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VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2005

WITH SUPPLEMENTAL INFORMATION SCHEDULES

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

Release Date 11/30/05

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2005
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2005
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INDEPENDENT AUDITOR'S REPORT

The Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Sheriff, as of June 30, 2005, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Vernon Parish Sheriff's 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 Vernon Parish Sheriff, as of June 30, 2005, and the respective changes in its 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 November 8, 2005, on our consideration of the internal control over financial reporting of the Vernon 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 3 - 6 and 25 - 27, 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 made for the purpose of forming an opinion on the financial statements that collectively comprise the Vernon Parish Sheriff's basic financial statements. The accompanying financial information listed as "Supplemental Information" in the table of contents 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.

Marcus, Robinson & Hassell

MARCUS, ROBINSON AND HASSELL

Monroe, Louisiana

November 8, 2005

REQUIRED SUPPLEMENTARY INFORMATION
PART I

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative discussion and analysis of the financial statements of the Vernon Parish Sheriff as of and for the fiscal year ending June 30, 2005 is submitted by the Chief Fiscal Officer of the Vernon Parish Sheriff's Department, and is intended to be used to enhance the readers understanding of the basic financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- Assets of the Sheriff's office exceeded its liabilities by \$1,362,218.
- Total expenditures exceeded total revenues by \$126,435.
- A 1/2% sales tax (perpetual in duration of tax) was passed by the voters of Vernon Parish in April 2004. Total sales tax revenue was \$2,375,767.
- Personnel and related benefit costs comprise 67% of total expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an overview of the Sheriff's basic financial statements. The Statement of Net Assets and the Statement of Activities (Governmental-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund tells how these services were financed in the short term as well as what remains for future spending. This report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditor's Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditor's Report should be used to judge the level of assurances provided for each portion in the Financial Section.

Government - Wide Financial Statements. These financial statements are used to present a general over all look at the finances of the Vernon Parish Sheriff's Department similar to a private sector business.

Statement of Net Assets. By determining the difference between the assets and liabilities of the Vernon Parish Sheriff, "Net Assets" is determined. By comparing Statements of Net Assets over a period of time, the overall financial trend of the sheriff can be monitored.

Statement of Activities. This statement shows changes in the sheriff's net assets during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net assets as soon as the event affecting net assets occurs.

Fund Financial Statements - To comply with finance related legal requirements, the Vernon Parish Sheriff groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government Funds - information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds - these funds are used to manage monies and resources held by the sheriff on behalf of others, such as inmate trust deposits, taxes, fines and bonds. Since these resources do not belong to the sheriff and are not available to support the operations of the sheriff, they are not reflected in the government-wide financial statements.

Notes to the Financial Statements - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

Other Information - this report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Vernon Parish Sheriff's Department.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's net assets as of June 30, 2005 was \$1,362,218, a decrease of \$126,435 from the previous year.

	Net Assets	
	<u>6/30/05</u>	<u>6/30/04</u>
Assets		
Current & Other Assets	\$ 652,433	\$ 662,941
Capital Assets, Net	<u>1,978,879</u>	<u>1,894,129</u>
Total Assets	2,631,312	2,557,070
Liabilities		
Accounts Payable and Other Current Liabilities	248,845	116,083
Deferred Comp. Payable	47,472	29,247
Long-Term, Liabilities	<u>972,777</u>	<u>923,087</u>
Total Liabilities	<u>1,269,094</u>	<u>1,068,417</u>
Net Assets	<u>\$1,362,218</u>	<u>\$1,488,653</u>

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital assets represents 75% of total assets. Allowance has been taken for outstanding debt incurred for the purchase of fixed assets.

Summary of Changes in Net Assets

	<u>6/30/05</u>	<u>6/30/04</u>
Program Revenues		
Fees, Charges and Commission	\$3,233,378	\$3,589,244
Operating Grants and Contributions	<u>200,364</u>	<u>136,394</u>
Total Program Revenues	3,433,742	3,725,638
General Revenues		
Ad Valorem Taxes	1,560,369	1,458,065
Sales Taxes	2,375,767	409,559
Other General Revenues	<u>595,549</u>	<u>728,900</u>
Total General Revenues	<u>4,531,685</u>	<u>2,596,524</u>
Total Revenues	7,965,427	6,322,162
General Government Expenses	<u>8,091,862</u>	<u>6,541,517</u>
Change in net Assets	<u>\$(126,435)</u>	<u>\$(219,355)</u>

FINANCIAL ANALYSIS OF SHERIFF FUND

Fund accounting is used by the Vernon Parish Sheriff to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Vernon Parish Sheriff's combined governmental fund balances as of June 30, 2005 is \$410,837. The June 30, 2004 combined governmental fund balances was \$550,359. This is an decrease of \$139,522. Of the June 30, 2005 balances, \$406,628 is unreserved and undesignated.

