ending net assets	<u>\$ 12,214,419</u>	<u>\$ 10,690,820</u>

FUND LEVEL STATEMENTS GOVERNMENTAL REVENUES

The Sheriff is heavily reliant on property taxes to support its operations. Property taxes, which total \$12,979,900 in 2004 compared to \$12,214,243, provided 59.88% of the Sheriff's total revenues. The Sheriff has earned \$92,637 in interest on funds available, which in turn, have been used to support the Sheriff's government activities. Program revenues, including fines and fees, cover 26.37% of the governmental operating expenses.

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

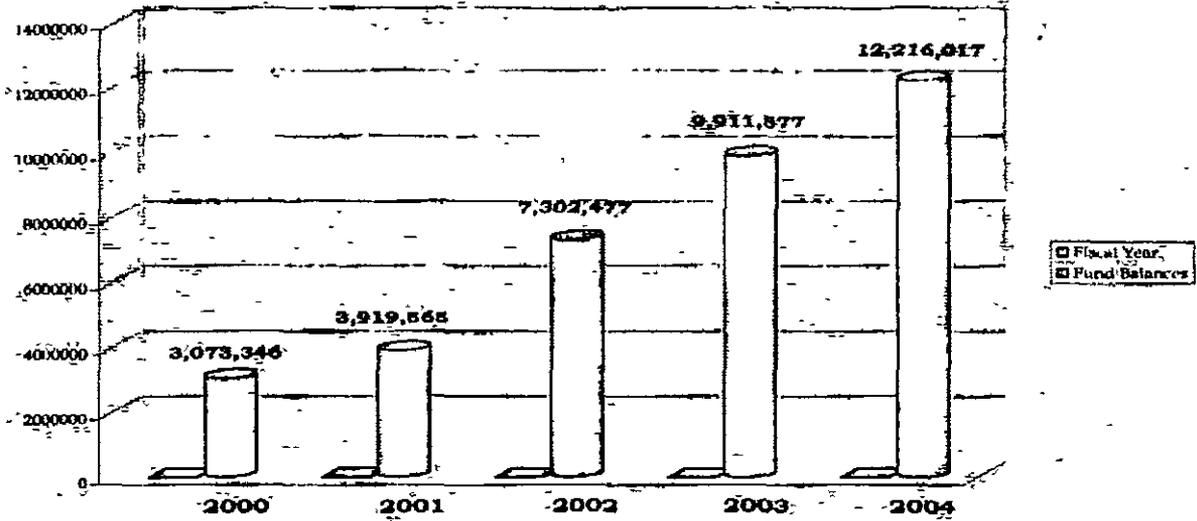
As discussed, government funds are reported in the fund statements with a short-term, inflow and outflow of expendable resources focus. This information is useful in assessing resources available at the end the year in comparison with upcoming financing requirements. Government funds reported ending fund balances of \$12,243,613.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's primary operating fund and source of day-to-day administrative and operations service. The General Fund's fund balance as of June 30, 2004 was \$12,216,017, which was an increase of \$2,304,440 over the prior year's fund balance. In fiscal year 2003, the fund balance increase was \$2,609,100. The increasing fund balance is attributed to responsible fiscal management of increased revenue and controlled expenditures.

The following chart illustrates the General Fund's ending fund balance for the past five fiscal years:

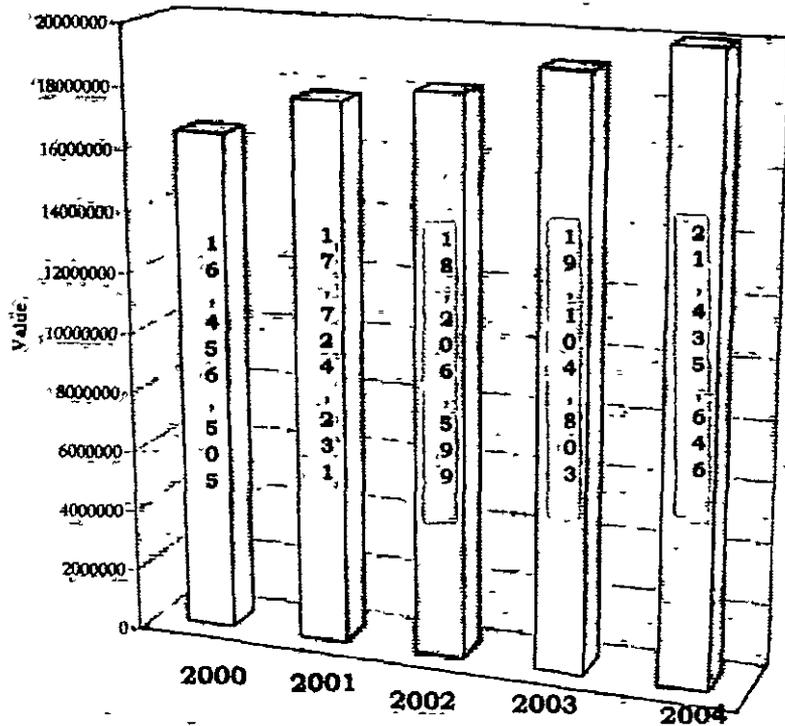
Caddo Parish Sheriff's Office Fund Balance



