

**WEST FELICIANA PARISH SHERIFF
ST. FRANCISVILLE, LOUISIANA**

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

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

Release Date 10-27-04

**WEST FELICIANA PARISH SHERIFF
ST. FRANCISVILLE, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

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MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Honorable J. Austin Daniel
West Feliciana Parish Sheriff
P O Drawer 1844
St. Francisville, Louisiana 70775

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Feliciana Parish Sheriff as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the West Feliciana Parish Sheriff management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 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 West Feliciana Parish Sheriff, as of June 30, 2004, and the respective changes in financial position thereof 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 September 27, 2004 on our consideration of the West Feliciana 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 3 through 8 and pages 30 and 31, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying supplemental information schedules and

other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the West Feliciana Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Major & Morrison

**Major and Morrison
New Roads, Louisiana
September 27, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

WEST FELICIANA PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

Within this section of the West Feliciana Parish Sheriff (the Sheriff) annual financial report, the Sheriff's management provides 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 \$6,512,891 (net assets) for the fiscal year reported.

Total assets are comprised of the following:

1. Capital assets, net of related debt, of \$1,280,872 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt.
2. Unrestricted net assets of \$5,227,938 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's governmental funds reported total ending fund balance of \$5,232,019 this year. This compares to the prior year ending fund balance of \$5,341,776, showing a decrease of \$109,757. General fund balance of \$5,227,938 shows a \$113,838 decrease from the prior year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,119,674. Overall, the Sheriff's office continues to maintain a strong financial position. The 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.

Government-wide Financial Statements

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff's finances would extend to other nonfinancial 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 cash 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.

WEST FELICIANA PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 9 and 10 of this report.

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 has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the 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. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for 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 governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 11-15 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending a court action and the individual prison inmate accounts. The Sheriff only reports agency funds. The basic agency fund financial statement is presented on page 16 of this report.

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 17 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 presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. These statements and schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 30 and 31 of this report.

In addition, other supplemental information providing details on the capital project fund and individual agency funds is presented on pages 33, 35, and 36 of this report.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a

WEST FELICIANA PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

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 net assets at fiscal year-end was \$6,512,981. The following table provides a summary of the Sheriff's net assets:

Summary of Net Assets

	<u>2004</u> Governmental Activities	%	<u>2003</u> Governmental Activities	%
		Total		Total
Assets:				
Current assets and other assets	\$ 5,493,805	81%	\$ 5,535,223	82%
Capital assets	<u>1,281,955</u>	<u>19%</u>	<u>1,248,697</u>	<u>18%</u>
Total Assets	<u>6,775,760</u>	<u>100%</u>	<u>6,783,920</u>	<u>100%</u>
Liabilities:				
Current liabilities	261,786	99%	193,446	98%
Long-term liabilities	<u>1,083</u>	<u>1%</u>	<u>3,465</u>	<u>2%</u>
Total liabilities	<u>262,869</u>	<u>100%</u>	<u>196,912</u>	<u>100%</u>
Net assets:				
Investment in capital assets, net of debt	1,280,872	19%	1,245,232	19%
Restricted	4,081	0%	0	0%
Unrestricted	<u>5,227,938</u>	<u>81%</u>	<u>5,341,776</u>	<u>81%</u>
Total net assets	<u>\$ 6,512,891</u>	<u>100%</u>	<u>\$ 6,587,008</u>	<u>100%</u>

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 20.9 to 1.

The Sheriff reported positive balances in net assets for the governmental activities. Net assets for the sheriff decreased by \$74,118 for governmental activities in fiscal 2004.

Note that only 19% of the governmental activities' net assets are tied up in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

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

WEST FELICIANA PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

Summary of Changes in Net Assets

	<u>Governmental Activities 6/30/04</u>	<u>Percent of Total 6/30/04</u>	<u>Governmental Activities 6/30/03</u>	<u>Percent of Total 6/30/03</u>
Revenues:				
Program:				
Charges for services	\$ 655,643	12%	\$ 519,245	9%
Operating grants	491,588	9%	591,766	11%
Capital grants	105,230	2%	0	0%
General:				
Ad Valorem taxes	3,870,889	71%	4,048,026	73%
Unrestricted state grants	228,860	4%	222,893	4%
Interest earnings	57,914	1%	94,263	2%
Miscellaneous	<u>49,125</u>	<u>1%</u>	<u>90,609</u>	<u>1%</u>
Total revenues	<u>5,459,249</u>	<u>100%</u>	<u>5,566,802</u>	<u>100%</u>
Program expenses:				
Public safety	5,533,366	100%	5,330,790	99%
Interest	<u>0</u>	<u>0%</u>	<u>62,222</u>	<u>1%</u>
Total expenses	<u>5,533,366</u>	<u>100%</u>	<u>5,393,012</u>	<u>100%</u>
Change in net assets	(74,118)		173,790	
Beginning net assets	<u>6,587,008</u>		<u>6,413,218</u>	
Ending net assets	<u>6,512,891</u>		<u>6,587,008</u>	

Governmental Revenues

The Sheriff is heavily reliant on property taxes to support its operation. Property taxes provided 71% of the sheriff's total revenues. Program revenues, intergovernmental agreements, sheriff's office fees and commissions, other sheriff's office revenues, and interest on deposits fund 29% of governmental operating expenses. Prior year percentages for property taxes were higher due to the receipt of protested tax assessments.

