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GRANT PARISH SHERIFF

COLFAX, LOUISIANA

JUNE 30, 2004

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Release Date 1-26-05

**GRANT PARISH SHERIFF
COLFAX, LOUISIANA**

JUNE 30, 2004

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GRANT PARISH SHERIFF
COLFAX, LOUISIANA

JUNE 30, 2004

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PAYNE, MOORE & HERRINGTON, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable L. R. Hataway
Grant Parish Sheriff
Colfax, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grant Parish Sheriff, Colfax, Louisiana, 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 Grant Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

As discussed in Note 1 to the basic financial statements, the Grant Parish Sheriff adopted, effective July 1, 2003, the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, and statement No. 38, Certain Financial Statement Note Disclosures. Adoption of these statements results in a change in the format and content of the basic financial statements and additional note disclosures.

MARVIN A. JUNEAU, C.P.A. ROBERT L. LITTON, C.F.A. MICHAEL A. JUNEAU, C.P.A.
FRES BANDO, C.P.A. BRITTON W. SWANER, C.P.A. JAMES N. BALLARD, C.P.A.
ERNEST F. SASSER, C.P.A. REBECCA B. MORRIS, C.P.A. PAUL E. JOE, C.F.A.





PAYNE, MOORE & HERRINGTON, LLP

The Honorable L. R. Hataway
Grant Parish Sheriff
Colfax, Louisiana

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2004, on our consideration of the internal control over financial reporting of Grant Parish Sheriff and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information presented on pages 4 through 8 and 34 through 35 are not a required part of the basic financial statements but are supplemental information required by the 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.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Grant Parish Sheriff's basic financial statements. The accompanying financial information listed as "Supplemental Information" in the table of contents, including the schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Payne, Moore & Herrington, LLP
Certified Public Accountants

November 30, 2004

REQUIRED SUPPLEMENTAL INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Grant Parish Sheriff
June 30, 2004

Management's Discussion and Analysis

Financial Highlights:

The Grant Parish Sheriff's Department has passed a one-cent sales tax and has an additional 27.76mills property tax. We also have a 19mill tax for funding a Detention Center.

The Sales tax will generate approximately \$800,000 while the property tax will generate approximately \$835,000 and the Detention center tax will generate revenues in the amount of \$600,000 excluding revenue from the operation of the new jail facility. Revenue from other sources will be approximately \$1,000,000 bringing the total budget to \$3,235,000.

During the fiscal year 2004 there was a deficit in the amount of \$322,000 bringing our surplus to \$1,101,201.

This deficit was due to the cost of jail operations, and the inability of the Police Jury to pay to the Sheriff their obligations, which are mandated by law. At present, the Detention Center tax money is being used to construct the new jail facility and is not being used in the operation of the present Jail.

Understanding the Audit Report:

The annual audit report prepared by Payne Moore & Herrington, LLP is self-explanatory.

Reporting the Sheriff's office as a whole.

As indicated earlier, the Statement of Net Assets and the Statement of Activities report information about the Sheriff's Office as a whole. The Statement of Net Assets reports the assets (cash, investments, receivables, inventories and capital assets) minus liabilities (account payable and other debt). The resulting sum is the net assets of the Sheriff's Office as of June 30, 2004.

An analysis of the components of the Statement of Net Assets from year to year will give the reader an indication of whether the Sheriff's financial position is improving or whether it is getting worse. There are, however, other indicators that are not in the financial statements that need to be taken into consideration when assessing financial condition. For instance, since more than 50% of the Sheriff's general revenues are sales tax and property tax related, the economic conditions in the area should also be considered.

Grant Parish Sheriff
June 30, 2004

Management's Discussion and Analysis

The Statement of Activities is similar to a profit and loss statement that one would see in a business enterprise. However, instead of reporting net profit or loss, income less expenses is reported as the Change in Net Assets. The statement shows the extent to which operations of the Sheriff's Office are supported by general revenues, such as taxes and investment earnings, and how much is funded by resources raised within the Sheriff's Office, mainly charges for services.

Reporting the Sheriff's Most Significant Funds:

Of the \$3,736,000 in revenue in the Sheriff's Operating Fund, \$2,084,000 was derived from tax revenue. Fees generated an additional \$237,000. Operating and capital grants were \$497,000 and other fees, interest, and etc. were \$34,000.

Summarization:

Statements of Revenue and expenditure of the Sheriff's Operating fund included the Revenue and Expenditures of the Detention Center.

Revenue

Taxes	\$ 2,084,924
<i>Intergovernmental</i>	\$ 1,373,107
Fees & Etc	\$ 237,422
Interest	\$ 18,064
Other Income	\$ 23,447
Total	\$ 3,736,964

Expenditures:

Personal Service	\$ 1,995,545
Operating Service	\$ 231,942
Repairs & Maintenance	\$ 61,547
Insurance	\$ 107,055
Material & Supplies	\$ 112,478
Other Operating expenses	\$ 228
Capital Outlay	\$ 1,801,863
Total	\$ 4,310,658

Net Change \$ 575,197

Grant Parish Sheriff
June 30, 2004

Management's Discussion and Analysis

The Sheriff's operating funds experienced a deficit for the fiscal year ending June 30, 2004. This is due to the construction and operation of the present and new jail facility, along with the inability of the Grant Parish Police Jury to pay its obligated debts, which are mandated by law.