The Sheriff's General Fund includes Federal grants, Federal and State drug forfeiture funds. These funds had a decrease of \$21,124 in fund balances

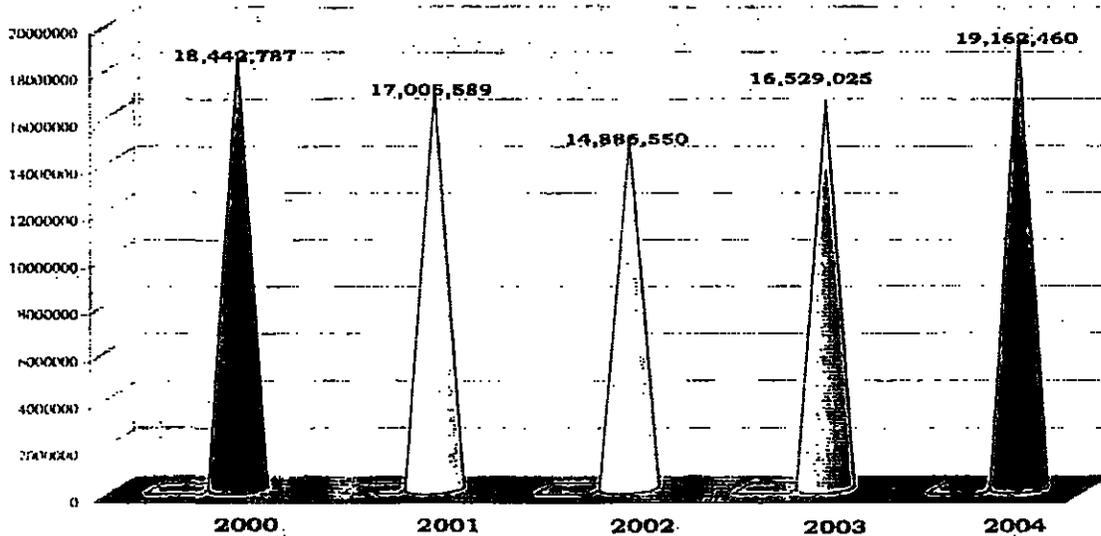
The major factors contributing to this change were an increase in 2004 of property tax collections and a dedicated sales tax increase for personnel and related benefits. The following chart illustrates the General Fund's total revenues for the past five fiscal years

CPSO General Fund Revenue



Operating expenditures totaled \$19,162,460 for the fiscal year 2004, which were approximately \$2,633,435 or 15.93% greater than fiscal year 2003. The predominate contributing factors to this increase was an increase in salaries and related costs which increased approximately \$1,600,068 or 12.09% over prior year. The following chart illustrates the General Fund's total expenditures for the past four fiscal years:

CPSO General Fund Expenditures



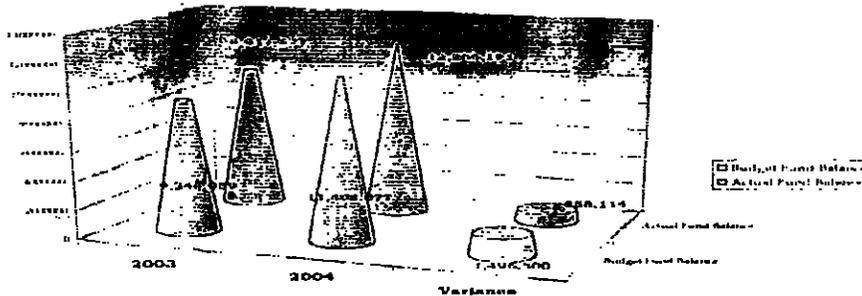
BUDGETARY HIGHLIGHTS

The General Fund's original revenue budget was greater than the actual amounts recorded in fiscal year 2003. The final, amended budgeted revenue of \$20,981,000 exceeded the actual amount received, \$19,314,738, in 2003. The actual revenue recognized, on the budgetary basis, in 2004 of \$21,951,112 exceeds the amended budgeted revenue by \$970,112.

The final amended budget reported revenue increasing 7.7% over the original budget. The expenditure amended budget increased 0.4% over the original budget. Although the overall increase in the amended budget was minimal, changes in the expenditure budget included a 16% increase in group health insurance premiums, a 9.5% increase in automobile capital outlay and a \$1,000,000 funding to the Caddo Correctional Center.

The following graph demonstrates the budgeted and actual fund balances, budget basis, with the resulting variance for the fiscal years 2004 and 2003.

Caddo Parish Sheriff's Office Fund Balance- Budget versus Actual



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation of \$4,558,880 as of June 30, 2004 was \$1,699,471. See Note 6 for additional information about changes in capital assets during the fiscal year. The following table provides a summary of capital asset activity.

	<u>2004</u>	<u>2003</u>
Depreciable assets:		
Automobiles, office furniture and equipment	\$ 5,750,722	\$ 5,772,740
Computer equipment	<u>507,629</u>	<u>283,756</u>
Total depreciable assets	6,258,351	6,056,496
Less: accumulated depreciation	<u>4,558,880</u>	<u>3,661,689</u>
Book value – depreciable assets	\$ <u>1,699,471</u>	\$ <u>2,394,807</u>
Percentage depreciated	<u>72.84%</u>	<u>60.46%</u>

At June 30, 2004, the depreciable capital assets for government activities were 72.84% depreciated versus 60.46% in the prior year.