Governmental Functional Expenses

The total function of the Sheriff's office is public safety activities. Of the total public safety costs, depreciation on the capital assets was \$326,100 or 6% of total costs.

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

Governmental funds:

As discussed, governmental funds are reported in the fund statements with short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$5,232,019. Of this year-end total, \$5,123,755 is unreserved indicating availability for

WEST FELICIANA PARISH SHERIFF

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2004

continuing the sheriff's activities. Legally restricted fund balances (reserved fund balances) include \$108,264 for prepaid items.

The total ending fund balances of governmental funds show a decrease of \$109,758 and resulted mainly from a decrease in revenues and increase in expenses.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's balance decreased by \$113,838 from the prior year. In fiscal 2002 - 2003 the General Fund increased approximately \$156,270. The current year decrease was due to a number of factors. Revenues decreased by \$107,553 mainly from decreases in property taxes, interest earnings, and miscellaneous earnings. Expenses increased by \$140,354 due to increases in salary, retirement benefits, and employee health insurance coverage.

The General Funds ending fund balance was slightly lower than the prior year, reflecting the continued goal of spending only what is generated. The fund balance reflects an adequate reserve for unexpected occurrences.

Budgetary Highlights

General Fund

The General Fund's original and final revenue budgets were less than actual collected amounts reported in fiscal 2004. The majority of the increase was due to federal and local grants due to the need for additional security resulting from 9/11 concerns. Also, prisoner housing revenue was greater than expected.

The original expenditure and final budget reported expected increases in expenses due to payments for the 911 center, additional personnel costs and benefits, and increased operating services. Other increases included:

- An increase of 5.0% in health insurance coverage for employees
- Pension contributions were 21% higher (due to 2% increase in employer rate)
- Auto insurance was 15% higher than estimated
- Fuel costs were 8.8% higher than estimated due to higher gasoline prices
- Capital outlay included estimates for four new vehicles.

There was a reduction in the amended final budget in miscellaneous expense due to the delay of work on the new work release center. Expenses were budgeted for the start of this project, which did not take place in the current fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$1,281,955. The overall increase was 2.8% for the Sheriff as a whole. See footnote number 6 for additional information about changes in capital assets during the fiscal year and balances at year end. The following table reflects a summary of capital asset activity.

**WEST FELICIANA PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004**

Capital Assets:

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Depreciable assets:		
Building, equipment & furniture	\$ 784,061	\$ 739,195
Construction in progress	124,947	0
Vehicles	1,383,003	1,295,801
Total depreciated assets	2,292,011	2,034,996
Less accumulated depreciation	1,225,200	1,001,443
Book value – depreciable assets	\$ 1,066,811	\$ 1,033,553
Percentage depreciated	53%	49%

The major additions to capital assets include:

Five new vehicles	\$113,734 (an average cost of \$22,747)
Ten used vehicles	\$ 85,000 (average cost \$8,500)
Construction on work release center	\$124,947

Long-term debt:

At the end of the fiscal year, the Sheriff had long-term debt in the amount of \$1,083, representing capital lease payments due on a Xerox copier.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 71% of the sheriff's revenues are derived from ad valorem taxes, with the Entergy River Bend Nuclear Plant providing 76% of the ad valorem taxes in the parish. As the plant ages, assessment values and revenues will continually decline. Grant revenues are expected to increase due to funding for the work release center and state 911 funds. Expenses in total are expected to remain stable with increases in the capital outlay budget to fund 4 new vehicles (implementing a system of yearly replacements to avoid large one time expenditures), other capital equipment, and expenses on the work release center. Group health costs and pension costs are expected to increase as well as personnel salaries due to a 3% across the board raise. Due to the work release center construction, it is expected that the need to use excess fund balance within this year will occur at some point during the year.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finance, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact J. Austin Daniel, Sheriff, West Feliciana Sheriff and Tax Collector, P. O. Box 1844, St. Francisville, LA, 70775.

BASIC FINANCIAL STATEMENTS

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana**

Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 11,081
Investments	5,232,185
Accounts receivable	142,276
Prepaid assets	108,264
Capital assets:	
Land	215,144
Other capital assets, net of depreciation	<u>1,068,811</u>
Total Assets	<u>6,775,760</u>
LIABILITIES	
Accounts payable and accrued expenses	261,786
Non-current portion of long-term obligations - due within one year	<u>1,083</u>
Total Liabilities	<u>262,869</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,260,672
Restricted for:	
Capital projects	4,081
Unrestricted (deficit)	<u>5,227,938</u>
Total net assets	<u>\$ 6,512,891</u>

The accompanying notes are an integral part of this statement.

WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana

Statement of Activities

For the Year Ended June 30, 2004

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government - Public Safety	\$ 5,533,366	\$ 655,643	\$ 491,588	\$ 105,230
				\$ (4,280,806)
Total governmental activities	\$ 5,533,366	\$ 655,643	\$ 491,588	\$ 105,230
				(4,280,806)
General revenues:				
Ad valorem taxes				3,870,889
State revenue sharing				112,043
Video poker revenues				116,817
Gain (loss) on sale of equipment				(643)
Miscellaneous				46,768
Unrestricted investment earnings				57,914
Total general revenues				4,208,788
Change in net assets				(74,118)
Net assets - beginning of the year				6,587,008
Net assets - end of the year				\$ 6,512,891

The accompanying notes are an integral part of this statement.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2004

	GENERAL FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 7,000	\$ 4,081	\$ 11,081
Investments	5,232,185	0	5,232,185
Receivables	142,275	0	142,275
Prepaid assets	108,264	0	108,264
Total Assets and other debits	\$ 5,489,724	\$ 4,081	\$ 5,493,805
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Accounts and salaries payable	\$ 8,375	0	\$ 8,375
Compensated absences payable	253,411	0	253,411
Total Liabilities	261,786	0	261,786
Equity and Other Credits:			
Fund balances			
Reserved for prepaids	108,264	0	108,264
Unreserved - designated	0	4,081	4,081
Unreserved - undesignated	5,119,674	0	5,119,674
Total Equity and Other Credits	5,227,938	4,081	5,232,019
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 5,489,724	\$ 4,081	\$ 5,493,805

The accompanying notes are an integral part of this statement.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana**

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets**

For the Year Ended June 30, 2004

Total fund balance - governmental funds	\$ 5,232,019
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds.	1,281,955
Long-term liabilities, including certificates of indebtedness, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(1,083)</u>
Total net assets of governmental activities	<u>\$ 6,512,891</u>

The accompanying notes are an integral part of this statement.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
GOVERNMENTAL FUNDS**

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 2004**

	GENERAL FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Ad valorem taxes	\$ 3,870,889	\$ 0	\$ 3,870,889
Intergovernmental revenues:			
Federal grants	143,293	105,230	248,523
State grants:			
State revenue sharing	112,043	0	112,043
State supplemental pay	175,432	0	175,432
Miscellaneous	172,863	0	172,863
Local	292,572	0	292,572
Fees, charges, and commissions for services:			
Commissions on licenses, etc.	39,111	0	39,111
Civil and criminal fees	41,170	0	41,170
Court attendance	2,600	0	2,600
Feeding, transporting, and keeping prisoners	232,963	0	232,963
Other	22,904	0	22,904
Fines and forfeitures	16,383	0	16,383
Interest	57,914	0	57,914
Miscellaneous	191,170	0	191,170
	5,371,308	105,230	5,476,538
EXPENDITURES			
Public safety:			
Personal services and related benefits	3,699,246	0	3,699,246
Operating services	1,216,702	0	1,216,702
Material and supplies	210,198	303	210,501
Travel and other charges	61,623	0	61,623
Capital outlay	251,699	124,947	376,646
Facilities acquisition & construction	0	16,225	16,225
Miscellaneous	15,452	0	15,452
	5,444,820	141,475	5,586,295
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (73,513)	\$ (36,245)	\$ (109,758)

The accompanying notes are an integral part of this statement.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
GOVERNMENTAL FUNDS**

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 2004**

	GENERAL FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (73,513)	\$ (36,245)	\$ (109,758)
OTHER FINANCING SOURCES(Uses)			
Operating transfers in	0	40,326	40,326
Operating transfers out	<u>(40,326)</u>	<u>0</u>	<u>(40,326)</u>
Total other financing sources(uses)	<u>(40,326)</u>	<u>40,326</u>	<u>0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(113,838)	4,081	(109,758)
FUND BALANCE AT BEGINNING OF YEAR	<u>5,341,776</u>	<u>0</u>	<u>5,341,776</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,227,938</u>	<u>\$ 4,081</u>	<u>\$ 5,232,019</u>

The accompanying notes are an integral part of this statement.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, 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 - total governmental funds **\$ (109,758)**

**Amounts reported for governmental activities in the statement of activities are
different because:**

**Governmental funds report capital outlays as expenditures. However, in the statement
of activities the cost of those assets is allocated over their estimated useful lives and
reported as depreciation expense. This is the amount which capital outlays
exceeded depreciation in the current period:**

Capital outlays	376,648
Depreciation expense	(328,100)

**Governmental funds report the proceeds from the sale of capital assets as revenues.
However, in the statement of activities only gains or losses are reported:**

Gain (loss) on the disposal of capital assets	(643)
Proceeds from sale of capital assets	(16,647)

**Repayment of the principal of long term debt results in the use of current financial resources
in the governmental funds, but has no effect on the Statement of Net Assets. This represents
the amount of principal retirement of long term debt.**

2,382

Change in net assets of governmental activities **\$ (74,118)**

The accompanying notes are an integral part of this statement.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana**

**STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2004**

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	<u>\$ 115,987</u>
TOTAL ASSETS	<u>\$ 115,987</u>
LIABILITIES	
Due to taxing bodies and others	<u>115,987</u>
TOTAL LIABILITIES	<u>\$ 115,987</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

INTRODUCTION

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

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

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

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the West Feliciana Parish 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.