The new detention center is being constructed. The construction is approximately five months behind schedule, however we are able to pay the percentage of construction that has been completed without any bond or further debt to the department. Once the facility is complete we hope to house the first prisoners in July 2005. Being able to close the operation of the present jail facility and open the new jail facility that will be operated with dedicated tax revenue along with fees generated from general operation, will free general fund expenses and reduce the present operation expenses.

Other expenses such as automobile expenses and gasoline expenses have increased considerably. The present economic forecast predicts that these expenses will come down after the first of the year.

Tax Revenue along with sales tax revenue is expected to increase somewhat according to the economic predictions.

Taking into consideration the increased tax revenue, the lack of jail expenditures, and general cost reduction, the budget will be balanced in the future.

Capital Assets:

Capital Assets as of June 30, 2003 were \$1,770,259.. Capital Assets as of June 30, 2004 were \$2,691,241. This is an increase of \$920,982. This increase was due to construction of a new jail facility. This construction is in progress and was not totally completed at the end of the fiscal year.

Debt:

The Grant Parish Sheriff's Department has no outstanding debt at the end of the fiscal year 2004. We have not had any debts since 1976. This year we have gotten the approval of the State Bond commission to borrow up to \$1,000,000. This approval is to be used on the new jail facility if needed. It is guaranteed by a 19mill ad valorem tax passed for jail operation and construction. The new jail facility is approximately 65% complete as of June 30, 2004 and we have been able to pay the construction costs without any indebtedness.

Grant Parish Sheriff
June 30, 2004

Management's Discussion and Analysis

Overall Financial Statement:

The overall financial statement of the Grant Parish Sheriff's Department looks to be very stable. We have not done an analysis of the prior year and the present year in this report. It seems that there are more than adequate funds to continue the operation of the Sheriff's Department in the future.

The Sheriff's Department experienced a deficit during the fiscal year 2004. The opening of the new detention center, increased taxes (sales tax and ad valorem tax) and budget reduction will bring the department into a comfortable condition and will enable the Department to have a long term stability.

Contacting the Sheriff's Management:

If you have any specific questions you can contact Wayne G. Faraldo at P. O. Box 187, Colfax, Louisiana. 71417.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

**GRANT PARISH SHERIFF
COLFAX, LOUISIANA
STATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES
JUNE 30, 2004**

EXHIBIT A

ASSETS		
Cash and cash equivalents		\$ 1,877,425
Receivables		309,522
Prepaid expenses		9,377
Capital assets net of depreciation		
Land	29,738	
Construction in progress	1,851,347	
Buildings and improvements	449,758	
Vehicles	167,041	
Equipment	193,357	2,691,241
Total Assets		4,887,565
LIABILITIES		
Accounts payable		264,422
Payroll withholdings		3,962
Long-term liabilities		
Due within one year		8,504
Due in more than one year		34,015
Total Liabilities		310,903
NET ASSETS		
Invested in capital assets, net of related debt		2,691,241
Unrestricted-undesignated		1,885,421
Total Net Assets		\$ 4,576,662

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

GRANT PARISH SHERIFF
COLFAX, LOUISIANA
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2004

EXHIBIT B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for services	Operating Grants & Contributions	
Current				
Public Safety	\$ 2,666,904	\$ 237,422	\$ 497,003	\$ (1,932,479)
E-911	81,368	123,298		41,930
Task Force	28,788		21,590	(7,198)
Capital Projects	11,203			(11,203)
Detention Center				876,104
Total Governmental Activities	\$ 2,788,263	\$ 360,720	\$ 518,593	(1,032,846)
GENERAL REVENUES				
Taxes				
Ad valorem taxes levied for general purposes				1,306,616
Sales taxes levied for general purposes				778,308
Interest earnings				20,683
Rental income				23,463
Sale of assets				2,327
Total General Revenues				2,131,397
CHANGE IN NET ASSETS				
1,098,551				
NET ASSETS, BEGINNING OF YEAR				
3,478,111				
NET ASSETS, END OF YEAR				
\$ 4,576,662				

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

FUND FINANCIAL STATEMENTS

**GRANT PARISH SHERIFF
COLFAX, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

EXHIBIT C

	General Fund	Detention Center Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 905,390	\$ 711,812	\$ 260,223	\$ 1,877,425
Accounts receivable	222,891	63,826	22,805	309,522
Due from other funds	17,679			17,679
<u>TOTAL ASSETS</u>	<u>\$ 1,145,960</u>	<u>\$ 775,638</u>	<u>\$ 283,028</u>	<u>\$ 2,204,626</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 40,797	\$ 223,625	\$	\$ 264,422
Payroll withholdings	3,962			3,962
Due to other funds			17,679	17,679
Total Liabilities	44,759	223,625	17,679	286,063
Fund Balances				
Unreserved-undesignated	1,101,201	552,013	265,349	1,918,563
Total Fund Balances	1,101,201	552,013	265,349	1,918,563
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,145,960</u>	<u>\$ 775,638</u>	<u>\$ 283,028</u>	<u>\$ 2,204,626</u>

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

GRANT PARISH SHERIFF
COLFAX, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

EXHIBIT D

Total fund balances - Governmental Funds \$ 1,918,563

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds.