Depreciation of computer equipment, office equipment and vehicles was \$1,165,402 for 2004 and is included in total expenses for the public safety activity.

CONTACTING THE SHERIFF'S FINANCIAL MANGEMENT

The financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report contact Gwet Folsom, Caddo Parish Sheriff's Office, 501 Texas Street, Room 101, Shreveport, LA 71101.

Government – Wide Financial Statements

CADDO PARISH SHERIFF
Shreveport, Louisiana

Statement of Net Assets
June 30, 2004

Assets	
Cash and cash equivalents	\$ 12,110,647
Receivables	404,356
Other assets	194,399
Capital assets, net of accumulated depreciation	<u>1,699,471</u>
Total Assets	<u>14,408,873</u>
Liabilities and Net Assets	
Liabilities	
Accounts payable	25,276
Accrued expenses	440,513
Long-term liabilities	
Portion due within one year	
Accrued compensated absences	1,139,811
Portion due after one year	
Accrued compensated absences	<u>588,854</u>
Total Liabilities	<u>2,194,454</u>
Net Assets	
Invested in capital assets	1,699,471
Unrestricted	<u>10,514,948</u>
Total Net Assets	<u>\$ 12,214,419</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

Statement of Activities
for the Year ended June 30, 2004

	Program Revenues		Net (expense) revenue and changes in net assets	
	Expenses	Fees, fines and charges for services		Operating grants and contributions
Functions/programs				
Governmental activities				
Public safety and judicial prosecution	<u>\$ 20,152,904</u>	<u>\$ 4,850,588</u>	<u>\$ 462,901</u>	<u>\$ (14,839,415)</u>
 Total governmental activities	 <u>\$ 20,152,904</u>	 <u>\$ 4,850,588</u>	 <u>\$ 462,901</u>	 <u>\$ (14,839,415)</u>
General Revenues				
Taxes -				
Property taxes				12,979,900
Sales and use taxes				1,688,803
State revenue sharing				407,544
Supplemental pay				668,950
Proceeds from sale of general fixed assets				22,512
Interest and investment earnings				92,637
Miscellaneous				<u>502,668</u>
Total general revenues				<u>16,363,014</u>
 Changes in net assets				 1,523,599
Net assets, July 1, 2003				<u>10,690,820</u>
Net assets, June 30, 2004				<u>\$ 12,214,419</u>

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

Fund Financial Statements

CADDO PARISH SHERIFF
Shreveport, Louisiana

Balance Sheet - Governmental Funds
June 30, 2004

	General Fund	Special Revenue Funds	Total
Assets			
Cash and cash equivalents	\$ 12,083,051	\$ 27,596	\$ 12,110,647
Receivables	262,117		262,117
Due from Tax Collector	142,239		142,239
Other assets	194,399		194,399
Total Assets	\$ 12,681,806	\$ 27,596	\$ 12,709,402
Liabilities and Fund Balances			
Current liabilities			
Accounts payable	\$ 25,276	\$ -	\$ 25,276
Accrued expenses	440,513	-	440,513
Total Liabilities	465,789	-	465,789
Fund balances			
Fund balances:			
Unreserved - undesignated	12,216,017	27,596	12,243,613
Total Fund Balances	12,216,017	27,596	12,243,613
Total Liabilities and Fund Balances	\$ 12,681,806	\$ 27,596	\$ 12,709,402

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

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

Total fund balances - Governmental Funds		\$ 12,243,613
 Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:		
Cost of capital assets at June 30, 2004	\$ 6,258,351	
Less accumulated depreciation	<u>(4,558,880)</u>	1,699,471
 Long-term liabilities at June 30, 2004		
Compensated absences payable		<u>(1,728,665)</u>
 Total net assets - government-wide activities:		
		<u>\$ 12,214,419</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2004

	General Fund	Special Revenue Fund	Totals
Revenues			
Ad valorem taxes	\$ 12,979,900	\$ -	\$ 12,979,900
Sales taxes	1,688,803		1,688,803
Intergovernmental revenues			
Federal grants	210,124	217,044	427,168
State sources			
Grants	35,733	-	35,733
Revenue sharing	407,544	-	407,544
Supplemental pay	668,950	-	668,950
Fees, charges, and commissions for services			
Commissions on state revenue sharing	522,566	-	522,566
Civil and criminal fees	3,037,629	-	3,037,629
Court attendance	-	-	-
Administrative - Caddo Correctional Center (CCC)	1,208,858	-	1,208,858
Transporting prisoners:	81,535	-	81,535
Interest	91,336	1,301	92,637
Miscellaneous	502,668	-	502,668
Total revenues	<u>21,435,646</u>	<u>218,345</u>	<u>21,653,991</u>
Expenditures			
Current- public safety			
Personal services and related benefits	14,835,328	-	14,835,328
Operating services	1,406,780	-	1,406,780
Materials and supplies	1,020,490	3,350	1,023,840
Other charges	647,119	10,055	657,174
Capital outlay	252,743	226,064	478,807
Payments to CCC	1,000,000	-	1,000,000
Total expenditures	<u>19,162,460</u>	<u>239,469</u>	<u>19,401,929</u>
Excess of revenues over expenditures	2,273,186	(21,124)	2,252,062
Other financing sources			
Operating transfer in	8,742	-	8,742
Proceeds from sale of general fixed assets	22,512	-	22,512
Total other financing sources	<u>31,254</u>	<u>-</u>	<u>31,254</u>
Net change in fund balances	2,304,440	(21,124)	2,283,316
Fund balances at beginning of year	9,911,577	48,720	9,960,297
Fund balances at end of year	<u>\$ 12,216,017</u>	<u>\$ 27,596</u>	<u>\$ 12,243,613</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