Budgetary Highlights

Revenues and expenditures in the final amended budget exceeded projections in the original budget. The largest revenue increase was an increase in budgeted sales tax of \$345,800. The largest expenditure increase was salaries and related benefits of \$388,800 and debt service of \$448,400.

Capital outlay actual expenditures exceeded the final amended budget by \$204,731.

Capital Asset and Debt Administration

Capital Assets: The Vernon Parish Sheriff investment in capital assets for its governmental activities as of June 30, 2005 amounts to \$1,978,879 (net of accumulated depreciation). Fixed assets increased by \$251,231 for the year are the result of automobile purchases.

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes capital assets:	<u>6/30/05</u>	<u>6/30/04</u>
Capital Assets:		
Vehicles	\$ 567,898	\$ 848,485
Furniture and Equipment	217,239	254,043
Buildings	2,280,163	2,380,163
Land	<u>129,390</u>	<u>129,390</u>
	3,194,690	3,612,081
Accumulated Depreciation	<u>1,215,811</u>	<u>1,717,952</u>
Capital Assets, net	<u>\$1,978,879</u>	<u>\$1,894,129</u>

Long-term Debt: Total outstanding long-term debt for the Vernon Parish Sheriff as of June 30, 2005 is \$972,777. Of this amount, \$967,560 will be paid in full during fiscal year 2005. Outstanding debt was increased by \$49,690 during fiscal year 2004 and the remaining balance will be paid according to the debt agreements.

The following summarizes long-term obligations:

	<u>6/30/05</u>	<u>6/30/04</u>
Tax Anticipation Loans	\$900,000	\$900,000
Capital Lease Payable	6,448	17,072
Vehicle Installment Loans	<u>66,329</u>	<u>6,015</u>
	<u>\$972,777</u>	<u>\$923,087</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Vernon Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental Revenues
- 3) Fees, Charges, and Commissions for Services

The Vernon Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

Request for Information

This report may be used by all persons with an interest in the financial status of the Vernon Parish Sheriff. It is designed to help the reader gain a general over-all view of the sheriff's finances. Any question or request for additional information should be addressed to the Vernon Parish Sheriff, P.O. Box 649, Leesville, La 71496-0649.


November 8, 2005

BASIC FINANCIAL STATEMENTS

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005

Statement A

ASSETS

Cash and Cash Equivalents	202,015
Receivables	446,209
Inventory	4,209
Capital Assets (net of accumulated depreciation)	<u>1,978,879</u>

TOTAL ASSETS

2,631,312

LIABILITIES

Accounts Payable	241,596
Deferred Comp Payable	47,472
Accrued Interest Payable	7,249
Long-Term Liabilities	
Due Within One Year	967,560
Due in More Than One Year	<u>5,217</u>

TOTAL LIABILITIES

1,269,094

NET ASSETS

Invested in Capital Assets, net of related debt	1,906,102
Reserved for Inventory	4,209
Unrestricted	<u>(548,093)</u>

