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ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
Financial Report
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 11-10-04

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INDEPENDENT AUDITORS' REPORT

The Honorable Wayne Jones
St. John the Baptist Parish Sheriff
LaPlace, Louisiana

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

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

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

As described in Note 2 to the basic financial statements, the St. John the Baptist Parish Sheriff adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of June 30, 2004. This results in a change in the format and content of the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated August 27, 2004, on our consideration of the St. John the Baptist Parish Sheriff's internal control over financial reporting 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.

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The required supplementary information on pages 30 through 34 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. 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.

The St. John the Baptist Parish Sheriff has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the St. John the Baptist Parish Sheriff's basic financial statements. The other supplementary information section 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 stated in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC

Certified Public Accountants

Lafayette, Louisiana
August 27, 2004

BASIC FINANCIAL STATEMENTS

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

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Statement of Net Assets
June 30, 2004

| ASSETS | |
|---|---------------------|
| Current assets: | |
| Cash and interest-bearing deposits | \$ 2,582,748 |
| Accrued interest receivable | 6,187 |
| Due from other governmental units | 613,436 |
| Inventory | 4,905 |
| Prepaid items | 157,749 |
| Total current assets | <u>3,365,025</u> |
| Noncurrent assets: | |
| Restricted cash | 148,266 |
| Capital assets, net | 4,347,857 |
| Total noncurrent assets | <u>4,496,123</u> |
| Total assets | <u>7,861,148</u> |
| | |
| LIABILITIES | |
| Current liabilities: | |
| Accounts, contracts and other payables | 486,507 |
| Claims payable | 38,904 |
| Due to others | 31,478 |
| Compensated absences payable | 285,584 |
| Bonds payable | 130,000 |
| Total current liabilities | <u>972,473</u> |
| Noncurrent liabilities: | |
| Bond payable | 985,000 |
| Total noncurrent liabilities | <u>985,000</u> |
| Total liabilities | <u>1,957,473</u> |
| | |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 3,362,857 |
| Restricted for debt service | 18,266 |
| Unrestricted | 2,522,552 |
| Total net assets | <u>\$ 5,903,675</u> |

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

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Statement of Activities
For the Year Ended June 30, 2004

Expenses:

Public safety:

| | |
|--|-------------------|
| Personal services and related benefits | \$ 7,562,789 |
| Operating services | 2,119,649 |
| Operations and maintenance | 2,267,919 |
| Travel | 824 |
| Capital outlay | 8,778 |
| Interest expense | <u>43,857</u> |
| Total expenses | <u>12,003,816</u> |

Program revenues:

| | |
|------------------------------------|--------------------|
| Fines, forfeitures, and other fees | <u>3,093,531</u> |
| Net program expense | <u>(8,910,285)</u> |

General revenues:

| | |
|---|---------------------|
| Property taxes, levied for general purposes | 5,790,581 |
| Sales taxes | 1,341,583 |
| State sources | 1,421,383 |
| Interest and investment earnings | 63,696 |
| Miscellaneous | <u>321,411</u> |
| Total general revenues | <u>8,938,654</u> |
| Change in net assets | 28,369 |
| Beginning net assets | <u>5,875,306</u> |
| Ending net assets | <u>\$ 5,903,675</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

NONMAJOR FUNDS

Two funds are presented as nonmajor. Information about these funds can be found on pages 36-38.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Balance Sheet
Governmental Funds
June 30, 2004

| | General | Other Governmental Funds | Total |
|--|---------------------|--------------------------------|---------------------|
| ASSETS | | | |
| Cash and interest-bearing deposits | \$ 2,484,475 | \$ 148,266 | \$ 2,632,741 |
| Prepaid items | 157,749 | - | 157,749 |
| Accrued interest receivable | 6,187 | - | 6,187 |
| Due from other governmental units and others | 711,709 | - | 711,709 |
| Inventory | 4,905 | - | 4,905 |
| Total assets | \$ 3,365,025 | \$ 148,266 | \$ 3,513,291 |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts payable | \$ 122,738 | \$ - | \$ 122,738 |
| Estimated claims payable | 38,904 | - | 38,904 |
| Other accrued liabilities | 363,769 | - | 363,769 |
| Due to others | 31,478 | - | 31,478 |
| Total liabilities | 556,889 | - | 556,889 |
| Fund balances - | | | |
| Reserved for prepaid items | 157,749 | - | 157,749 |
| Reserved for inventory | 4,905 | - | 4,905 |
| Reserved for debt service | - | 148,266 | 148,266 |
| Unreserved, undesignated | 2,645,482 | - | 2,645,482 |
| Total fund balance | 2,808,136 | 148,266 | 2,956,402 |
| Total liabilities and fund balance | \$ 3,365,025 | \$ 148,266 | \$ 3,513,291 |