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

Net change in fund balances		\$	2,283,316
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense:</p>			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances		\$	478,807
Disposal of capital assets		(8,742)
Less depreciation expense recorded for the year ended June 30, 2004		(<u>1,165,402)</u>
		(695,337)
Compensated absences increase in current year			<u>64,380)</u>
Change in net assets government-wide activities		\$	<u>1,523,599</u>

CADDO PARISH SHERIFF
Shreveport, Louisiana

Statements of Net Assets
Fiduciary Funds - Agency Funds
June 30, 2004

Assets

Cash and cash equivalents	\$ 6,273,117
Receivables	<u>301,348</u>
Total Assets	<u>\$ 6,574,465</u>

Liabilities

Accounts payable	\$ 1,111,945
Due to Sheriff's Office	142,239
Unsettled balances due to taxing bodies and others	<u>5,320,281</u>
Total Liabilities	<u>\$ 6,574,465</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

Notes to Financial Statements
June 30, 2004

Introduction

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Caddo Parish Sheriff (the "Sheriff") serves a four-year term as the chief executive officer of the law enforcement district and as 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, etc. 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, state revenue sharing funds, sporting licenses and fines, costs, and bond forfeitures imposed by the district court.

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity - The basic criterion for determining whether a governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit burden relationship. In addition, an organization which is fiscally dependent on the primary government or an entity which when excluded would create misleading or incomplete financial statements should be included in its reporting entity. The accompanying financial statements include the operations of the Sheriff. There are no component units for which the Sheriff is financially accountable.

The position of Sheriff is a constitutional office and as such has power to set budgets, call tax elections, and appropriate funds with no oversight or review by the Caddo Parish Commission (the "Commission"). The Commission has an obligation to furnish the Sheriff's office space and minimal financial support according to state statutes. The Commission is not responsible for the financing of deficits of the Sheriff, nor is it entitled to receive any surplus. The Sheriff is included as a component unit in the reporting entity of the Commission for financial reporting purposes due to the financial relationships between the entities and because the exclusion of the law enforcement functions of parish government would make the financial statements misleading and incomplete.

By agreement between the Sheriff and the Commission, the Sheriff manages and operates the jail facility known as the Caddo Correctional Center ("Center"). The Sheriff also maintains accounting records, prepares annual budgets, and prepares financial information. The maintenance and operation of the Center is funded by a one-quarter cent sales tax. The Sheriff receives directly all funds generated from any source as a result of operations of the Center, including concessions, telephones, and grants, all of which are dedicated to the operation of the Center. Ultimate responsibility for the Center is vested in the Commission. The financial operations of the Center are reflected in the financial statements of the Commission and are not reflected in the financial statements of the Sheriff.

During 2003 the Sheriff occupied space in the Parish Complex. The cost of maintaining and operating the Parish Courthouse and the Parish Complex, as required by Louisiana law, is paid by the

Commission. These expenditures are not recorded in the accompanying financial statements.

Basis of presentation - The accompanying basic financial statements of the Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities and funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Net Assets - Fiduciary Funds at the fund financial statement level.

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

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

The Sheriff reports the following major governmental funds:

General Fund - The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff and accounts for the operations of the Sheriff. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district and state revenue sharing. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees and transporting of prisoners, etc. General operating expenditures are paid from this fund.

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Sheriff is the direct recipient of certain federal grant funds and, therefore, accounts for such in a special revenue fund.

The Sheriff also reports the following fund types:

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Sheriff in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The only funds accounted for in this category by the Sheriff are agency funds:

Agency Funds are used to account for assets held in a trustee capacity. The Sheriff's Agency Funds are used as depositories for civil suits, cash bonds, taxes, fees, etc.

Disbursements from these funds are made to various parish agencies, litigants in suits, etc., in the manner prescribed by law.

The accounts of the Tax Collector Agency Fund are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus.

Measurement focus/basis of accounting

The governmental financial statements were prepared using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within sixty (60) days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset used.

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes, sales taxes and commissions earned from state revenue sharing are recorded in the year they become due and payable. Ad valorem taxes are assessed for the calendar year, become due on December 30 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. The lien date is January 1, when interest begins accumulating at one-percent monthly. Revenue sharing is generally collected in three equal installments in December, March and May 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 time deposits is recorded as earned.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Deferred Revenues:

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

The Fiduciary Funds (Agency Funds) use the following practices in recording additions and reductions:

Additions - The majority of additions are not susceptible to accrual because they are not measurable until received in cash.