TOTAL NET ASSETS

1,362,218

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Statement B

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
<u>Functions/Programs:</u>		<u>Grants</u>	<u>Grants</u>	<u>Changes in</u>
<u>Judicial</u>				<u>Net Assets</u>
Personal Services	5,422,198	138,249	0	(5,283,949)
Operating Services	1,059,528	0	0	(1,059,528)
Materials and Supplies	875,576	62,115	0	(813,461)
Travel and Other Charges	510,807	0	0	(510,807)
Debt Service-Interest	57,272	0	0	(57,272)
Depreciation	<u>166,481</u>	<u>0</u>	<u>0</u>	<u>(166,481)</u>
<u>TOTAL PROGRAM EXPENSES</u>	<u>8,091,862</u>	<u>200,364</u>	<u>0</u>	<u>(7,891,498)</u>
 <u>Program Revenues</u>				
Commission on License				35,642
Fines & Costs				320,229
Civil & Criminal Fees				190,090
Housing Prisoners				2,262,728
Other				<u>424,689</u>
<u>TOTAL PROGRAM REVENUES</u>				<u>3,233,378</u>
 <u>NET PROGRAM EXPENSES</u>				 <u>(4,658,120)</u>
 <u>General Revenues</u>				
Taxes - Ad Valorem				1,560,369
Taxes - Sales Tax				2,375,767
Grants & contributions not restricted to specific programs				
State revenue sharing				236,064
Other				354,166
Interest Earned				<u>5,319</u>
<u>TOTAL GENERAL REVENUES</u>				<u>4,531,685</u>
 <u>Change in Net Assets</u>				 (126,435)
 <u>Net Assets at Beginning of Year</u>				 <u>1,488,653</u>
 <u>Net Assets at End of Year</u>				 <u>1,362,218</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2005

Statement C

	<u>General Fund</u>	<u>Non-Major Inmate Commissary Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	177,939	24,076	202,015
Receivables	446,209	0	446,209
Inventory	<u>0</u>	<u>4,209</u>	<u>4,209</u>
 <u>TOTAL ASSETS</u>	 <u>624,148</u>	 <u>28,285</u>	 <u>652,433</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts Payable	<u>241,596</u>	<u>0</u>	<u>241,596</u>
 <u>TOTAL LIABILITIES</u>	 <u>241,596</u>	 <u>0</u>	 <u>241,596</u>
Fund Equity:			
Unreserved - Undesignated	382,552	24,076	406,628
Reserved for Inventory	<u>0</u>	<u>4,209</u>	<u>4,209</u>
 <u>TOTAL FUND EQUITY</u>	 <u>382,552</u>	 <u>28,285</u>	 <u>410,837</u>
 <u>TOTAL LIABILITIES AND FUND EQUITY</u>	 <u>624,148</u>	 <u>28,285</u>	 <u>652,433</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005

Statement D

Total Fund Balances at June 30, 2005 - Governmental Funds (Statement C)		410,837
Cost of Capital Assets at June 30, 2005	3,194,690	
Less: Accumulated Depreciation at June 30, 2005	<u>(1,215,811)</u>	1,978,879
Long-Term Liabilities at June 30, 2005		
Deferred Comp Payable	47,472	
Accrued Interest Payable	7,249	
Budgetary Loans Payable	900,000	
Lease Payable	6,448	
Installment Loan Payable	<u>66,329</u>	<u>(1,027,498)</u>
Net Assets at June 30, 2005 (Statement A)		<u>1,362,218</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

Statement E

	<u>General Fund</u>	<u>Non-Major Inmate Commissary Funds</u>	<u>Total</u>
<u>REVENUES</u>			
Ad Valorem Taxes	1,560,369	0	1,560,369
Sales Taxes	2,375,767	0	2,375,767
Intergovernmental Revenues:			
Federal Grants	139,711	0	139,711
Local Grants	45,307	0	45,307
State Grants	369,512	0	369,512
State Revenue Sharing	236,064	0	236,064
Fees, Charges & Services:			
Licenses	35,642	0	35,642
Fines & Cost	320,229	0	320,229
Civil	190,090	0	190,090
Housing Prisoners	2,262,728	0	2,262,728
Use of Money - Interest Earnings	5,319	0	5,319
Other	<u>195,012</u>	<u>229,677</u>	<u>424,689</u>
<u>TOTAL REVENUES</u>	<u>7,735,750</u>	<u>229,677</u>	<u>7,965,427</u>
<u>EXPENDITURES</u>			
Public Safety:			
Personal Services and Related Benefits	5,403,973	0	5,403,973
Operating Services	1,059,528	0	1,059,528
Materials and Supplies	875,576	0	875,576
Travel and Other Charges	260,961	249,846	510,807
Debt Service:			
Principal	1,570,473	0	1,570,473
Interest and Bank Charges	53,524	0	53,524
Capital Outlay	<u>251,231</u>	<u>0</u>	<u>251,231</u>
<u>TOTAL EXPENDITURES</u>	<u>9,475,266</u>	<u>249,846</u>	<u>9,725,112</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES</u>	(1,739,516)	(20,169)	(1,759,685)
<u>OTHER FINANCING SOURCES</u>			
Proceeds from Bank Loan	<u>1,620,163</u>	<u>0</u>	<u>1,620,163</u>
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>1,620,163</u>	<u>0</u>	<u>1,620,163</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES</u>			
<u>OVER EXPENDITURES</u>	(119,353)	(20,169)	(139,522)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>501,905</u>	<u>48,454</u>	<u>550,359</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>382,552</u>	<u>28,285</u>	<u>410,837</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Statement F

Total Net Change in Fund Balances (Statement E) \$(139,522)

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

Capital outlays are reported in government funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the periods.