Cost of capital assets	3,502,803	
Less - Accumulated depreciation	<u>811,562</u>	2,691,241

Long-term liabilities are not due and payable in the current period. Accordingly, they are not reported as liabilities in the Governmental Funds. All liabilities are reported in the Statement of Net Assets.

Compensated absences payable	(42,519)
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Costs incurred which benefit more than one period are recorded as an expenditure in the Governmental Funds when paid. The portion relating to the next fiscal year is reported as prepaid expenses in the Statement of Net Assets.

Prepaid insurance	<u>9,377</u>
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<u>NET ASSETS</u>	<u>\$ 4,576,662</u>
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The accompanying notes are an integral part of the financial statements.

**GRANT PARISH SHERIFF
COLFAX, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004**

EXHIBIT E

	General Fund	Detention Center Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Tax - ad valorem and sales	\$ 1,566,692	\$ 518,232	\$	\$ 2,084,924
Intergovernmental	497,003	876,104	21,590	1,394,697
Fees, charges, commissions	237,422		123,298	360,720
Interest	11,077	6,987	2,619	20,683
Other	23,447		16	23,463
Total Revenues	2,325,641	1,401,323	147,523	3,884,487
EXPENDITURES				
Current				
Personnel services and benefits	1,995,545		54,685	2,050,230
Operating services	231,942		35,930	267,872
Repairs and maintenance	61,547			61,547
Insurance	107,055			107,055
Materials and supplies	112,478			112,478
Other operating expenses	228		3,105	3,333
Capital outlay	147,359	1,654,504	50,480	1,852,343
Total Expenditures	2,656,154	1,654,504	144,200	4,454,858
Excess (Deficiency) of Revenues over Expenditures	(320,513)	(253,181)	3,323	(570,371)
Other Financing Sources (Uses)				
Sale of assets	2,327			2,327
Operating transfers in (out)	(3,830)		3,830	-
Total Other Financing Sources (Uses)	(1,503)	-	3,830	2,327
NET CHANGE IN FUND BALANCES	(322,016)	(253,181)	7,153	(568,044)
FUND BALANCES, BEGINNING OF YEAR	1,423,217	805,194	258,196	2,486,607
FUND BALANCES, END OF YEAR	\$ 1,101,201	\$ 552,013	\$ 265,349	\$ 1,918,563

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

**GRANT PARISH SHERIFF
COLFAX, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004**

EXHIBIT F

Net decrease in fund balances - Governmental Funds \$ (568,044)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period.

Capital outlays	1,823,962	
Less - Depreciation expense	<u>149,381</u>	1,674,581

In the Statement of Activities, certain operating expenses, such as compensated absences (vacation and sick leave), worker's compensation claims and liability claims 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).

(Increase) decrease in vacation leave accrued (10,181)

Prepaid costs are recognized as an expenditure when paid in the Governmental Funds. In the Statement of Activities, however, prepaid expenses are allocated over the period for which the expense is related.

Increase (decrease) in prepaid insurance 2,195

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,098,551

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

**GRANT PARISH SHERIFF
COLFAX, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004**

EXHIBIT G

ASSETS	
Cash and cash equivalents	\$ 480,910
Receivables	<u>2,475</u>
<u>TOTAL ASSETS</u>	<u>\$ 483,385</u>
LIABILITIES	
Due to taxing bodies, and others	\$ 479,246
Other liabilities	<u>4,139</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 483,385</u>

The accompanying notes are an integral part of the financial statements

GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

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

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 Grant Parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, and other similar programs. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for the collection and distribution of ad valorem taxes, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

The financial statements of the Grant Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Grant Parish Sheriff's accounting policies are described below.

Reporting Entity

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Grant Parish Sheriff is considered a primary government, since it is a special purpose government that has a separately elected official, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, account groups, and activities that are controlled by the Sheriff as an independently elected official. As such, 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. This report only includes all funds which are controlled by or dependent upon the Grant Parish Sheriff.

GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS

Basis of Presentation

The Grant Parish Sheriff's Basic Financial Statements consist of Government-Wide Financial Statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The Government-Wide Financial Statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for the Sheriff as a whole.

Fiduciary activities are not included at the government-wide reporting level. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the Fund Financial Statement level. Individual funds are not displayed, but the statements distinguish governmental activities, which normally are supported by taxes and intergovernmental revenues, from business-like activities (if any), generally financed in whole or in part by fees or charges. The activity of internal service funds (if any) is eliminated to avoid duplicating revenues and expenses. The Grant Parish Sheriff does not have any business-like activities or internal service funds.

The Statement of Net Assets presents the financial position of the governmental activities at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Sheriff does not allocate indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. Program revenues include: (1) charges for services which report fees and other charges to users of the Sheriff's services; (2) operating grants and contributions that are restricted to meeting the operational activities of a function; and (3) capital grants and contributions which fund the acquisition of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, state revenue sharing, interest, and other unrestricted revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Sheriff.

Fund Financial Statements – The financial transactions of the Sheriff are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with legal and contractual provisions.

GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types". The following fund types are used by the Grant Parish Sheriff:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds) and the acquisition or construction of general fixed assets (Capital Projects Funds). The Fund Financial Statements report financial information by major funds and non-major funds. The following Governmental Funds are considered major funds:

General Fund - The General Fund is used to account for all activities of the general government not accounted for in some other fund. The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and is used to account for the operations of the Sheriff's office.

Detention Center Fund – This fund is used to account for funds designated for construction of the detention center.

All other funds are considered non-major funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Sheriff accounts for its agency funds in this category. Agency funds consist of the Sheriff's Civil Fund, Tax Collector Fund, and the Bond and Fines Fund. They consist of monies deposited for civil suits, taxes, appearance bonds and fees. Disbursements from the various funds are made to the appropriate agencies, litigants, and others as prescribed by statute.

Basis of Accounting/ Measurement Focus

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements are prepared using the economic resources *measurement focus and the accrual basis of accounting*. Revenues are recognized when earned and expenditures are recognized when incurred.

Fund Financial Statements (FFS)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund financial statements report detailed information about the Sheriff's office. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. All governmental fund types and agency funds use the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used by all governmental funds. 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 be used to pay liabilities of the current period. The Sheriff considers ad valorem taxes as available if they are collected within 60 days after the fiscal year end, and sales taxes are accrued in accordance with Governmental Accounting Standards Board Statement No. 33. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, if any, are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Those revenues susceptible to accrual are ad valorem taxes, interest revenue and charges, commissions, and fees for service. Revenue recognition for cost reimbursement grants is recognized in accordance with GASB Statement 1. Grant revenue and expenditures are recognized in the period when all eligibility requirements have been met. Deferred revenues include amounts for which asset recognition criteria have been met. The Sheriff reports advance receipt of grant funds for use in the following period as deferred revenue.

Fiduciary Funds

The Sheriff has three agency funds. Unlike other types of funds, agency funds report only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus; however, they use the modified accrual basis of accounting to recognize receivables and payables.

Budgets

Budgets are adopted on the modified accrual basis of accounting, as discussed in the Governmental Funds. Annual appropriated budgets are usually adopted for the General and Special Revenue Funds. All annual appropriations lapse at the end of the fiscal year. Budgets for capital projects are adopted on a project-length basis. Because these non-operating budgets primarily serve as a management control function, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided in this document.

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

1. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, the date of the public hearing is published.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgets are controlled at the fund level, and are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts shown in the financial statements are as originally adopted or as amended from time to time by the Sheriff.

Change in Accounting Principle

The Grant Parish Sheriff adopted, effective July 1, 2003, the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Adoption of this statement results in a change in the format and content of the basic financial statements and additional note disclosures.

Cash and Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits, as well any as short-term investments with a maturity date within three months of the date acquired by the Grant Parish Sheriff.

Under state law, the Sheriff may deposit funds in demand deposits (interest bearing or non-interest bearing), money market accounts, or time deposits with state banks organized under Louisiana law or national banks having their principal offices in Louisiana.

Investments represent certificates of deposit with a maturity date more than three months from the date acquired. Investments are stated at cost, which approximates market value.

Accounts Receivable

Accounts receivable are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary other than a reserve established for amounts due from the Grant Parish Police Jury for feeding and housing prisoners, court appearance and transportation.

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. These interfund receivables/payables are eliminated for reporting in the Statement of Net Assets.

Capital Assets

In the Government-Wide Financial statements capital assets are valued at historical cost or estimated cost if historical cost is not known. Donated assets, if any, are valued at estimated fair market value on date of donation. Capital assets are depreciated on a straight-line method over their estimated useful lives. A capitalization threshold of \$1,000 has been adopted for reporting purposes. Estimation of useful lives in years is as follows:

Buildings and improvements	15-40 years
Vehicles	3 years
Equipment	5-15 years

General fixed assets provided by the Grant Parish Police Jury are not recorded on the financial statements of the Grant Parish Sheriff.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

In the Fund Financial Statements, general fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds. No provision is made for depreciation on general fixed assets in the Fund Financial Statements since the full cost is expensed at the time of purchase.

Deferred Revenue

The Grant Parish Sheriff may report deferred revenue in its financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Sheriff before he has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported in the Fund Financial Statements. The full liability and related costs are reported in the Government-Wide Financial Statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Net Assets

Net Assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

In cases where the Sheriff receives restricted and unrestricted moneys for the same purpose, the restricted moneys are used first.

Fund Balances

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. No portion of the fund balance is reserved at year end.

Interfund Transactions

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

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as operating transfers.

Interfund balances are eliminated in the Government-Wide Financial Statements.

Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property located within the parish as of January 1 of each year. Taxes are levied normally in November, and actually billed to the taxpayer during the same month. Billed taxes become delinquent on January 1 of the following year. As the tax collector of the parish, the Sheriff bills and collects its own property taxes using the assessed values determined by the tax assessor of Grant Parish. Assets are recognized when an enforceable legal claim has arisen or when resources are received, whichever is first. Revenues from ad valorem taxes are budgeted in the year billed, and recognized in the period that the taxes are levied.