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

Budgetary Accounting - The Sheriff utilizes the following procedures in establishing the budgetary data for the General Fund:

- 1) During May, the Sheriff's office prepares the proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is held on the proposed budget.
- 3) The adopted budget is published in the official journal prior to the commencement of the fiscal year for which the budget is being adopted.
- 4) A public hearing is held for proposed amendments to the budget.
- 5) Amended budget is published in official journal.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget is prepared on the basis of cash estimates, which means that for budgetary purposes revenues are budgeted in the year of receipt rather than the year earned, and expenditures are budgeted in the year paid rather than in the year incurred. Expenditures may not legally exceed appropriations on a fund basis.

The Sheriff does not establish a formal legally adopted budget for the Special Revenue Fund.

The proposed budget for the year ended June 30, 2004 was made available for public inspection and was published in the official journal of Caddo Parish, ten days before the public hearing, which was held on June 26, 2003 at the Caddo Parish Sheriff's office for comments from taxpayers. The budget was amended and published ten days before the public hearing, which was held on June 23, 2004 at the Caddo Parish Sheriff's office for comments from taxpayers.

Encumbrances and Budget - Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed. 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.

Cash and interest-bearing deposits - Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits and time deposits. These deposits are stated at cost, which approximates market.

Investments - Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State statutes generally authorize the Sheriff to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission. In addition, local governmental entities in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. ("LAMP"), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

State law authorizes the Sheriff, as the Tax Collector for Caddo Parish, to deposit tax collections in interest-bearing accounts with a bank domiciled in the parish when the funds are collected. Furthermore, state statutes authorize the Tax Collector to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana; or mutual or trust fund institutions which are registered with the Securities and Exchange Commission.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar weighted average portfolio maturity of LAMP investments is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost. LAMP is designed to be highly liquid to give participants immediate access to their account balances. For financial reporting purposes, investments with the LAMP are treated as cash equivalents.

Capital assets - Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the useful lives of 5-10 years for furniture, fixtures and equipment and 5 years for vehicles.

Compensated Absences - Employees of the Sheriff's office earn from 10 to 20 days of vacation, leave and sick leave each year, depending upon their length of service. Employees resigning or the heirs of deceased employees may be paid for unused vacation leave at the employee's current rate of pay. Payment of accumulated sick leave is granted at the discretion of the Sheriff, but employees are not paid for accumulated sick leave upon retirement or resignation. The Sheriff accrues the expense for the current portion of the liability for compensated absences in the fund financial statements. The long term portion of the accrued liability for compensated absences, along with the current portion of the liability, is included in the government-wide financial statements.

Claims and Judgments - Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with current available financial resources. The remainder of any liability is recorded in the government-wide financial statements.

Net Asset classifications - In the government-wide statements, net assets are classified and displayed in three components:

- Invested in capital assets - Consists of capital assets, net of accumulated depreciation.
- Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets".

In the fund financial statements, governmental fund net assets are classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated, as applicable.

Use of Estimates - The preparation of financial statements in conformity with U. S. 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, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

Note 2 - Change in accounting principles

For the years ended after June 30, 2003, the Sheriff has implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 created new basic financial statements for reporting on the Sheriff's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the method of presentation in previously issued financial statements. Non-major funds are presented in total in one column in the fund financial statements. The Sheriff also implemented GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Note 3 - Budgets and Budget Basis of Accounting

An annual expenditure budget is adopted for the General Fund. Revisions made to the original General Fund expenditures budget were as follows:

	<u>Original Budget</u>		<u>Total Revision</u>		<u>Revised Budget</u>
General Fund	\$ 19,422,900	\$	82,600	\$	19,505,500

The budget is adopted on a cash basis which means that for budgetary purposes revenues and expenditures are recorded in the year received (paid) rather than in the year earned (incurred).

Following is a reconciliation of the excess of revenues over expenditures at the end of the year on the budgetary basis to generally accepted accounting principles (GAAP) basis:

Excess of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 2,354,614
Adjust accrual of other expenses at June 30, 2004	139,280
Reverse accrual of expenses as of June 30, 2003	335,614
Adjust accrual of revenue at June 30, 2004	(46,951)
Reverse accrual of revenue from June 30, 2003	(478,117)
Net change in revenue and expenditure accruals	(50,174)
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$ <u>2,304,440</u>

Note 4 - Cash and cash equivalents

All deposits of the Sheriff are held by area financial institutions. At June 30, 2004, the carrying amount of the Sheriff's cash deposits was as follows:

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets
Demand deposits	\$ 637,803	\$ 6,273,117
Interest bearing deposits (LAMP)	11,472,844	-
Total demand and interest bearing deposits	\$ 12,110,647	\$ 6,273,117

The bank balances in the General Fund, Fiduciary Funds and Special Revenue Funds totaled \$8,084,698. The difference in the bank balances and the carrying amounts presented above, is due to outstanding checks at June 30, 2004. Of the bank balances, \$300,000 was covered by federal depository insurance (GASB Category 1) and \$7,784,698 was collateralized with securities held by the pledging financial institution's trust department or agent, but in the Sheriff's name (GASB Category 2).

In addition, the Sheriff had \$11,472,844 invested with LAMP at June 30, 2004. This investment is treated as an uncategorized mutual fund and is considered a cash equivalent for financial reporting purposes.