Capital Outlays reported in the Funds	251,231	
Less: Depreciation reported in Statement of Activities	<u>(166,481)</u>	84,750

Interest on long-term debt in Statement A differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Beginning Accrued Interest	3,501	
Ending Accrued Interest	<u>7,249</u>	(3,748)

Additional loan proceeds is another financing source in the governmental funds, but the loans increase long-term liabilities in the Statement of Net Assets. (1,620,163)

Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,570,473

In the Statement of Activities, certain operating expenses - Comp Time - are measured by the amounts earning during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid). (18,225)

Change in Net Assets of Governmental Activities (Statement B) \$(126,435)

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - FIDUCIARY FUNDS
JUNE 30, 2005

Statement G

	<u>Sheriff's Fund</u>	<u>Inmate Trust Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>390,857</u>	<u>65,594</u>	<u>453,203</u>	<u>909,654</u>
<u>LIABILITIES</u>				
Due to Taxing Bodies and Others	<u>390,857</u>	<u>65,594</u>	<u>453,203</u>	<u>909,654</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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 establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within Vernon and surrounding parishes.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Vernon 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 No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

GASB Statement 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 Vernon 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 described 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, 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 Vernon Parish Sheriff.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIC FINANCIAL STATEMENTS - GOVERNMENT - WIDE 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.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary of Assets and Liabilities - Fiduciary Funds at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. 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.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into two categories; governmental and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Government Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Fund - The Inmate Commissary Fund is used to account for the proceeds of specific revenue sources such as sales to inmates. Those revenues are restricted to expenditures for specified purposes.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements were prepared using 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 nonchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Governmental funds 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 (Statement C). The Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the agency fund 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 Vernon Parish Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Those revenues susceptible to accrual include ad valorem taxes, state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues other than interest revenue are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

F. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Vernon Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the Sheriff.

All Budget appropriations lapse at year end.

Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments.

G. SALES TAX

The voters of Vernon Parish approved a one-half percent (½%) sales tax effective April 1, 2004, dedicated for the purpose of providing additional funding for the law enforcement district. The tax is perpetual. The Vernon Parish School Board collects the tax and remits to the Sheriff. For this service the Sheriff pays a pro-rate share of administrative expense of the tax collection.

H. ENCUMBRANCES

Encumbrance accounting is not used in the sheriff's operations.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must 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. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

J. INVENTORY

Inventory at June 30, 2005, consists of commissary items purchased during preceding months. Inventory items are valued at unit prices established by purchase prices paid for purchased items. Amounts are recorded as expenditures under the consumption method using the First-In, First-Out (FIFO) cost flow assumption.

K. 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 \$5,000 or more for capitalizing capital assets.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, 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>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

L. RISK MANAGEMENT

The sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Vernon Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

M. COMPENSATED ABSENCES

Full-time deputies of the sheriff's office, depending on length of service, earn from 5 to 20 days of vacation and sick leave each year. Vacation leave must be taken in the year earned. Accumulated sick leave is not paid upon termination of employment. At June 30, 2005, there are no accumulated and vested benefits relating to vacation and sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

Comp. time is earned for overtime hours worked. The comp time is calculated based on 1 ½ time of hourly rate (including supplemental pay). Comp time is taken by time off, however, comp time earned and accrued is paid upon termination of the employee. Comp time earned in excess of 480 hours must be paid to the employee.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

The comp time is measured by any amounts actually paid in the government funds.

The comp time is measured when actually earned in the government-wide statements and comp time earned and not paid is recorded as a liability.

Comp time earned and accrued at June 30, 2005 totaled \$47,472.

N. BAD DEBTS

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectable and no allowance for bad debts is necessary.