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

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

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

| | | |
|--|------------------|---------------------|
| Total fund balances for governmental funds at June 30, 2004 | | \$ 2,956,402 |
| Total net assets reported for governmental activities in the statement of net assets is different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | | |
| Land | \$ 158,500 | |
| Buildings and improvements, net of \$729,887 accumulated depreciation | 2,939,658 | |
| Equipment and vehicles, net of \$3,303,769 accumulated depreciation | <u>1,249,699</u> | 4,347,857 |
| General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is: | | |
| Compensated absence payable | \$ 285,584 | |
| Bond payable | <u>1,115,000</u> | <u>(1,400,584)</u> |
| Total net assets of governmental activities at June 30, 2004 | | <u>\$ 5,903,675</u> |

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

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

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

| | General | Other Governmental Funds | Total |
|--|--------------|--------------------------------|--------------|
| Revenues: | | | |
| Taxes | \$ 7,132,164 | \$ - | \$ 7,132,164 |
| Intergovernmental | 1,421,383 | - | 1,421,383 |
| Fees, charges, and commissions for services | 3,093,531 | - | 3,093,531 |
| Interest income | 63,035 | 661 | 63,696 |
| Miscellaneous | 321,411 | - | 321,411 |
| <i>Total revenues</i> | 12,031,524 | 661 | 12,032,185 |
| Expenditures: | | | |
| Current - | | | |
| Public safety: | | | |
| Personal services and related benefits | 7,563,212 | - | 7,563,212 |
| Operating services | 2,119,649 | - | 2,119,649 |
| Operations and maintenance | 1,720,591 | - | 1,720,591 |
| Travel | 824 | - | 824 |
| Capital outlay | 319,932 | 105,756 | 425,688 |
| Debt service - | | | |
| Principal | - | 130,000 | 130,000 |
| Interest and fiscal charges | 6,592 | 37,265 | 43,857 |
| <i>Total expenditures</i> | 11,730,800 | 273,021 | 12,003,821 |
| Excess (deficiency) of revenues over expenditures | 300,724 | (272,360) | 28,364 |
| Other financing sources (uses): | | | |
| Operating transfers in | - | 164,962 | 164,962 |
| Sale of fixed assets | 4,525 | - | 4,525 |
| Operating transfers out | (164,962) | - | (164,962) |
| <i>Total other financing sources (uses)</i> | (160,437) | 164,962 | 4,525 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 140,287 | (107,398) | 32,889 |
| Fund balances, beginning | 2,667,849 | 255,664 | 2,923,513 |
| Fund balances, ending | \$ 2,808,136 | \$ 148,266 | \$ 2,956,402 |

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

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2004

| | | |
|--|------------------|-----------------|
| Total net change in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ | 32,889 |
| The change in net assets reported for governmental activities in the statement of activities is different because: | | |
| <p>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.</p> | | |
| Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 416,910 | |
| Depreciation expense for the year ended June 30, 2004 | <u>(541,601)</u> | (124,691) |
| <p>Governmental funds' record long-term debt principal payments in the Statement of Revenues, Expenditures and Changes in Fund Balances as opposed to recording the principal payments in the Statement of Net Assets.</p> | | |
| Principal debt payments for the year ended June 30, 2004 | | 130,000 |
| <p>Governmental funds' record the net change in compensated absence payable in the General Long Term Debt Account Group as opposed to recording this activity in the fund financial statements. However, in the statement of activities, the net change is reflected in the ending balance of the compensated absence payable account.</p> | | |
| | | 423 |
| <p>Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed does not affect the statement of revenues, expenditures, and changes in fund balances. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.</p> | | |
| | | <u>(10,252)</u> |
| Total change in net assets at June 30, 2004 per Statement of Activities | \$ | <u>28,369</u> |

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

FUND DESCRIPTIONS - FIDUCIARY FUNDS

AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary net assets.