Note 5 - Receivables

Receivables in the General Fund at June 30, 2004 are as follows:

Ad valorem taxes	\$ 117,010
Intergovernmental revenues:	
State funding	12,813
Federal grants	35,109
Fees, charges, and commissions for services:	
Tax collection	22,984
Civil and criminal fees	154,282
Transportation of prisoners	11,354
Refunds and reimbursements	21,936
Substation reimbursements	22,095
Other	6,773
Drug forfeiture	-
	\$ 404,356

These amounts are presented in the accompanying financial statements under the captions:

Receivables	262,117
Due from Tax Collector	142,239
	\$ 404,356

Receivables in the Tax Collector Agency Fund at June 30, 2004 of \$301,348 are for ad valorem taxes. These are actual amounts collected subsequent to year end within the time frame required for recognition.

Note 6 - Capital assets

A summary of changes in capital assets used in governmental activities is as follows:

	Balance July 1, 2003	Additions	Disposals	Balance June 30, 2004
Assets, at cost				
Automobiles, office furniture and equipment	\$ 5,772,740	\$ 251,139	(\$ 273,157)	\$ 5,750,722
Computer equipment	283,756	227,668	(3,795)	507,629
Total cost	<u>6,056,496</u>	<u>478,807</u>	<u>(276,952)</u>	<u>6,258,351</u>
Accumulated depreciation				
Automobiles, office furniture and equipment	3,522,843	1,076,814	(264,414)	4,335,241
Computer equipment	138,846	88,588	(3,795)	223,639
Total accumulated depreciation	<u>3,661,689</u>	<u>\$ 1,165,402</u>	<u>(\$ 268,209)</u>	<u>4,558,880</u>
Capital assets, net	<u>\$ 2,394,807</u>			<u>\$ 1,699,471</u>

Note 7 - Defined Benefit Pension Plan

Description of Plan - The Sheriff provides retirement, death, and disability benefits to substantially all of its employees through the Sheriffs' Pension and Relief Fund of Louisiana (System), a cost-sharing multiple-employer public employee statewide retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and all deputies who are found to be physically fit at the time of original employment are required to participate in the System.

Funding Status and Progress - Benefit provisions are established in accordance with Louisiana State Statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Sheriffs' Pension and Relief Fund of Louisiana, P.O. Box 3162, Monroe, LA 71210-3163.

Funding Policy

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 a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Covered employees were required to contribute 9.8% of their salary for the years ended June 30, 2004, 2003 and 2002. The Sheriff is required to contribute 9.25%, 9.25% and 7.75% for the years ended June 30, 2004, 2003 and 2002, respectively, of covered employees' salaries. The Sheriff's contributions for the years ended June 30, 2004, 2003 and 2002 were \$1,093,731, \$807,069 and \$676,210, respectively, equal to the required contribution for each year. In accordance with GASB Statement No.27, *Accounting for Pensions by State and Local Governmental Employers*, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the Sheriff did not report a pension liability for the System.

Note 8 - Postretirement Benefits

In addition to the pension benefits described in Note 7, the Sheriff provides certain continuing postretirement health care and life insurance benefits through the Louisiana Sheriffs' Association Group Benefits Plan in accordance with state statutes to all retired employees who were participants of the Plan prior to their retirement date. The premiums for retiree health insurance are paid by the Sheriff with life or dependent care premiums being paid by the retiree. The Sheriff recognizes the cost of providing these benefits as an expenditure on a pay-as-you-go basis when the monthly premiums are due. At June 30,

2004, there were ninety-nine (99) retirees receiving benefits. The Sheriff's cost of benefits provided to retirees was approximately \$224,433 for 2004.

Note 9 - Lease Commitments

At June 30, 2004, the Sheriff had eleven noncancelable operating leases. The building and facilities leases are for the Training Academy, Fleet Management facility, Organized Crime Division office, and the Keithville Substation. The minimum annual commitments under noncancelable operating leases are as follows:

Fiscal Year:		
2004-2005	\$	83,758
2005-2006		78,000
2006-2007		78,000
2007-2008		78,000
Thereafter		-
Total	\$	<u>317,758</u>

Total rental expenditure under operating leases was approximately \$84,758 for 2004. These payments are currently reimbursed by the Caddo Parish Commission, except the Training Academy, as required by law.

Note 10 - Long-term liabilities

The long-term liabilities of the Sheriff, which are due to governmental activities, consist of liabilities for accrued compensated absences.

Balance, July 1, 2003	\$	1,664,284
Additions for earned compensated absences		1,204,190
Less: use of accrued amounts	(<u>1,139,809</u>)
Balance, June 30, 2004		1,728,665
Less current portion		<u>1,139,811</u>
Long-term portion	\$	<u>588,854</u>

Note 11 - Ad Valorem taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 30, and become delinquent on December 31 of the current year. The taxes are based on assessed values determined by the Tax Assessor of Caddo Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year for which levied and billed. For the year ended June 30, 2004, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rates described below on property with assessed valuations totaling \$1,190,764,070.