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

For the year ended June 30, 2004, taxes of 46.76 mills were levied on property with assessed values totaling \$28,336,032. All taxes are accounted for as General Fund revenues except the ad valorem tax of 19.00 mills levied for the detention center which is accounted for in a special revenue fund.

Supplemental Wages

Certain employees receive supplemental wages from the State of Louisiana. These supplemental wages are recognized as intergovernmental revenues and salaries and related benefits. For the fiscal year ending June 30, 2004, the amount of supplemental wages received was \$100,649.

Estimates

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

2. EXPENDITURES – ACTUAL AND BUDGET

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2004:

<u>Fund</u>	<u>Unfavorable Variance</u>
General Fund	\$ 127,255

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2004, the Sheriff had cash and cash equivalents and investments as follows:

Cash and cash equivalents- Governmental Funds-demand deposits	\$ 1,876,725
Cash and cash equivalents- Governmental Funds-petty cash	700
Cash and cash equivalents- Fiduciary Funds	<u>480,910</u>
	\$ 2,358,335

At year-end, the carrying amount of the Sheriff's deposits (demand deposits) was \$2,357,635. The bank balances totaled \$2,339,685 and are categorized as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Insured (federal deposit insurance)	\$ 200,000	\$	\$ 200,000
Collateralized (Category I)	<u>1,658,775</u>	<u>480,910</u>	<u>2,139,685</u>
	\$ 1,858,775	\$ 480,910	\$ 2,339,685

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

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 and national banks having their principal offices in Louisiana.

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year-end, all deposits were covered by depository insurance or collateral held by the plans or the plans' agents in the plans' name.

4. ACCOUNTS RECEIVABLE

	<u>General Fund</u>	<u>Detention Center Fund</u>	<u>Other Governmental Funds</u>	<u>Balance June 30, 2004</u>
Ad valorem taxes	\$ 38,252	\$	\$	\$ 38,252
Sales taxes	133,333			133,333
Intergovernmental	129,218	63,826	4,986	198,030
Fees, charges, commissions	<u>24,623</u>		<u>17,819</u>	<u>42,442</u>
	325,426	63,826	22,805	412,057
Allowance for uncollectible	<u>(102,535)</u>			<u>(102,535)</u>
Net Receivables	\$ 222,891	\$ 63,826	\$ 22,805	\$ 309,522

Accounts receivable due from the Grant Parish Police Jury are considered doubtful of collection. The Sheriff has been informed that due to the current financial condition of the Grant Parish Police Jury, amounts billed to the Jury by the Sheriff for housing and feeding prisoners, transportation costs and court attendance fees cannot be funded within the current budget of the Jury. Louisiana Revised Statutes provide that certain costs are the responsibility of the Grant Parish Police Jury. At present, provision has not been made by the Jury to pay the accounts receivable that have accrued during the past years.

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

5. INTERFUND ASSETS/LIABILITIES

DUE FROM/TO OTHER FUNDS:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Other Governmental Funds	\$ 17,679

Balances at June 30, 2004 result from the routine timing differences between the dates that interfund goods or services are provided and the dates that reimbursement occurs.

<u>Transfer In</u>	<u>Transfer Out</u>	
General Fund	Other Governmental Funds	\$ 3,830

6. CAPITAL ASSETS AND DEPRECIATION

The following is a summary of changes in the capital assets during the year ended June 30, 2004:

	July 1, 2003	Increases	Decreases	June 30, 2004
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 201,244	\$ 1,650,103	\$	\$ 1,851,347
Land and improvements	29,738			29,738
Total Capital Assets Not Being Depreciated	230,982	1,650,103		1,881,085
Other Capital Assets				
Buildings and improvements	520,320			520,320
Vehicles	588,368	131,066	(80,545)	638,889
Equipment	409,944	52,565	(7,472)	455,037
Total Other Capital Assets	1,518,632	183,631	(88,017)	1,614,246
Less				
Accumulated depreciation				
Buildings and improvements	(56,492)	(14,070)		(70,562)
Vehicles	(446,567)	(96,055)	70,774	(471,848)
Equipment	(229,895)	(39,256)	7,471	(261,680)
Total Accumulated Depreciation	(732,954)	(149,381)	78,245	(804,090)
Other Capital Assets, Net	785,678	34,250	(9,772)	810,156
Governmental Activities				
Capital Assets, Net	\$ 1,016,660	\$ 1,684,353	\$ (9,772)	\$ 2,691,241

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

Depreciation expense was charged to functions as follows:

Governmental Activities	
Public safety	\$ 142,183
E-911	<u>7,198</u>
Total Depreciation Expense for Governmental Activities	\$ 149,381

A summary of significant budgeted construction projects is presented below:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Required Further Financing</u>
Detention Center Fund				
Facility construction	\$ 3,207,726	\$ 1,851,347	\$ 1,356,379	See note

Additional financing to be provided by collection of future ad valorem taxes dedicated to construction and the current available fund balance. The Sheriff has also received approval from the State Bond Commission to borrow funds, if necessary, not exceeding \$1,000,000 for construction, improving, maintaining and operating the facility.