Civil Fund

The Civil Fund was established to account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

The Tax Collector Fund was established per Article V, Section 27 of the Louisiana Constitution of 1974, which provides that the sheriff will serve as the collector of state and parish taxes and fees. The Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Prison Inmate Fund

The Prison Inmate Fund is used to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

Bond Fund

The Bond Fund is used to account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Community Relations Fund

The Community Relations Fund is used to account for private donations used for scholarships and other activities of the high school students in the community that participate in the Parish Area Students Systematically Eliminating Drugs Program.

Interagency Government Fund

The Interagency Government Fund is used to account for interagency grant receipts and disbursements.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2004

| | |
|---------------------------|--------------------|
| Assets | |
| Cash and cash equivalents | <u>\$2,556,294</u> |
| | |
| Liabilities | |
| Held for taxing bodies | <u>\$2,556,294</u> |

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

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

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

The accompanying financial statements of the St. John the Baptist Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. For the fiscal year ended June 30, 2004 the Sheriff implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff’s office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, and other independently

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

elected parish officials are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Sheriff (with the exception of fiduciary funds) are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

One fund of the Sheriff is considered to be a major fund and is described below:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include one fourth (1/4) cent sales tax, state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

The following funds are nonmajor funds:

Debt Service Fund

This fund is used to account for the payment of general long-term debt, principal, interest and related costs of the Certificate of Indebtedness, Series 2002.

Capital Projects Fund

This fund is used to account for the expenditures associated with the additional storage space near the parish jail.

Agency Funds

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. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The individual agency funds used by the Sheriff for the year ended June 30, 2004 are as follows:

Civil Fund – To account for funds held in connection with civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other 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.

Prison Inmate Fund – To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

Bond Fund – To account for the collection of bonds, fines, and costs and payment of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

Community Relations Fund – To account for private donations used for scholarships and other activities of the high school students in the community that participate in the Parish Area Students Systematically Eliminating Drugs Program.

Interagency Government Fund – To account for interagency grant receipts and disbursements.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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.”

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for building, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Sheriff's threshold for capitalization is \$1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|----------------------------|-------------|
| Buildings and improvements | 20-40 years |
| Equipment and vehicles | 3-10 years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists solely of the bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Employees of the Sheriff's office earn from 6 to 21 days of vacation leave each year and from 6 to 20 days of sick leave each year. Vacation and sick leave in excess of 21 and 20 days, respectively, is forfeited on June 30 of each year. Vacation leave up to 21 days is paid upon termination, and sick leave earned by employees accumulates as noted above, but does not vest, and is forfeited upon termination or retirement.

At June 30, 2004, the Sheriff has accumulated and vested \$285,584 in vacation leave privileges required to be accrued in accordance with GASB Codification Section C60. In the government-wide statements, amounts of accumulated or vested vacation that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt. No expenditure is recorded for these amounts.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Sheriff has restricted net assets for the payment of the bonds payable reflected in the debt service fund.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Budget and Budgetary Accounting

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

1. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004 are recorded as prepaid items. Prepaid items that existed at June 30, 2004 were prepaid insurance and prepaid service contract fees.

G. Inventory

The inventory is stated at cost, which is determined by the first-in, first-out method.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Sheriff as an extension of formal budgetary integration in the funds.

(2) Change in Accounting Principle

For the year ended June 30, 2004, the Sheriff has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Sheriff’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of “net assets” as follows:

| | |
|---|---------------------|
| Total fund balance- Governmental Funds - at June 30, 2003 | \$ 2,923,513 |
| Add: Cost of capital assets at June 30, 2003 | 8,290,800 |
| Less: Accumulated depreciation at June 30, 2003 | (3,808,000) |
| Less: Debt outstanding at June 30, 2003 | <u>(1,531,007)</u> |
| Net assets at June 30, 2003 | <u>\$ 5,875,306</u> |

(3) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$5,287,308 of which \$2,556,294 is attributable to fiduciary funds, which is not presented in the statement of net assets.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004, are secured as follows:

| | |
|---------------------------------|---------------------|
| Bank balances | <u>\$ 5,823,188</u> |
| Federal deposit insurance | \$ 263,121 |
| Pledged securities (category 3) | <u>5,560,067</u> |
| Total secured deposits | <u>\$ 5,823,188</u> |

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 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) Ad Valorem Taxes

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2004, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 33.16 mills on property with assessed valuations totaling \$174,976,645.