The following is a summary of authorized and levied ad valorem taxes which represent separate millages authorized by the voters as of June 30, 2004:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement	4.88	4.88	None
Law enforcement:			
General services	1.95	1.76	12/31/2012
Continued general services	3.16	2.85	12/31/2012
Continued general services	3.00	2.70	12/31/2012
Additional services	1.95	1.76	12/31/2012

Note 12 - Changes in Agency Funds - Balances Due to Taxing Bodies and Others

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Sheriff's Funds	Tax Collector
Balance, July 1, 2003	\$ 570,539	\$ 5,220,014
Additions	9,245,226	145,602,105
Reductions	(9,075,862)	(146,241,741)
Balance, June 30, 2004	<u>\$ 739,903</u>	<u>\$ 4,580,378</u>

Sheriff's Fund

The Sheriff's Fund accounts for funds held in civil suits, Sheriff's sales, and garnishments. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

Tax Collector Fund

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

Note 13 - State Revenue Sharing Funds

The revenue sharing funds provided by Louisiana Act 945 were distributed as follows:

	<u>2004</u>
Caddo Parish	
Assessor	\$ 102,493
Commission	1,187,915
School Board	1,948,993
Sheriff	930,110
Waterworks districts	659
Sewerage districts	3,178
Fire protection districts	111,354
Shreve Memorial Library	401,871
Levee district	28,581
Red River Waterway Commission	110,190
Pension funds	202,488
Total	<u>\$ 5,027,832</u>

Note 14 - Protest Taxes

Louisiana Revised Statute 47:2110 provides that taxpayers, at the time of payment of all taxes due, may give notice to the Tax Collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the Tax Collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the Tax Collector refunds the amount due, with interest at the actual rate earned on the money paid under protest from the date the funds were received by the Tax Collector. At June 30, 2004, the Sheriff, as Tax Collector, held \$4,893,486 in protest taxes, which are reflected in unsettled balances due to taxing bodies and others in the statements of assets and liabilities.

Note 15 - Contingencies, Litigation, and Claims***Litigation***

At June 30, 2004, the Sheriff is named as defendant in several lawsuits. In the opinion of the Sheriff's legal counsel, no claims or suits exist for which there is insufficient insurance coverage and resolution of these matters will not have a material adverse effect on the financial condition of the Caddo Parish Sheriff.

Grants

The Sheriff participates in several federal and state assisted grant programs. These programs are subject to program compliance audits. Such audits could lead to requests for reimbursement by the grantor, agency for expenditures disallowed under terms of the grants. The Sheriff believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Risk Management

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omission. These risks are handled by the Sheriff through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Sheriff's insurance coverage for each of the past three years.

Required Supplementary Information

CADDO PARISH SHERIFF
Shreveport, Louisiana

General Fund Budgetary Comparison Schedule
Year ended June 30, 2004

	Budget		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
Revenues				
Property taxes	\$ 12,000,000	\$ 12,800,000	\$ 12,979,949	\$ 179,949
Sales tax	1,340,000	1,800,000	1,799,079	(921)
Penalties and interest on taxes	25,000	25,000	14,538	(10,462)
Permits	3,500	4,000	4,560	560
Hunting and fishing licenses	-	-	-	-
Gaming fees	200,000	200,000	258,426	58,426
State grants	150,000	100,000	107,961	7,961
State revenue sharing	935,000	935,000	930,110	(4,890)
State supplemental pay	670,000	670,000	723,076	53,076
Sales commissions	500,000	650,000	748,427	98,427
State permits	-	-	-	-
Federal grants	100,000	150,000	177,699	27,699
Garnishment commissions	35,000	35,000	38,545	3,545
Civil and criminal fees	475,000	475,000	489,806	14,806
Court attendance	-	-	-	-
Transporting prisoners	90,000	90,000	83,381	(6,619)
Outside civil service	175,000	175,000	176,196	1,196
Stock patrol fees	3,000	3,000	800	(2,200)
Notary fees	-	-	-	-
Notice of seizure	2,000	2,000	1,656	(344)
Accident reports	5,000	5,000	4,653	(347)
Tax collection fees	200,000	200,000	471,184	271,184
CCC accounting and administrative service	1,015,000	1,250,000	1,208,858	(41,142)
Criminal bail bond fees	120,000	120,000	139,798	19,798
Commissions on fines	75,000	105,000	122,004	17,004
Criminal fees	135,000	135,000	153,311	18,311
Appearance bond forfeitures	30,000	30,000	2,465	(27,535)
Interest earned on investments	110,000	80,000	91,336	11,336
Probation and parole fees	380,000	380,000	382,023	2,023
Criminal seizures	-	-	-	-
Gun permit fees	14,000	14,000	15,290	1,290
Youth activities fund	-	-	-	-
Miscellaneous revenue	513,000	373,000	586,338	213,338
CPC Reimbursement	175,000	175,000	239,643	64,643
Total revenue	19,475,500	20,981,000	21,951,112	970,112
Expenditures				
Personal services	14,993,000	14,774,000	15,236,359	(462,359)
Contractual services	1,733,700	1,710,900	1,700,365	10,535
Materials and supplies	837,500	1,001,000	2,097,994	(1,096,994)
Statutory charges	308,700	320,600	107,633	212,967
Other charges	1,350,000	1,347,000	453,722	893,278
Capital expenditures	200,000	352,000	31,677	320,323
Total expenditures	19,422,900	19,505,500	19,627,750	(122,250)
Excess of revenues over expenditures	52,600	1,475,500	2,323,362	847,862
Other financing sources				
Proceeds from sale of fixed assets	33,000	21,000	31,252	10,252
Total other financing sources	33,000	21,000	31,252	10,252
Net changes in fund balances	85,600	1,496,500	2,354,614	858,114
Fund balance at beginning of year	9,911,577	9,911,577	9,911,577	-
Fund balance at end of year	\$ 9,997,177	\$ 11,408,077	\$ 12,266,191	\$ 858,114