7. LONG-TERM LIABILITIES

During the year ended June 30, 2004, the following changes occurred in long-term liabilities:

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2004</u>
Compensated absences payable	\$ 32,338	\$ 42,519	\$ (32,338)	\$ 42,519
		<u>Balance June 30, 2004</u>	<u>Due Within One Year</u>	<u>Due In More Than One Year</u>
Compensated absences payable		\$ 42,519	\$ 8,504	\$ 34,015

8. DEDICATION OF PROCEEDS

SALES AND USE TAX

Proceeds from the one percent (1%) sales tax effective January 1, 1995, granted by a majority of the votes cast in favor of the proposition during a special election held during 1994, is dedicated to pay salaries and related benefits to employees of the Grant Parish Sheriff, and to purchase, lease, operate, and maintain vehicles, furniture, fixtures, and equipment utilized by the Grant Parish Sheriff's office in carrying out its public duties. The sales tax is for a period of five (5) years and encompasses Grant Parish. The sales tax was renewed by voter approval during a prior reporting period. The tax expires on December 31, 2004.

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

AD VALOREM TAX

Proceeds from a 19 mill ad valorem tax effective for the calendar year of 2001, granted by a majority of the votes cast in favor of the proposition during a special election held during 2000, is dedicated for the purpose of constructing, maintaining and operating jail facilities for the Law Enforcement District of the Parish of Grant. The tax is for a period of twenty (20) years beginning with the year 2001 and ending with the year 2021.

9. CHANGES IN AGENCY FUND BALANCES

The following is a summary of changes in agency fund balances due to taxing bodies and others for the period ended June 30, 2004.

	Tax Collector Fund	Sheriff's Civil Fund	Bonds and Fines Fund	Total
Balance, July 1, 2003	\$ 301,699	\$ 19,751	\$ 35,649	\$ 357,099
Additions	7,759,653	354,660	495,276	8,609,589
Reductions	<u>(7,755,568)</u>	<u>(275,325)</u>	<u>(456,549)</u>	<u>(8,487,442)</u>
Balance, June 30, 2004	\$ 305,784	\$ 99,086	\$ 74,376	\$ 479,246

10. RISK MANAGEMENT

The Sheriff department is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Sheriff participates in a statewide public entity risk pool as outlined below. Settled claims did not exceed coverage for the past year.

	<u>Limits of Coverage</u>
Public entity risk pool	
Auto liability	
Bodily injury	\$100/300,000
Property damage	100,000
Medical payments	2,000
Uninsured motorists	.25/50,000
Excess automotive liability	500,000
Law enforcement officers' liability	3,000,000

The Sheriff pays an annual premium to the public risk entity pool. The pool is self-sustaining through member premiums. The Sheriff reports all of its risk management activities and covers all other losses and expenses of risk management through the General Fund.

GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS

The office of the Grant Parish Sheriff is presently named as defendant in one ongoing legal matter. Legal counsel has reported that matter has never been served and that the Magistrate has entered Report and Recommendation that the matter as to all defendants should be dismissed. In the opinion of Counsel and of the Sheriff, any adverse judgments that may be awarded plus cost of defense is adequately covered by insurance.

11. SUPPLEMENTAL PAY

Certain employees meeting statutory qualifications receive supplemental pay directly from the State of Louisiana. Supplemental pay in the amount of \$100,649 was paid for the year ending June 30, 2004.

12. PENSION PLAN

Substantially all employees of the Grant Parish Sheriff are members of the Sheriff's Pension and Relief Fund ("System"), a cost-sharing, multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$800 per month, and who are at least 18 years of age 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, or at any age with at least 30 years of creditable service, and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 3.33 percent of creditable service. In any case, the retirement benefit cannot exceed 100 percent of the final-average salary. Final-average salary is the employee's highest average salary over 36 consecutive or joined months that produces the highest average. Employees who terminate with at least 12 years of service and who do not withdraw their employee contributions may retire at or after 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 the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

Employees who elected prior to July 1, 2001, could participate in the Deferred Retirement Option Plan (DROP), whereby in lieu of terminating employment and accepting a service retirement allowance, any member with twelve or more years of service and at least age 55, or 30 years of service and at least age 53, could defer the receipt of benefits for up to 3 years.

Effective July 1, 2001, the regular DROP option mentioned above was replaced by the Back DROP option. Instead of declaring in advance your DROP intentions, a member now declares at the end of the DROP period that he/she wants to participate in the Back DROP. The DROP period in the Back DROP is any time up to three years after a member is eligible to retire. The number of years in the Back DROP period is then subtracted from the number of years of creditable service to determine the retirement allowance for the member. The benefit allowable in the Back DROP is equal to the number of months in the DROP period times the monthly benefit calculated using the maximum retirement benefit.

**GRANT PARISH SHERIFF
JUNE 30, 2004
NOTES TO BASIC FINANCIAL STATEMENTS**

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 one-tenth of one percent of the net direct premiums received in the state by casualty insurers doing business in the state. State statute requires covered employees to contribute 9.8 percent of their salaries to the System and requires an employer contribution equal to 9.25 percent of each covered employee's salary.