B. REPORTING ENTITY

The sheriff is an independently elected official. The West Feliciana Parish Police Jury does maintain and operate the parish courthouse in which the sheriff's office is located. However, because the police jury does not provide significant assistance to the sheriff, which makes the sheriff fiscally independent of the police jury, the sheriff was determined not to be a component unit of the West Feliciana Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

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

Funds of the sheriff are classified into two categories: governmental and fiduciary. Each category, in turn is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

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Governmental Funds

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

General Fund—The General Fund, as provided by Louisiana Revised Statute 13:1422, is the principal fund of the sheriff's office and accounts for all financial resources, except those required to be accounted for in other funds. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Debt Service Fund—accounts for transactions relating to resources retained and used for the payment of principal and interest on long term debt obligations.

Capital Project Fund—accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the sheriff are agency funds. The agency funds account for assets held by the sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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 of the sheriff. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues — Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

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Fund Financial Statements (FFS)

The amounts reflected in the General Fund and other funds of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the sheriff's operations (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS 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 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state supplemental pay for deputies and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the expenditures have been incurred.

Local intergovernmental reimbursements are recognized monthly when available and measurable.

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

Interest earnings on time deposits are recorded when earned. Interest on checking and money market accounts is recorded monthly when the interest is available.

Feeding, transporting, and maintenance of prisoners' revenue is recorded monthly for services rendered during the month.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned.

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

Compensated absences are recognized as benefits are earned.

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

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Other Financing Sources (Uses)

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

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.

E. BUDGETS

The proposed budget for the general fund, which is prepared on the modified accrual basis of accounting, for fiscal year June 30, 2004 was made available for public inspection on June 13, 2003. A notice concerning the public hearing was published in the official journal on June 12, 2003. The public hearing was held at the West Feliciana Parish Sheriff's office on June 25, 2003 for comments from taxpayers at which time it was legally adopted. The budget is legally adopted and amended, as necessary, by the sheriff.

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

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

The Office of the West Feliciana Parish Sheriff does not employ encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the sheriff may deposit with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. All external pool deposits are considered investments.

GASB Statement No. 31 requires the sheriff to report investments at fair value in the balance sheet, except as follows:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors.

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2. The sheriff may report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid investment contracts include U.S. Treasury obligations. Interest-earning investment contracts that include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

In accordance with GASB Statement No. 31, the sheriff reports investments at amortized cost, money market investments and participating interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

L. PREPAID ITEMS

The Sheriff records prepaid assets for any significant expenditure that can be allocable to future periods in both the government-wide and fund financial statements.

J. 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 \$500 or more for capitalizing capital assets. All fixed assets are valued at historical cost.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. 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 following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Vehicles	5 years
Office furniture & equipment	5 - 20 years
Law enforcement weapons & equipment	7 - 10 years

K. COMPENSATED ABSENCES

The sheriff's office has the following policy relating to vacation, K-time, and sick leave:

Annual Leave

One week vacation after one year of service; Two weeks after three years of service.
 Three weeks after eight years of service; Four weeks after twelve years of service.
 Five weeks after eighteen years of service; Six weeks after thirty or more years of service.
 Accumulation of 3 days is allowed to be carried over from date of hire to following year's date of hire and will be paid upon retirement, resignation, or termination.

K-time

Compensatory time may be awarded to employees in lieu of cash payments and is work performed in connection with an emergency declared by the sheriff. K-time may accrue up to a maximum of 240 hours, must be used within one year from the date earned, and is paid upon termination.

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Sick Leave
At the Sheriff's discretion.

The sheriff's recognition and measurement criteria for compensated absences follows GASB Statement No. 16 which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

L. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) imposed by law through constitutional provisions or enabling legislation.

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

N. USE OF ESTIMATES

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

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Property Tax	8.43	8.43	Indefinite
Property Tax	5.77	5.77	December 31, 2005

The following are the principal taxpayers for the parish:

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed	Ad Valorem Tax Revenue for Sheriff
Entergy	Utility	\$223,544,340	76.42%	\$ 3,174,330
Tombac	Paper	22,251,097	7.61%	315,966

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Texas Eastern	Utility	4,130,200	1.41%	58,649
Dixie Electric	Utility	1,693,600	0.58%	24,049
Bell South	Telephone	<u>1,537,400</u>	<u>0.53%</u>	<u>21,831</u>
		\$253,156,637	86.55%	\$ 3,594,825

3. CASH AND CASH EQUIVALENTS

At June 30, 2004, the sheriff has cash and cash equivalents (book balances) totaling \$11,081 as follows:

Demand deposits	\$ 4,080
Interest Bearing Demand Deposits	<u>7,001</u>
Total	<u>\$ 11,081</u>

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.