O. ESTIMATES

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

NOTE 2 - LEVIED TAXES

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u> <u>Expiration</u>	<u>Levied</u> <u>Millage</u>	<u>Millage</u>
Law Enforcement District	Indefinite	10.94	10.94
Law Enforcement District	2010	7.00	7.00

NOTE 3 - CASH AND CASH EQUIVALENTS

For the purpose of these financial statements, the sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2005 the sheriff has cash and cash equivalents (book balances) totaling \$1,111,669 as follows:

	<u>Statement of</u> <u>Net Assets</u>	<u>Statement of</u> <u>Fiduciary Net Assets</u>	<u>Total</u>
Petty Cash	2,400	0	2,400
Demand Deposits	199,615	909,654	1,109,269
<u>TOTAL</u>	<u>202,015</u>	<u>909,654</u>	<u>1,111,669</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 3 - CASH AND CASH EQUIVALENTS- CONTINUED

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

At June 30, 2005, the sheriff has \$1,389,150 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$1,189,150 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 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.

NOTE 4 - RECEIVABLES

The receivables at June 30, 2005, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Sales Tax	233,790	0	233,790
License	2,552	0	2,552
Fees, Charges, and Commissions for Services	21,509	0	21,509
Civil and Criminal Fees	12,395	0	12,395
Feeding and Keeping of Prisoners	173,953	0	173,953
Other	2,010	0	2,010
TOTAL	<u>446,209</u>	<u>0</u>	<u>446,209</u>

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2005 follows:

<u>Capital Assets</u>	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
Vehicles	848,485	251,231	531,818	567,898
Furniture & Equipment	254,043	0	36,804	217,239
Buildings	2,380,163	0	100,000	2,280,163
Land	129,390	0	0	129,390
	<u>3,612,081</u>	<u>251,231</u>	<u>668,622</u>	<u>3,194,690</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 5 - CAPITAL ASSETS - CONTINUED

	Balance June 30, <u>2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2005</u>
<u>Accumulated Depreciation</u>				
Vehicles	768,648	92,350	531,818	329,180
Furniture & Equipment	182,792	13,539	36,804	159,527
Buildings	<u>766,512</u>	<u>60,592</u>	<u>100,000</u>	<u>727,104</u>
	<u>1,717,952</u>	<u>166,481</u>	<u>668,622</u>	<u>1,215,811</u>
<u>Net Capital Assets</u>	<u>1,894,129</u>	<u>84,750</u>	<u>0</u>	<u>1,978,879</u>

NOTE 6 - PENSION PLAN

Substantially all employees of the Vernon Parish Sheriff's office are members of the Louisiana Sheriffs Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least 400 per month, and who were 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 and receive a benefit, payable monthly for life, equal to percentage of their final-average salary for each year of credited service. 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 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 Sheriffs' Pension and Relief Fund, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10 percent of their annual covered salary (9.8 percent prior to October 1) and the Vernon Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.75 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 Vernon 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 Vernon Parish Sheriff's contributions to the System for the years ended June 30, 2005, 2004, and 2003 were \$381,759, \$261,544, and \$194,844, respectively, equal to the required contributions for each year.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 7 - POSTEMPLOYMENT BENEFITS

As required by Louisiana Revised Statutes, the Sheriff provides certain continuing health care and life insurance benefits for certain retired employees through the Sheriff's group insurance plan. Retired employees are eligible for these benefits if they reach required years of service and age 55. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as expenditures when the monthly premiums are due. The cost of retiree benefits totaled \$68,110 for the year ended June 30, 2005.

NOTE 8 - CHANGES IN AGENCY FUNDS

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

	Balance <u>June 30, 2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2005</u>
Agency Funds:				
Sheriff's	314,266	2,651,148	2,574,557	390,857
Tax Collector	496,186	11,134,808	11,177,791	453,203
Inmate Trust	<u>46,821</u>	<u>500,166</u>	<u>481,393</u>	<u>65,594</u>
TOTAL	<u>857,273</u>	<u>14,286,122</u>	<u>14,233,741</u>	<u>909,654</u>

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2005:

	Bank Budgetary <u>Loans</u>	Installment <u>Loans</u>	<u>Total</u>
Long-term Obligations at July 1, 2004	900,000	23,087	923,087
Additions	1,500,000	120,163	1,620,163
Deductions	<u>1,500,000</u>	<u>70,473</u>	<u>1,570,473</u>
Long-term Obligations at June 30, 2005	<u>900,000</u>	<u>72,777</u>	<u>972,777</u>