Total law enforcement taxes levied during 2004 were \$5,853,179. Taxes receivable in the General Fund at June 30, 2004, were \$0.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(5) Due From Other Governmental Units and Others

Amounts due from other governmental units and others at June 30, 2004, consist of the following:

| | <u>General Fund</u> |
|------------------------------------|---------------------|
| Maintenance of prisoners | \$ 153,011 |
| Reimbursement for salaries | 117,395 |
| Commissions on video poker | 96,378 |
| Court attendance, civil fees, etc. | 19,494 |
| Sales tax revenue | 214,526 |
| Federal and state grants | 12,632 |
| | \$ 613,436 |

(6) Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

| | <u>Balance 7/1/2003</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 6/30/2004</u> |
|---|-----------------------------|---------------------|--------------------|------------------------------|
| Governmental activities: | | | | |
| Land | \$ 158,500 | \$ - | \$ - | 158,500 |
| Building | 3,556,033 | 113,512 | - | 3,669,545 |
| Equipment and vehicles | 4,576,267 | 303,398 | (326,197) | 4,553,468 |
| Totals | 8,290,800 | 416,910 | (326,197) | 8,381,513 |
| Less accumulated depreciation | | | | |
| Land | - | - | - | - |
| Building | (634,896) | (94,991) | - | (729,887) |
| Equipment and vehicles | (3,173,104) | (446,609) | 315,944 | (3,303,769) |
| Total accumulated depreciation | (3,808,000) | (541,600) | 315,944 | (4,033,656) |
| Governmental activities, capital assets, net | \$ 4,482,800 | \$ (124,690) | \$ (10,253) | \$ 4,347,857 |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(7) Pension Plans

Plan Description: The St. John the Baptist Parish Sheriff contributes to the Sheriffs' Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriffs' Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136.

Funding Policy: Plan members are required to contribute 9.8 % of their annual covered salary and the St. John the Baptist Parish Sheriff is required to contribute at an actuarially determined rate. The rate was 9.25% of annual covered payroll. The contribution requirements of plan members and the St. John the Baptist Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. The St. John the Baptist Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2004, 2003 and 2002 were \$614,959, \$512,624, and \$464,775 respectively.

(8) Changes in Agency Fund Balances

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

| | Civil Fund | Tax Collector Fund | Prison Inmate Fund | Bond Fund | Community Relations Fund | Interagency Government Fund |
|-------------------------------|--------------------|--------------------------|--------------------------|---------------------|--------------------------------|-----------------------------------|
| Balances, June 30, 2003 | \$ 143,351 | \$ 245,214 | \$ 62,630 | \$ 2,155,916 | \$ 4,702 | \$ 1,974 |
| Additions | 2,044,448 | 25,889,358 | 334,365 | 2,156,914 | 500 | - |
| Reductions | <u>(1,999,198)</u> | <u>(25,845,377)</u> | <u>(382,011)</u> | <u>(2,256,434)</u> | <u>(58)</u> | <u>-</u> |
| Balances, June 30, 2004 | <u>\$ 188,601</u> | <u>\$ 289,195</u> | <u>\$ 14,984</u> | <u>\$ 2,056,396</u> | <u>\$ 5,144</u> | <u>\$ 1,974</u> |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(9) Short-Term Debt

The Sheriff borrowed \$1,440,000 on October 23, 2003. This was a revenue anticipation note, bearing interest at 2.056%. The sheriff repaid the borrowed funds on January 13, 2004 along with interest of \$6,592.

(10) Long-Term Debt

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

| | Bonds Payable | Compensated Absences |
|-------------------------------|------------------|-------------------------|
| Long-term debt, June 30, 2003 | \$ 1,245,000 | \$ 286,007 |
| Debt assumed | - | - |
| Debt retired | (130,000) | (423) |
| Long-term debt, June 30, 2004 | \$ 1,115,000 | \$ 285,584 |

Long-term debt at June 30, 2004 is comprised of the following:

\$1,245,000 2002 Certificate of Indebtedness due in annual installments of \$25,000 to \$175,000; interest rates of 2.25 percent to 4.2 percent; full maturity at September, 2012; secured by ad valorem tax revenue.