At June 30, 2004, the sheriff has \$323,771 in deposits (collected bank balances). These deposits are secured from risk by \$245,865 of federal deposit insurance and \$2,346,240 of pledged securities (which also covers the certificate of deposit investments. See note 4) held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

4. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the sheriff or its agent in the sheriff's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the sheriff's name
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the sheriff's name

At fiscal year-end, the sheriff's investment balances were as follows:

Investments held at June 30, 2004, consisted of \$3,720,135 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies) and \$1,512,050 in certificate of deposits at a local bank. LAMP investments at June 30, 2003 totaled \$3,798,469. In accordance with GASB Codification Section 150.165 the investment in LAMP at June 30, 2004, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the state to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. The certificate of deposits are collateralized by the bank for the full amount of \$1,512,050 (see note 3).

Type of Investment	Category <u>3</u>	Carrying Amount		Total Carrying Amount
		Fair Value	Amortized Cost	
Certificate of Deposits	1,512,050	1,512,050	1,512,050	1,512,050
Investments not subject to Categorization: External Investment Pool		3,720,135	0	3,720,135
Total Investments		5,232,185	1,512,050	5,232,185

5. RECEIVABLES

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

	<u>General Fund</u>
Intergovernmental:	
Federal	\$ 24,365
State	83,503
Local	22,852
Accounts	10,956
Accrued Interest Receivable	599
Total Receivables	\$ 142,275

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004 are as follows:

	<u>Furniture & Fixtures</u>	<u>Vehicles</u>	<u>Weapons & Equipment</u>	<u>Land & Buildings</u>	<u>Totals</u>
Cost of capital assets, June 30, 2003	\$ 41,024	\$ 1,295,801	\$ 614,102	\$ 299,213	\$2,250,140
Additions	3,178	206,834	35,809	5,878	251,699
Deletions	0	(119,632)	(0)	(0)	(119,632)
Cost of capital assets, June 30, 2004	<u>44,202</u>	<u>1,383,003</u>	<u>649,911</u>	<u>305,091</u>	<u>2,382,207</u>

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Accumulated depreciation, June 30, 2003	15,845	717,864	266,508	1,226	1,001,443
Additions	7,531	237,439	78,905	2,224	326,099
Deletions	<u>0</u>	<u>(102,342)</u>	<u>0</u>	<u>0</u>	<u>(102,342)</u>
Accumulated depreciation, June 30, 2004	<u>23,376</u>	<u>852,961</u>	<u>345,413</u>	<u>3,450</u>	<u>1,225,200</u>
Capital assets net of accumulated depreciation, at June 30, 2003	<u>\$20,826</u>	<u>\$ 530,042</u>	<u>\$ 304,498</u>	<u>\$ 301,641</u>	<u>\$1,157,002</u>

Construction in progress on the work release center in the amount of \$124,948 has not begun to be depreciated due to non-completion of the asset. Depreciation expense of \$326,099 for the year ended June 30, 2004 was charged to the general fund governmental function.

7. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent for each year if total service is at least 12 but less than 15 years, 2.75 percent for each year if total service is at least 15 but less than 20 years, and 3 percent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by .25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Funding Policy. Plan members are required by state statute to contribute 9.8 percent of their annual covered salary and the West Feliciana Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the West Feliciana Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The West Feliciana Parish Sheriff's contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$231,251, \$190,362, and \$154,426, respectively, equal to the required contributions for each year.

8. OTHER POSTEMPLOYMENT BENEFITS

The West Feliciana Parish Sheriff provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working.

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for the sheriff's office. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the sheriff. The sheriff recognizes the cost of providing these benefits (the sheriff's portion of premiums) as an expenditure when the monthly premiums are due, which was \$19,443 for the year ending June 30, 2004. The sheriff had six retirees receiving benefits as of June 30, 2004.

9. COMPENSATED ABSENCES

At June 30, 2004, employees of the sheriff have accumulated and vested \$253,411 of employee leave benefits, which was computed in accordance with GASB Codification C60. This entire amount is recorded as an obligation of the General Fund.