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

Supplemental Information

CADDO PARISH SHERIFF
Shreveport, Louisiana

Fiduciary Funds - Agency Funds
Combining Balance Sheet

June 30, 2004

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
Assets			
Cash	\$ 739,903	\$ 5,533,214	\$ 6,273,117
Accounts Receivable	-	301,348	301,348
Total assets	<u>\$ 739,903</u>	<u>\$ 5,834,562</u>	<u>\$ 6,574,465</u>
Liabilities			
Accounts payable	\$ -	\$ 1,111,945	\$ 1,111,945
Payable to Sheriff's Office		142,239	142,239
Due to taxing bodies and others	739,903	4,580,378	5,320,281
Total liabilities	<u>\$ 739,903</u>	<u>\$ 5,834,562</u>	<u>\$ 6,574,465</u>

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities

For the year ended June 30, 2004

	Sheriff's Fund	Tax Collector Fund	Total
Balances, June 30, 2003	\$ 570,539	\$ 5,220,014	\$ 5,790,553
<i>Additions:</i>			
Deposits			
Sheriff's sales	4,942,680	-	4,942,680
Bonds	28,732	-	28,732
Fines and costs	3,670,296	-	3,670,296
Garnishments	603,508	-	603,508
Other deposits	10	-	10
Taxes, State Revenue Sharing, and fees paid to tax collector	-	145,602,105	145,602,105
Total additions	9,245,226	145,602,105	154,847,331
<i>Reductions:</i>			
Taxes, State Revenue Sharing, and fees distributed to taxing bodies and others	-	146,241,741	146,241,741
Sheriff's General Fund	4,214,105	-	4,214,105
Litigants	2,912,782	-	2,912,782
District Attorney	499,582	-	499,582
Clerk of court	410,769	-	410,769
Indigent defender board	11,937	-	11,937
Other settlements	1,026,687	-	1,026,687
Total reductions	9,075,862	146,241,741	155,317,603
Balances, June 30, 2004	\$ 739,903	\$ 4,580,378	\$ 5,320,281

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

CADDO PARISH SHERIFF
Shreveport, Louisiana

Tax Collector Agency Fund
Statement of Collections, Distributions and Unsettled Balances

For the year ended June 30, 2004

Unsettled balances due to taxing bodies and others, at beginning of year	<u>\$ 5,220,014</u>
Collections	
Ad valorem taxes	137,886,226
State revenue sharing	5,027,832
Sporting licenses	4,765
Interest income on demand deposits	112,828
Refunds and redemptions	2,132,140
Miscellaneous costs	438,314
Total collections	<u>145,602,105</u>
Distributions	
Louisiana Tax Commission	27,487
Louisiana Department of Agriculture and Forestry	24,937
Louisiana Department of Wildlife and Fisheries	4,727
Caddo Parish	
Commission	27,763,766
School Board	76,099,824
Sheriff	14,362,538
Assessor	2,329,422
Waterworks districts	32,605
Sewerage districts	164,510
Fire protection districts	3,791,266
Hospital district	167,070
Levee district	549,069
Shreve Memorial Library	8,820,142
Clerk of Court	26,883
Red River Waterway Commission	2,428,544
Caddo/Bossier-Port Commission	2,124,180
Pension funds	4,143,596
Refunds and redemptions	3,381,175
Total distributions	<u>146,241,741</u>
Unsettled balances due to taxing bodies and others, at end of year	<u><u>\$ 4,580,378</u></u>

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

ROBERTS, CHERRY & COMPANY
Certified Public Accountants, Consultants

Independent Auditor's Report

The Honorable Steve Prator
Caddo Parish Sheriff
Shreveport, Louisiana

We have audited the accompanying basic financial statements of the Caddo Parish Sheriff, as of and for the year ended June 30, 2004, as listed in the Table of Contents. These basic financial statements are the responsibility of the Caddo Parish Sheriff's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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 Caddo Parish Sheriff, as of June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2004 on our consideration of the Caddo Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 7 and 26, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We 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, we did not audit the information and express no opinion on it.

ROBERTS CHERRY AND COMPANY

ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
October 1, 2004

ROBERTS, CHERRY & COMPANY
Certified Public Accountants, Consultants

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards**

The Honorable Steve Prator
Caddo Parish Sheriff
Shreveport, Louisiana

We have audited the financial statements of the Caddo Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated October 1, 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Caddo Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

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

This report is intended solely for the information of management and federal awarding agencies, pass-through entities and the State of Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

ROBERTS, CHERRY AND COMPANY
ROBERTS, CHERRY AND COMPANY

A Corporation of Certified
Public Accountants
Shreveport, Louisiana
October 1, 2004