\$ 1,115,000

The annual requirements to amortize all debt outstanding at June 30, 2004 are as follows:

| June 30 | Principal | Interest | Total |
|-----------|-------------|------------|--------------|
| 2005 | \$130,000 | \$34,210 | \$164,210 |
| 2006 | 140,000 | 30,728 | 170,728 |
| 2007 | 145,000 | 26,663 | 171,663 |
| 2008 | 150,000 | 22,125 | 172,125 |
| 2009 | 155,000 | 17,205 | 172,205 |
| 2010-2013 | 395,000 | 19,036 | 414,036 |
| Total | \$1,115,000 | \$ 149,967 | \$ 1,264,967 |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

The debt service fund has historically paid the debt payments whereas, the general fund has historically funded the compensated absences.

(11) Litigation and Claims

At June 30, 2004, the Sheriff is involved in several lawsuits claiming damages. Management is of the opinion that insurance coverage should be adequate to cover any monetary damages on most lawsuits. Therefore, no liability has been accrued at June 30, 2004.

(12) Lease Obligations

The Sheriff is currently entered into two operating lease agreements. In January of 2000, the Sheriff entered into an operating lease agreement for the lease of office space to house the detectives. This lease is for a term of 5 years at a monthly payment of approximately \$725. The Sheriff had already renewed this lease with a term of one year beginning January of 2005. The monthly payments will increase to approximately \$787. In June of 2003, the Sheriff entered into an operating lease agreement for the lease of office space. This lease is for a term of one year with monthly payments of \$1,800. The lease was renewed in June of 2004, for an additional one year term. The monthly payments remained at \$1,800. The minimum lease payments are as follows:

| Year Ending | |
|----------------|------------------|
| <u>June 30</u> | |
| 2005 | \$28,872 |
| 2006 | <u>4,722</u> |
| | <u>\$ 33,594</u> |

(13) Self-Insurance Plans

A. Health Care Liability

In July 1995, the Sheriff established a self-insurance health plan to account for and finance its uninsured risk of loss. Under this plan, the Lamar Life Insurance Co. agreed to reimburse the Sheriff for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the Sheriff, which is \$45,000 for years ended June 30, 2004 and June 30, 2003. Lamar Life Insurance Co. has agreed to reimburse the Sheriff for aggregate incurred claims during the period of insurance, less any amounts paid with respect to the specific incurred claims, exceeding approximately \$1,000,000.

Effective July 1, 2004, the Sheriff replaced its self-insured plan with commercial health insurance coverage.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

Changes in the claims liability amounts are as follows:

| | Balance at Beginning of Fiscal Year | Claims and Changes in Estimates | Payments and Claims | Balance at Fiscal Year-End |
|------------------------------|---|---------------------------------------|---------------------------|----------------------------------|
| Group hospitalization | | | | |
| 2002-2003 | \$ 9,519 | 1,641,006 | 1,552,108 | \$ 98,417 |
| 2003-2004 | \$ 98,417 | 1,468,156 | 1,595,811 | \$ (29,238) |

Claims payable for group hospitalization of \$(29,238) at June 30, 2004 was determined as follows:

| | <u>Amount</u> |
|---|--------------------|
| 1. Claims incurred prior to June 30, 2004 and paid as of August 25, 2004 | \$ 111,486 |
| 2. Provision for claims incurred but not reported | 33,299 |
| 3. Estimated insurance recoveries | <u>(174,023)</u> |
| Net claims payable (receivable) | <u>\$ (29,238)</u> |

The provision for claims incurred but not reported of \$33,299 was calculated utilizing historical information.