10. LEASES

The sheriff records assets acquired through capital leases as an asset and an obligation in the accompanying financial statements. The sheriff currently has a capital lease on a copier that includes a purchase option at the end of the lease for \$400. The following is an analysis of capital leases:

Type	Recorded Amount
Equipment	\$ 7,156

Future minimum lease payments under capital leases, together with the present value of net minimum lease payments, as of June 30, 2004, are scheduled as follows:

Fiscal year:	Equipment
2005	1,083
Total minimum lease payments	1,083
Less-amount representing interest	____15
Present value of net minimum lease payments	<u>\$ 1,068</u>

The sheriff also has operating leases for a copier, office and storage space with various local entities. Rent expense was \$27,593 for the year ending June 30, 2004. The minimum annual commitments under non-cancelable operating leases are as follows:

Fiscal year:	Office Facilities
2005	6,372
2006	1,586
2007	0
2008	____0
Totals	<u>\$ 7,958</u>

11. CHANGES IN AGENCY FUND BALANCES

See supplemental information Schedule of Changes in Balance Due to Taxing Bodies and Others.

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12. LONG-TERM OBLIGATIONS

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

	Bonded Debt	Lease Purchase Agreements	Totals
Long-term obligations at July 1, 2003	\$ 0	\$ 3,465	\$ 3,465
Additions	0	0	0
Deletions	<u>0</u>	<u>2,382</u>	<u>2,382</u>
Long-term obligations at June 30, 2004	<u>\$ 0</u>	<u>\$ 1,083</u>	<u>\$ 1,083</u>

13. INTERFUND TRANSFERS

The following interfund transfers were incurred during the year ended June 30, 2004:

Transferring Fund	Capital Project Fund
General Fund	\$ 40,326

Transfers to the capital project fund were for the initial start up expenses incurred for the building of a work release center.

14. LITIGATION, CLAIMS, AND RISK MANAGEMENT

At June 30, 2004, the sheriff is involved in three lawsuits and no unasserted claims. In the opinion of the sheriff's legal counsel, the ultimate resolution of these claims would not materially affect the financial statements. However, the ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result from such claims has been made in the financial statements. The cost of litigation and claims incurred during the current year was \$3,352. The sheriff manages its risk from losses by purchasing commercial insurance coverage. Of the above lawsuits, legal council indicates all are covered by the sheriff's insurance policies with no decrease in coverage amounts from the prior year.

**15. EXPENDITURES OF THE SHERIFF'S OFFICE
PAID BY THE PARISH POLICE JURY**

Certain operating expenditures of the sheriff's office are paid by the parish police jury and are not included in the accompanying financial statements. These expenditures are summarized as follows:

- Description —
1. Maintenance of jail.
 2. Various utilities.

16. ON-BEHALF PAYMENTS

A portion of the salaries of the sheriff's deputies are paid through a supplement from the state. These payments provide the deputies of the sheriff's office with an additional \$300 per month, which is added to their base salary. For the year ended June 30, 2004, \$175,432 was received from the state and is included in revenues under state supplemental pay and in expenses under personal services and related benefits on the combined statement of revenues, expenditures, and changes in fund balance.

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17. INTERGOVERNMENTAL AGREEMENT

The West Feliciana Parish Sheriff's Office entered into an agreement with the Pointe Coupee Parish Sheriff's Office for the use of Pointe Coupee's helicopters, upon request, with sufficient and reasonable notice in order to enhance the delivery of law enforcement protection to the citizens of its parish. Except in emergency situations, the nature of all helicopter missions shall be approved in advance by Pointe Coupee's aviation director, and only for law enforcement activities. The West Feliciana Sheriff is to reimburse Pointe Coupee for additional insurance costs due to adding West Feliciana as an insured, for actual costs of fuel used on West Feliciana flights, and maintenance or damages on one helicopter that it uses as long as the agreement is in force. West Feliciana's pilots, to be approved by Pointe Coupee's Aviation director and insurance carrier, shall be paid by West Feliciana as well as their pension, workers' compensation and related benefits. The agreement is effective November 1, 2000 and remains in effect until terminated by either party by thirty days written notice.

18. FEDERAL FINANCIAL ASSISTANCE

The sheriff participates in the following federal financial assistance programs:

Federal Grants/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Expenditures
United States Department of Justice			
Direct Grant:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 3,493
Passed through the Louisiana Commission on Law Enforcement:			
Byrne Formula Grant Program- Integrated Criminal Apprehension	16.579	B02-5-021	5,843
	16.579	B03-5-012	9,834
Violence Against Women Formula Grant- Combination Investigation	16.588	M02-5-004	7,551
Local Law Enforcement Block Grant Program- Law Enforcement Equipment	16.592	Z03-5-016	2,569
Juvenile Accountability Incentive Block Grants- Probation Program to Reduce Recidivism	16.523	A01-8-037	17,707
	16.523	A02-8-037	37,466
Passed through La. Dept of Public Safety & Corrections:			
Violent Offender Incarceration & Truth in Sentencing Incentive Grant (VOITIS)- Work Release Facility	16.586	N/A	<u>105,230</u>
Total United States Department of Justice			\$189,693

WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
Notes to the Financial Statements

United States Department of Homeland Security

Passed through La. Military Department- Office of
Homeland Security & Emergency Preparedness:

State Homeland Security Grant Program- Part II (Critical Infrastructure)	97,067	ODP-FY03 SUPP	58,830
Total other			<u>58,830</u>
Total Program Expenditures			<u>\$248,523</u>

19. CONSTRUCTION COMMITMENTS

The Sheriff plans to build an 88 bed minimum security work release center. This center is estimated to cost \$1.6 million and is to be financed by a \$500,000 federal grant and a 30 year USDA rural development loan. Plans and specifications as well as the environmental assessment report are complete with the loan application pending before moving forward on the project.