The Sheriff's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Sheriff's Pension and Relief Fund, 6554 Florida Blvd., Baton Rouge, LA 70806

The Sheriff made the following required contributions to the Sheriff's Pension and Relief Fund:

<u>Fiscal Year Ending</u>	<u>Amount</u>
6/30/04	\$ 278,884
6/30/03	97,355
6/30/02	81,592

13. EXPENSES OF THE SHERIFF PAID BY OTHERS

The Grant Parish Police Jury, as governing authority of the Parish, is required to provide certain facilities, services, and supplies necessary for the Sheriff to carry out the responsibilities of the office. Consequently, expenditures for those costs, such as office space, parish jail, certain equipment and supplies, and related expenses necessary for the use, operation, and maintenance of these facilities, are not included in the financial statements of the Sheriff.

14. POST RETIREMENT HEALTH CARE BENEFITS

The Grant Parish Sheriff provides postretirement benefits to retired deputies with at least fifteen years of service who are at least fifty-five years of age or with at least thirty years of service at any age. State statutes provide that the premium costs of group hospital, surgical, medical expense, and dental insurance and the first ten thousand dollars of life insurance shall be paid from the Sheriff's General Fund for deputies meeting those requirements.

The Grant Parish Sheriff pays health and life insurance costs, as applicable, of the retired deputies and their spouses directly to the benefit provider. The Louisiana Sheriff's Pension System reimburses the sheriff for the spouses' portion of those costs, which have been deducted from the retirees' monthly pension check.

The Sheriff's General Fund costs of providing the net postretirement benefits are not material to the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION – PART II

**GRANT PARISH SHERIFF
COLFAX, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2004**

Statement H

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Tax - ad valorem and sales	\$ 1,574,048	\$ 1,514,500	\$ 1,566,692	\$ 52,192
Intergovernmental	484,235	470,735	497,003	26,268
Fees, charges, and commissions	236,680	249,870	237,422	(12,448)
Interest	15,000	15,000	11,077	(3,923)
Other	27,566	26,480	23,447	(3,033)
Total Revenues	<u>2,337,529</u>	<u>2,276,585</u>	<u>2,335,641</u>	<u>59,056</u>
EXPENDITURES				
Current				
Personnel services and benefits	1,737,693	1,934,147	1,995,545	(61,399)
Operating services	257,981	226,370	231,942	(5,572)
Repairs and maintenance	74,255	54,250	61,547	(7,297)
Insurance	99,713	107,570	107,055	515
Materials and supplies	93,065	103,600	112,478	(3,878)
Other operating expenses	320	100	223	(128)
Capital outlay	77,140	97,862	147,359	(49,497)
Total Expenditures	<u>2,340,067</u>	<u>2,528,899</u>	<u>2,656,154</u>	<u>(127,255)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,538)</u>	<u>(252,314)</u>	<u>(320,513)</u>	<u>(65,199)</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	9,270		2,327	2,327
Operating transfers in (out)	(6,732)	(6,191)	(3,830)	2,361
Total Other Financing Sources (Uses)	<u>2,538</u>	<u>(6,191)</u>	<u>(1,503)</u>	<u>4,688</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>(258,505)</u>	<u>(322,016)</u>	<u>(63,511)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,423,217</u>	<u>1,423,217</u>	<u>1,423,217</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,423,217</u>	<u>\$ 1,164,712</u>	<u>\$ 1,101,201</u>	<u>\$ (63,511)</u>

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

GRANT PARISH SHERIFF
COLFAX, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER FUND
YEAR ENDED JUNE 30, 2004

	Budget			Statement /
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
	-----	-----	-----	(Negative)
REVENUES				
Tax - ad valorem	\$ 544,000	\$ 538,948	\$ 518,232	\$ (20,716)
Intergovernmental		840,000	876,104	36,104
Interest			6,987	6,987
Total Revenues	544,000	1,378,948	1,401,323	22,375
EXPENDITURES				
Capital outlay	1,331,000	1,550,000	1,654,504	(104,504)
Total Expenditures	1,331,000	1,550,000	1,654,504	(104,504)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(787,000)	(171,052)	(253,181)	(82,129)
FUND BALANCE, BEGINNING OF YEAR	805,194	905,194	805,194	-
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 18,194</u>	<u>\$ 634,142</u>	<u>\$ 552,013</u>	<u>\$ (82,129)</u>

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

SUPPLEMENTAL INFORMATION

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

**GRANT PARISH SHERIFF
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004**

SCHEDULE 1

FEDERAL AGENCY/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH GRANT NUMBER	TOTAL FEDERAL AWARD AMOUNT	AMOUNT OF FEDERAL AWARD EXPENDED
U. S. DEPARTMENT OF JUSTICE				
Corrections Program Office, Office of Justice Program				
Passed-through the State of Louisiana				
Violent Offender Incarceration and Truth in				
Sentencing Incentive Grants				
	16 586		\$ 600,000	\$ 600,000
Bureau of Justice Assistance				
Local Law Enforcement Block Grants Program (LLFBG)				
	16 592		19,334	19,334
Bullet Proof Vest Partnership Program				
	16 607		33,142	1,900
Passed-through the State of Louisiana				
Louisiana Commission on Law Enforcement:				
Multi-Jurisdictional Task Force				
	16 579	B01-3-008	18,927	10,102
Multi-Jurisdictional Task Force				
	16 579	B01-3-007	<u>18,573</u>	<u>11,488</u>
Sub-total			<u>37,500</u>	<u>21,590</u>
TOTALS			<u>\$ 589,976</u>	<u>\$ 642,824</u>

Notes

The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting. Note 1 to financial statements provided additional information relative to the Sheriff's accounting policies.