B. Auto Liability and Professional Liability

Effective November 1, 1997, the Sheriff established a self-insurance plan, which is administered by Gallagher Basset Services, to account for and finance its uninsured risk of loss. Under this plan, the Sheriff has a claims made policy with Coregis Insurance Company. The Sheriff is liable for claims up to \$50,000 per covered employee or dependent. The aggregate maximum that the Sheriff is liable for is \$300,000. The amount of liability recorded at June 30, 2004 is \$68,142, which is included in estimated claims payable on the balance sheet.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(14) Interfund Transfers

Interfund transfers consisted of the following at June 30, 2004:

| | Interfund Transfers In | Interfund Transfers Out |
|---------------------------|---------------------------|----------------------------|
| Major Funds: | | |
| Governmental Funds: | | |
| General Fund | \$ 164,962 | \$ - |
| Other Governmental Funds: | | |
| Debt Service | - | 164,962 |
| Total | \$ 164,962 | \$ 164,962 |

The interfund transfer between the general fund and the debt service fund is related to the payment of both principal and interest on the Certificate of Indebtedness, Series 2002.

(15) Contingency

At June 30, 1997, the Sheriff's office was the subject of an internal investigation surrounding the possibility of misappropriation of funds. The investigation was still pending at June 30, 2003. A thorough investigation was conducted by the Sheriff's office over the course of the fiscal year ended June 30, 2004. During the investigation, it was noted that there was poor record keeping, during the prior administration, over the funds involved; however, the Sheriff's office concluded that there was no misappropriation of funds. As of June 30, 2004, the investigation is closed and no further action will be taken. If new information should be discovered, appropriate inquiry/analysis will be performed.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Taxes | \$ 6,800,000 | \$ 7,105,000 | \$ 7,132,164 | \$ 27,164 |
| Intergovernmental | 1,335,000 | 1,399,955 | 1,421,383 | 21,428 |
| Fees, charges, and commissions for services | 2,551,000 | 2,985,400 | 3,093,531 | 108,131 |
| Interest Income | 65,000 | 50,000 | 63,035 | 13,035 |
| Miscellaneous | 293,900 | 348,065 | 321,411 | (26,654) |
| Total revenues | <u>11,044,900</u> | <u>11,888,420</u> | <u>12,031,524</u> | <u>143,104</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Personal services and related benefits | 7,446,500 | 7,684,388 | 7,563,212 | 121,176 |
| Operating services | 2,090,000 | 2,309,500 | 2,119,649 | 189,851 |
| Operations and maintenance | 1,737,500 | 1,847,500 | 1,720,591 | 126,909 |
| Travel | 1,000 | 1,000 | 824 | 176 |
| Debt service | - | 6,592 | 6,592 | - |
| Capital outlay | 241,500 | 306,000 | 319,932 | (13,932) |
| Total expenditures | <u>11,516,500</u> | <u>12,154,980</u> | <u>11,730,800</u> | <u>424,180</u> |
| Excess (deficiency) of revenues over expenditures | <u>(471,600)</u> | <u>(266,560)</u> | <u>300,724</u> | <u>567,284</u> |
| Other financing sources (uses): | | | | |
| Sale of fixed assets | 12,000 | 10,700 | 4,525 | (6,175) |
| Operating transfers out | (160,000) | (167,265) | (164,962) | 2,303 |
| Total other financing sources (uses) | <u>(148,000)</u> | <u>(156,565)</u> | <u>(160,437)</u> | <u>(3,872)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(619,600)</u> | <u>(423,125)</u> | <u>140,287</u> | <u>563,412</u> |
| Fund balance, beginning | <u>2,667,489</u> | <u>2,667,849</u> | <u>2,667,849</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 2,047,889</u> | <u>\$ 2,244,724</u> | <u>\$ 2,808,136</u> | <u>\$ 563,412</u> |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2004