REQUIRED SUPPLEMENTARY INFORMATION

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2004**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Ad valorem taxes	\$ 4,000,000	\$ 3,868,712	\$ 3,870,889	\$ 2,177
Intergovernmental revenues:				
Federal grants	62,000	222,080	143,293	(78,787)
State grants:				
State revenue sharing	110,000	112,000	112,043	43
State supplemental pay	155,000	163,000	175,432	12,432
Miscellaneous	400,000	134,877	172,863	37,986
Local	230,000	279,000	292,572	13,572
Fees, charges, and commissions for services:				
Commissions on licenses, etc.	30,000	32,000	39,111	7,111
Civil and criminal fees	20,000	33,000	41,170	8,170
Court attendance	2,000	2,000	2,600	600
Feeding, transporting, and keeping prisoners	121,000	217,000	232,963	15,963
Other	15,000	20,000	22,904	2,904
Fines and forfeitures	0	0	16,383	16,383
Interest	50,000	50,000	57,914	7,914
Miscellaneous	128,700	161,175	191,170	39,995
Total revenues	5,323,700	5,284,844	5,371,308	86,464
EXPENDITURES				
Public safety:				
Personal services and related benefits	3,804,250	3,777,700	3,899,246	78,454
Operating services	997,100	1,330,977	1,216,702	114,275
Material and supplies	227,500	217,700	210,198	7,502
Travel and other charges	35,000	52,000	51,523	477
Capital outlay	117,850	253,000	251,899	1,301
Miscellaneous	402,000	5,000	15,452	(10,452)
Total expenditures	5,323,700	5,838,377	5,444,820	191,557
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (351,533)	\$ (73,513)	\$ 278,020

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2004**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (351,533)	\$ (73,513)	\$ 278,020
OTHER FINANCING SOURCES (Uses)				
Operating transfers out	<u>0</u>	<u>(40,000)</u>	<u>(40,328)</u>	<u>(328)</u>
Total other financing sources (uses)	<u>0</u>	<u>(40,000)</u>	<u>(40,328)</u>	<u>(328)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	0	(391,533)	(113,838)	277,695
FUND BALANCE AT BEGINNING OF YEAR	<u>4,953,584</u>	<u>5,341,776</u>	<u>5,341,776</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,953,584</u>	<u>\$ 4,950,243</u>	<u>\$ 5,227,938</u>	<u>\$ 277,695</u>

SUPPLEMENTAL INFORMATION SCHEDULES

WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 2004

CAPITAL PROJECT FUND

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

WORK RELEASE CENTER

To account for the acquisition and construction of an 88 bed minimum security work release center. Expenditures are to be funded through a \$500,000 federal grant, 30 year USDA Rural development loan, and excess operating funds.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
CAPITAL PROJECT FUNDS**

**Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004**

	WORK RELEASE CENTER FUND
REVENUES	
Intergovernmental revenue:	
Federal grant	\$ 105,230
Interest earnings	<u>0</u>
Total revenues	<u>105,230</u>
 EXPENDITURES	
General administration	303
Loan issuance costs	1,225
Facilities acquisition and construction	15,000
Capital outlay	<u>124,947</u>
Total expenditures	<u>141,475</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>(36,245)</u>
 OTHER FINANCING SOURCES (Uses)	
Bond Proceeds	0
Operating transfers in	40,326
Operating transfers out	<u>0</u>
Total other financing sources (uses)	<u>40,326</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 <u>4,081</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>0</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 4,081</u>

WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 2004

FIDUCIARY FUND TYPE - AGENCY FUNDS

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 cash bonds, fines and costs, bail bonds, parish licenses, forfeitures, with 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 is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

FINE ACCOUNT

The fine account is used to deposit funds held for judicial penalties as imposed by judges. After the full penalty is collected for each case, the funds are distributed to the tax collector fund for distribution.

CANTEEN FUND

Vending machines of cokes, candy, and cigarettes in jail for use by prisoners, create a profit from sales and commissions. These funds are used to benefit various recreation needs of prisoners.