See independent auditor's report.

**OTHER REPORTS REQUIRED
BY *GOVERNMENT AUDITING STANDARDS*
AND OMB CIRCULAR A-133**

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable L. R. Hataway
Grant Parish Sheriff
Colfax, Louisiana

We have audited the basic financial statements of the Grant Parish Sheriff, Colfax, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated November 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Grant Parish Sheriff's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that are required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as Findings 2004-01.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose 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.

MARVIN A. JENKINS, C.P.A. | ROBERT L. LITTON, C.P.A. | MICHAEL A. JONES, C.P.A.
H. TREN HANCOCK, C.P.A. | ROBERT W. UYOFAR, C.P.A. | JAMES N. BAZIARE, C.P.A.
ERNEST F. SASSEK, C.P.A. | REBECCA B. MORRIS, C.P.A. | L. PAUL HOOB, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

The Honorable L. R. Hataway
Grant Parish Sheriff
Colfax, Louisiana

This report is intended solely for the information and use of the Grant Parish Sheriff, management, the Louisiana Legislative Auditor's office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

Payne Moore & Herrington, LLP
Certified Public Accountants

November 30, 2004

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable L. R. Hataway
Grant Parish Sheriff
Colfax, Louisiana

Compliance

We have audited the compliance of the Grant Parish Sheriff with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Sheriff's management. Our responsibility is to express an opinion on the Sheriff's compliance based on our audit.

We conducted our audit of compliance 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Sheriff's compliance with those requirements.

In our opinion, the Grant Parish Sheriff complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

MARVIN A. JUNEAD, C.P.A.
FRID RANBOW, C.P.A.
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.
ROBERT W. SVORAK, C.P.A.
RICHIECA B. MORRIS, C.P.A.

MICHAEL A. JUNEAD, C.P.A.
JAMES N. BALLAR, C.P.A.
L. PAUL FORD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

The Honorable L. R. Hataway
Grant Parish Sheriff
Colfax, Louisiana

Internal Control Over Compliance

The management of the Grant Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Grant Parish Sheriff, management, the Louisiana Legislative Auditor's office, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.


Certified Public Accountants

November 30, 2004

**GRANT PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	_____ yes	___x___ no
Reportable conditions identified that are not considered to be material weaknesses?	_____ yes	___x___ none reported
Noncompliance material to financial statements noted?	___x___ yes	_____ no
<i>Management's Corrective Action Plan</i>	<i>See Attached</i>	
<i>Management's Summary Schedule of Prior Audit Findings</i>	<i>Not applicable</i>	
<i>Memorandum of Recommendations and Other Comments</i>	None	

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	_____ yes	___x___ no
Reportable conditions identified that are not considered to be material weaknesses?	_____ yes	___x___ none reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ yes	___x___ no
Identification of major programs		

CFDA Number

16.586

Name of Federal Program

Violent Offender Incarceration and Truth
in Sentencing Incentive Grants

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	_____ yes	___x___ no
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**GRANT PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004**

SECTION II - FINANCIAL STATEMENT FINDINGS

FINDING 2004-01

Criteria: Louisiana Revised Statute 39:1311(A) requires that the administrative officer shall monitor and control revenues and expenditures within a fund. A budget amendment should be made when an unfavorable variance of 5% or more occurs between the budgeted amounts and the actual amounts of revenues, expenditures, or fund balance, in a fund where budgeted expenditures exceed \$250,000.

Condition: The Detention Center Special Revenue Fund budgeted and actual expenditures has an unfavorable variance exceeding 5% for the year ending June 30, 2004.

Recommendation: We recommend compliance with Louisiana Revised Statute in regards to budget amendments.

Management's response: See management's corrective action plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**GRANT PARISH SHERIFF
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2004**

REPORTABLE CONDITIONS

None reported.

**GRANT PARISH SHERIFF
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2004**

The Grant Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 2004.

Independent Public Accounting Firm: Payne, Moore & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71315-3200
(318) 443-1893

Auditee Contact Person: Wayne Faraldo
Grant Parish Sheriff Office
P.O. Box 187
Colfax, LA 71417
(318) 627-4106

Audit period: July 1, 2003 through June 30, 2004

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

Reportable Condition: The Detention Center's Special Revenue funds budgeted versus actual revenue and expenditures have an unfavorable variance exceeding five percent for the year ending June 30, 2004.

FINDING 2004-01: UNFAVORABLE BUDGET VARIANCE

Management's Response: The Detention Center is presently under construction. Progress on this project is approximately five months behind schedule because of the excessive rainy days during the fiscal year. The Facility planning moneys and payment to K.C.S. Construction Company is based on the percentage of work completed. When the budget was amended there was no way of knowing the exact amount of construction that would be completed as of June 30, 2004. Therefore, there was no way of knowing the amount of payment that would be due K.C.S. Construction as of June 30, 2004.

Facility planning moneys are being used to construct the new Jail facility. The Facility planning money is based on the percentage of construction that has been completed. Because of the delay due to rain the construction ran behind schedule and there was no way of knowing how much would be completed as of June 30, 2004.