The \$900,000 tax anticipation bank loan is summarized as follows:

Loan dated 5-12-05, due 3-01-06 plus interest at 6%, collateralized by all bank deposits owned or acquired.	<u>900,000</u>
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The following summarizes lease commitments at June 30, 2005:

<u>Present Value of Lease Payments</u>	<u>Interest</u>	<u>Total Minimum Lease Payments</u>
<u>6,448</u>	<u>113</u>	<u>6,561</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS - Continued

Future minimum capital lease payments are as follows:

Year Ended June 30, 2006	6,561
Less Interest	(113)
Present Value	<u>6,448</u>

Installment Loan Summary:

Financed six vehicles	120,163
Collateralized by vehicles due in monthly installments of \$5,229.18 which includes interest at 4.25%.	
Current Payments	<u>53,834</u>
Payments Due Year Ended June 30, 2005	<u>66,329</u>

NOTE 10 - TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due, with interest at the rate of 2 percent per annum from the date the funds were received by the tax collector. The following is a summary of changes in the taxes paid under protest as recorded in the Tax Collector Agency Fund:

Balance, June 30, 2004	353,815
Additions:	
Taxes	78,721
Interest	1,946
Settlements to Taxing Bodies and Others	<u>0</u>
Balance, June 30, 2005	<u>434,482</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE

The sheriff participated in the following federal assistance programs during the year ended June 30, 2005.

Federal Grantor/ Pass-Through Grantor/ <u>Program Name</u>	<u>CFDA Number</u>	<u>Pass Through Grant Number</u>	<u>Expenditures</u>
<u>United States Department of Justice</u>			
Passed through Louisiana Division of Administration through Louisiana Commission on Law Enforcement and Administration of Criminal Justice - Narcotics			
Drug Task Force	16.579	00-3-0-15	40,058
Block Grant	16.592	N/A	73,155
DARE Grant	16.579	E02-3-006	10,994
Violence Against Women	16.588	M01-3-003	13,622
Community Oriented Policing Service	16.579	97UMWX058	<u>1,882</u>
			<u>139,711</u>

NOTE 12 - ON - BEHALF PAYMENTS

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Vernon Parish Police Jury.

NOTE 13 - LITIGATION AND CLAIMS

At June 30, 2005, the sheriff is involved in several lawsuits seeking damages. Legal council anticipates an approximate 70% or better chance of a favorable outcome in all but one suit however, an unfavorable outcome of all lawsuits could approximate a liability in the range of \$380,000 - \$790,000. Legal council anticipates an approximate 90% or better chance of an unfavorable outcome in one suit. An adverse judgment would approximate a liability in the range of \$10,000 - \$20,000. Liability insurance coverage carried by the sheriff totals \$1,900,000 in the aggregate.

REQUIRED SUPPLEMENTAL INFORMATION
PART II

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

Schedule 1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes - Ad Valorem	1,503,900	1,620,100	1,560,369	(59,731)
Taxes - Sales	2,040,000	2,385,800	2,375,767	(10,033)
Intergovernmental Revenues:				
Federal Grants	84,300	85,500	139,711	54,211
Local Grants	19,300	18,100	45,307	27,207
State Grants	328,200	365,900	369,512	3,612
State Revenue Sharing	235,000	236,100	236,064	(36)
Fees, Charges & Services				
Licenses	35,000	35,500	35,642	142
Fines & Costs	339,400	317,000	320,229	3,229
Civil	203,000	181,800	190,090	8,290
Housing Prisoners	2,484,900	2,255,600	2,262,728	7,128
Use of Money - Interest Earnings	4,000	3,900	5,319	1,419
Other	<u>192,000</u>	<u>270,700</u>	<u>195,012</u>	<u>(75,688)</u>
<u>TOTAL REVENUES</u>	<u>7,469,000</u>	<u>7,776,000</u>	<u>7,735,750</u>	<u>(40,250)</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