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
FIDUCIARY FUNDS - AGENCY FUNDS**

Combined Balance Sheet, June 30, 2004

	<u>SHERIFF'S FUND</u>	<u>TAX COLLECTOR FUND</u>	<u>FINES FUND</u>	<u>CANTEEN FUND</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 31,885	\$ 1,738	\$ 71,465	\$ 10,878	\$ 115,967
TOTAL ASSETS	\$ 31,885	\$ 1,738	\$ 71,465	\$ 10,878	\$ 115,967
LIABILITIES					
Due to taxing bodies and others	31,885	1,738	71,465	10,878	115,967
TOTAL LIABILITIES	\$ 31,885	\$ 1,738	\$ 71,465	\$ 10,878	\$ 115,967

**WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
FIDUCIARY FUNDS - AGENCY FUNDS**

**Schedule of Changes in Balance Due
to Taxing Bodies and Others
For the Year Ended June 30, 2004**

	SHERIFF'S FUND	TAX COLLECTOR FUND	FINES FUND	CANTEEN FUND	TOTAL
BALANCES AT BEGINNING OF YEAR	\$ 99,957	\$ 2,263	\$ 77,045	\$ 9,060	\$ 188,325
ADDITIONS					
Deposits:					
Sheriff's Sales	\$ 290,914				\$ 290,914
Cash bonds	5,780				5,780
Fines and Costs			4,740		4,740
Garnishments	97,400				97,400
Bail bonds	23,941				23,941
Parish licenses	70,112				70,112
Forfeitures & fines	132,183				132,183
Other deposits	0			76,589	76,589
Taxes, fees, etc., paid to tax collector		19,807,231			19,807,231
Interest	653	963	725	0	2,351
Total additions	\$ 620,993	\$ 19,808,194	\$ 5,465	\$ 76,589	\$ 20,511,242
Total	\$ 720,950	\$ 19,810,457	\$ 62,510	\$ 85,649	\$ 20,699,567
REDUCTIONS					
Taxes, fees, etc., distributed to taxing bodies and others		19,808,719			19,808,719
Deposits settled to:					
Sheriff's General Fund	67,590		0		67,590
Police jury	112,889				112,889
District attorney	28,661				28,661
Indigent defender board	28,524				28,524
Criminal court fund	47,690				47,690
Clerk of court	31,948				31,948
Litigants	24,550				24,550
Attorneys, appraisers, etc.	179,004				179,004
Other settlements	170,229		11,045		181,274
Other reductions:					
Purchases - merchandise				74,771	74,771
Total reductions	\$ 689,065	\$ 19,808,719	\$ 11,045	\$ 74,771	\$ 20,583,600
BALANCES AT END OF YEAR	\$ 31,885	\$ 1,738	\$ 71,465	\$ 10,878	\$ 115,967

MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

YAN P. MAJOR, CPA, PC
JOHN L. MORRISON, III, CPA, PC
MARK A. DAVID, CPA, PC

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable J. Austin Daniel
West Feliciana Parish Sheriff
P O Drawer 1844
St. Francisville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Feliciana Parish Sheriff, as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated September 27, 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

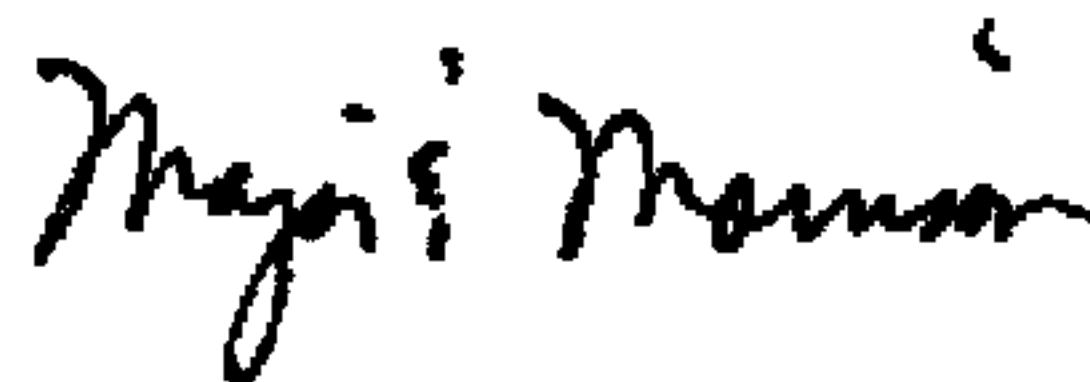
In planning and performing our audit, we considered the West Feliciana Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Feliciana 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the West Feliciana Parish Sheriff, management, and the legislative auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major & Morrison
New Roads, Louisiana
September 27, 2004



WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana
Schedule of Findings and Questioned Costs
For the 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 weakness (es) identified?	__yes <u>X</u> no
Reportable condition(s) identified not considered to be material weaknesses?	__yes <u>X</u> none reported
Noncompliance material to financial statements noted?	__yes <u>X</u> no

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Section I – Internal Control and Compliance Material to the Financial Statements:

There were no prior year audit findings.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter

No management letter was issued.

WEST FELICIANA PARISH SHERIFF
St. Francisville, Louisiana

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended June 30, 2004

Section I – Internal Control and Compliance Material to the Financial Statements:

There were no current year audit findings.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter

No management letter was issued.