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|---------------------|---|
| Revenues: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 5,550,000 | \$ 5,775,000 | \$ 5,790,581 | \$ 15,581 |
| Sales tax | <u>1,250,000</u> | <u>1,330,000</u> | <u>1,341,583</u> | <u>11,583</u> |
| Total taxes | <u>6,800,000</u> | <u>7,105,000</u> | <u>7,132,164</u> | <u>27,164</u> |
| Intergovernmental: | | | | |
| Federal grants | 27,500 | 37,500 | 41,272 | 3,772 |
| State grants | 47,500 | 62,500 | 63,999 | 1,499 |
| State revenue sharing | 375,000 | 377,955 | 377,955 | - |
| State supplemental pay | 515,000 | 547,000 | 547,530 | 530 |
| Video poker | <u>370,000</u> | <u>375,000</u> | <u>390,627</u> | <u>15,627</u> |
| Total intergovernmental | <u>1,335,000</u> | <u>1,399,955</u> | <u>1,421,383</u> | <u>21,428</u> |
| Fees, charges, and commissions for services: | | | | |
| Civil and criminal fees | 712,000 | 785,400 | 871,519 | 86,119 |
| Court attendance | 15,000 | 13,000 | 13,400 | 400 |
| Prisoner transportation | 14,000 | 14,000 | 17,406 | 3,406 |
| Feeding and keeping prisoners | 1,460,000 | 1,743,000 | 1,753,639 | 10,639 |
| Employment program | <u>350,000</u> | <u>430,000</u> | <u>437,567</u> | <u>7,567</u> |
| Total fees, charges, and commissions for services | <u>2,551,000</u> | <u>2,985,400</u> | <u>3,093,531</u> | <u>108,131</u> |
| Interest income | 65,000 | 50,000 | 63,035 | 13,035 |
| Miscellaneous | <u>293,900</u> | <u>348,065</u> | <u>321,411</u> | <u>(26,654)</u> |
| Total revenues | <u>\$ 11,044,900</u> | <u>\$11,888,420</u> | <u>\$12,031,524</u> | <u>\$ 143,104</u> |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2004

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|------------------|---|
| Current: | | | | |
| Public Safety | | | | |
| Personal services and related benefits: | | | | |
| Sheriff salary | \$ 94,912 | \$ 97,780 | \$ 97,780 | \$ - |
| Deputies' salaries | 6,600,000 | 6,750,000 | 6,653,606 | 96,394 |
| Other salaries | 85,000 | 55,420 | 52,687 | 2,733 |
| Pension and payroll taxes | 654,800 | 769,400 | 747,361 | 22,039 |
| Sheriff's expense allowance | <u>11,788</u> | <u>11,788</u> | <u>11,778</u> | <u>10</u> |
| Total personnel service and related benefits | <u>7,446,500</u> | <u>7,684,388</u> | <u>7,563,212</u> | <u>121,176</u> |
| Operating services: | | | | |
| Hospitalization insurance | 1,600,000 | 1,780,000 | 1,595,811 | 184,189 |
| Auto insurance | 400,000 | 432,000 | 411,400 | 20,600 |
| Other liability insurance | <u>90,000</u> | <u>97,500</u> | <u>112,438</u> | <u>(14,938)</u> |
| Total operating services | <u>2,090,000</u> | <u>2,309,500</u> | <u>2,119,649</u> | <u>189,851</u> |
| Operations and maintenance | | | | |
| Auto fuel and oil | 230,000 | 245,000 | 240,322 | 4,678 |
| Auto maintenance | 145,000 | 142,000 | 122,645 | 19,355 |
| Deputy uniforms, supplies, etc. | 201,000 | 163,000 | 175,595 | (12,595) |
| Office supplies and expenses | 140,000 | 134,700 | 126,058 | 8,642 |
| Computer maintenance and supplies | 40,000 | 45,000 | 72,851 | (27,851) |
| Telephone and utilities | 225,000 | 215,000 | 211,026 | 3,974 |
| Prisoner feeding and maintenance | 491,500 | 571,200 | 562,221 | 8,979 |
| Other professional fees | 92,000 | 185,000 | 43,651 | 141,349 |
| Criminal investigation expense | 68,000 | 38,000 | 36,955 | 1,045 |
| Leases | 32,000 | 30,000 | 29,386 | 614 |
| Other | <u>73,000</u> | <u>78,600</u> | <u>99,881</u> | <u>(21,281)</u> |
| Total operations and maintenance | <u>1,737,500</u> | <u>1,847,500</u> | <u>1,720,591</u> | <u>126,909</u> |

(continued)

ST. JOHN THE BAPTIST PARISH SHERIFF
 LaPlace, Louisiana
 General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2004

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|----------------------------|--------------------------|--------------------------|---|
| Travel | 1,000 | 1,000 | 824 | 176 |
| Debt service: | | | | |
| Interest and fiscal charges | - | 6,592 | 6,592 | - |
| Total debt service | - | 6,592 | 6,592 | - |
| Capital outlay: | | | | |
| Autos | 150,000 | 182,000 | 203,940 | (21,940) |
| Deputy equipment | 50,000 | 110,000 | 75,776 | 34,224 |
| Office equipment | 1,500 | 1,000 | - | 1,000 |
| Computer | 40,000 | 13,000 | 40,216 | (27,216) |
| Total capital outlay | 241,500 | 306,000 | 319,932 | (13,932) |
| Total expenditures | <u>\$ 11,516,500</u> | <u>\$ 12,154,980</u> | <u>\$ 11,730,800</u> | <u>\$ 424,180</u> |

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR FUNDS

Debt Service

The fund is used to account for the payment of general long-term debt, principal, interest and related costs of the Certificate of Indebtedness, Series 2002.