Schedule 1 Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>EXPENDITURES</u>				
Public Safety				
Personal Services & Related Benefits	4,994,300	5,383,100	5,403,973	(20,873)
Operating Services	716,900	969,700	1,059,528	(89,828)
Materials and Supplies	710,800	875,600	875,576	24
Travel and Other Charges	78,100	326,500	260,961	65,539
Debt Service				
Principal & Interest	1,208,000	1,656,400	1,623,997	32,403
Capital Outlay	20,000	46,500	251,231	(204,731)
<u>TOTAL EXPENDITURES</u>	<u>7,728,100</u>	<u>9,257,800</u>	<u>9,475,266</u>	<u>(217,466)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(259,100)</u>	<u>(1,481,800)</u>	<u>(1,739,516)</u>	<u>(257,716)</u>
<u>OTHER FINANCING SOURCES</u>				
Proceeds from Bank Loans	<u>300,000</u>	<u>1,500,000</u>	<u>1,620,163</u>	<u>120,163</u>
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>300,000</u>	<u>1,500,000</u>	<u>1,620,163</u>	<u>120,163</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</u>	40,900	18,200	(119,353)	(137,553)
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>501,905</u>	<u>501,905</u>	<u>501,905</u>	<u>0</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>542,805</u>	<u>520,105</u>	<u>382,552</u>	<u>(137,553)</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTE TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005

Schedule 2

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Vernon Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

OTHER SUPPLEMENTARY INFORMATION

PART III

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2005

FIDUCIARY FUND TYPE - AGENCY FUNDS

Sheriff's Fund - accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collection of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws. The Sheriff's Fund is comprised of the Civil, Bond, Fines and Costs Funds, and the Probation Fund of the sheriff.

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

Inmate Fund - accounts for money deposited by various prison inmates while incarcerated by the sheriff. Withdrawals are made for purchased by the inmates. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
FIDUCIARY FUND TYPES - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2005

Schedule 3

	<u>Sheriff's</u> <u>Fund</u>	<u>Inmate</u> <u>Trust</u> <u>Fund</u>	<u>Tax</u> <u>Collector</u> <u>Fund</u>	<u>Total</u>
<u>BALANCES AT BEGINNING OF YEAR</u>	314,266	46,821	496,186	857,273
<u>ADDITIONS</u>				
Deposits:				
Bonds	86,176	0	0	86,176
Fines and Costs	1,933,120	0	0	1,933,120
Advance Deposits (Suits)	628,857	0	0	628,857
Taxes, Fees, Etc., Paid to				
Tax Collector	0	0	11,121,553	11,121,553
Interest Earned	2,140	0	13,255	15,395
Other Deposits	855	0	0	855
Inmate Deposits	<u>0</u>	<u>500,166</u>	<u>0</u>	<u>500,166</u>
<u>TOTAL ADDITIONS</u>	<u>2,651,148</u>	<u>500,166</u>	<u>11,134,808</u>	<u>14,286,122</u>
<u>TOTAL AVAILABLE</u>	<u>2,965,414</u>	<u>546,987</u>	<u>11,630,994</u>	<u>15,143,395</u>
<u>REDUCTIONS</u>				
Taxes, Fees, Etc., Distributed to Taxing Bodies and others	0	0	11,177,791	11,177,791
Deposits Settled to:				
Sheriff's General Fund	453,152	246,799	0	699,951
Police Jury	581,847	0	0	581,847
District Attorney	239,394	0	0	239,394
Clerk of Court	87,220	0	0	87,220
Indigent Defender Board	255,193	0	0	255,193
Attorneys, Appraisers, Etc.	6,250	0	0	6,250
Other Settlements	951,501	0	0	951,501
Withdrawals by/for Inmates	<u>0</u>	<u>234,594</u>	<u>0</u>	<u>234,594</u>
<u>TOTAL REDUCTIONS</u>	<u>2,574,557</u>	<u>481,393</u>	<u>11,177,791</u>	<u>14,233,741</u>
<u>BALANCES AT END OF YEAR</u>	<u>390,857</u>	<u>65,594</u>	<u>453,203</u>	<u>909,654</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by Government Auditing Standards**

The following independent auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARCUS, ROBINSON and HASSELL

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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

We have audited the basic financial statements of the Vernon Parish Sheriff, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 8, 2005. 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 Vernon 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the Vernon Parish Sheriff, management of the Sheriff's office, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be, and should not be used by anyone other than the specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 8, 2005

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

Schedule 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

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	<u>X</u> no
Reportable conditions identified that are not considered to be material weaknesses	___yes	<u>X</u> none reported
Noncompliance material to financial statements noted?	___yes	<u>X</u> no

Federal Awards

Not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

Schedule 5

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

There were no audit findings reported in the audit for the year ended June 30, 2004.