Capital Projects

The fund is used to account for the expenditures associated with the additional storage space near the parish jail.

ST. JOHN PARISH SHERIFF
 LaPlace, Louisiana
 Nonmajor Governmental Funds

Combining Balance Sheet - By Fund Type
 June 30, 2004

| | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> |
|--|-------------------------|-----------------------------|-------------------|
| ASSETS | | | |
| Cash | \$ 148,266 | \$ - | \$ 148,266 |
| Total assets | <u>\$ 148,266</u> | <u>-</u> | <u>\$ 148,266</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | \$ - | \$ - | \$ - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | |
| Reserved for debt service | <u>148,266</u> | <u>-</u> | <u>148,266</u> |
| Total fund balances | <u>148,266</u> | <u>-</u> | <u>148,266</u> |
| Total liabilities and fund balances | <u>\$ 148,266</u> | <u>\$ -</u> | <u>\$ 148,266</u> |

ST. JOHN PARISH SHERIFF
LaPlace, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Fund Type
Year Ended June 30, 2004

| | Debt Service | Capital Projects | Total |
|---|-----------------|---------------------|------------|
| REVENUES: | | | |
| Interest income | \$ 553 | \$ 108 | \$ 661 |
| Total revenues | 553 | 108 | 661 |
| EXPENDITURES: | | | |
| Capital Outlay | - | 105,756 | 105,756 |
| Debt service: | | | |
| Principal retirement | 130,000 | - | 130,000 |
| Interest and fiscal charges | 37,265 | - | 37,265 |
| Total expenditures | 167,265 | 105,756 | 273,021 |
| Excess (deficiency) of revenues over expenditures | (166,712) | (105,648) | (272,360) |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers in | 164,962 | - | 164,962 |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 164,962 | - | 164,962 |
| Deficiency of revenues and other sources over expenditures and other uses | (1,750) | (105,648) | (107,398) |
| FUND BALANCES, BEGINNING | 150,016 | 105,648 | 255,664 |
| FUND BALANCES, ENDING | \$ 148,266 | \$ - | \$ 148,266 |

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The Honorable Wayne Jones
St. John the Baptist Parish Sheriff
LaPlace, Louisiana

We have audited the basic financial statements of the St. John the Baptist Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated August 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.

Compliance

As part of obtaining reasonable assurance about whether the St. John the Baptist Parish Sheriff's 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 St. John the Baptist 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. John the Baptist Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of prior and current year findings and management's corrective action plan as item 04-1.

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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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition identified as item 04-1 to be a material weakness.

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

Kolder, Champagne, Slaven & Company, LLC

Certified Public Accountants

Lafayette, Louisiana
August 27, 2004

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 2004

Prior Year Findings

Compliance

Item 03-1 Unsecured Deposits

Finding:

The Sheriff had unsecured deposits of approximately \$540,000 at December 31, 2002 at one financial institution.

Status:

Resolved.

Internal Control Over Financial Reporting

Item 03-2 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 04-1.

Item 03-3 Internal Policy – Check Signatures

Finding:

It is the Sheriff's policy to require dual signatures on group health benefit checks in excess of \$5,000. There were several instances where dual signatures were not obtained. There were also three instances whereby an *unauthorized signer* (the health insurance administrator) signed the checks. Although there appears to be no concern that the expenditures are valid, internal policies are not being followed.

Status:

Resolved.

Management Letter Items

There were no management letter items at June 30, 2003.

(continued)

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2004

Current Year Findings

Compliance

There were no findings to be reported under the above section.

Internal Control Over Financial Reporting

Item 04-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Sheriff Wayne Jones has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

Management Letter Items

There are no management letter items at June 30, 2004.