

**SABINE PARISH SHERIFF
MANY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2003**

SABINE PARISH SHERIFF
MANY, LOUISIANA
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JUNE 30, 2003

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GENERAL PURPOSE FINANCIAL STATEMENTS

HINES, JACKSON & HINES, L.L.C.

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHE, LA 71457

A. NEILL JACKSON, JR., CPA
1926-1999

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

INDEPENDENT AUDITORS' REPORT

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
P. O. Box 1440
Many, Louisiana 71449

We have audited the accompanying general purpose financial statements of the Sabine Parish Sheriff, Many, Louisiana, as of and for the year ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Sabine Parish Sheriff. 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sabine Parish Sheriff, Many, Louisiana, as of June 30, 2003, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2003, on our consideration of the Sabine 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.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Sabine Parish Sheriff, Many, Louisiana, taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Hines, Jackson & Hines

Natchitoches, Louisiana
September 30, 2003

COMBINED STATEMENTS - OVERVIEW

SABINE PARISH SHERIFF
MANY, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2003

	<u>Governmental</u> <u>Fund Types</u>	<u>Fiduciary</u> <u>Fund Types</u>	<u>Proprietary</u> <u>Fund Type</u>
	<u>General</u>	<u>Agency</u> <u>Funds</u>	<u>Enterprise</u>
ASSETS			
Cash	\$ 332,708	\$ 183,827	\$ 131,594
Receivables	45,485	0	119,500
Due from detention center	696,753	0	0
Property and equipment, net	0	0	1,789,516
Deferred debt costs, net	0	0	486
Restricted assets			
Cash	<u>0</u>	<u>0</u>	<u>416,038</u>
 Total Assets	 <u>\$ 1,074,946</u>	 <u>\$ 183,827</u>	 <u>\$ 2,457,134</u>
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 20,452	\$ 0	\$ 30,790
Accrued liabilities	49,306	0	16,019
Liabilities payable from restricted assets			
Interest payable	0	0	3,950
Bonds payable	0	0	240,000
Other	0	0	4,506
Due to general fund	0	0	696,753
Due to taxing bodies and others	<u>0</u>	<u>183,827</u>	<u>0</u>
 Total Liabilities	 69,758	 183,827	 992,018
 Fund Equity			
Investment in general fixed assets	0	0	0
Retained earnings			
Reserved	0	0	215,805
Unreserved	0	0	1,249,311
Fund balance			
Unreserved	<u>1,005,188</u>	<u>0</u>	<u>0</u>
 Total Fund Equity	 <u>1,005,188</u>	 <u>0</u>	 <u>1,465,116</u>
 Total Liabilities and Fund Equity	 <u>\$ 1,074,946</u>	 <u>\$ 183,827</u>	 <u>\$ 2,457,134</u>

EXHIBIT A

<u>Account Groups</u> General Fixed Assets	Total Memorandum Only
\$ 0	\$ 648,129
0	164,985
0	696,753
467,653	2,257,169
0	486
<u>0</u>	<u>416,038</u>
<u>\$ 467,653</u>	<u>\$ 4,183,560</u>

\$ 0	\$ 51,242
0	65,325
0	3,950
0	240,000
0	4,506
0	696,753
<u>0</u>	<u>183,827</u>
0	1,245,603
467,653	467,653
0	215,805
0	1,249,311
<u>0</u>	<u>1,005,188</u>
<u>467,653</u>	<u>2,937,957</u>
<u>\$ 467,653</u>	<u>\$ 4,183,560</u>

SABINE PARISH SHERIFF
MANY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2003

Revenues	
Taxes	\$ 835,587
Intergovernmental	208,527
Fees, charges, and commissions for services	616,270
Interest	27,290
Other	<u>137</u>
Total Revenues	1,687,811
Expenditures	
Public Safety	
Personal services	1,507,647
Travel	12,585
Operating services	277,557
Supplies	188,555
Professional services	18,432
Capital outlay	<u>17,265</u>
Total Expenditures	<u>2,022,041</u>
Excess of Revenues Over/(Under) Expenditures	(334,230)
Other Financing Sources/(Uses)	
Sales of assets	1,596
Operating transfers in	<u>360,000</u>
Total Other Financing Sources/(Uses)	<u>361,596</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	27,366
FUND BALANCE, Beginning of year	<u>977,822</u>
FUND BALANCE, End of year	<u>\$ 1,005,188</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SHERIFF
MANY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./(Unfav.)</u>
Revenues			
Taxes	\$ 850,000	\$ 835,587	\$ (14,413)
Intergovernmental	204,063	208,527	4,464
Fees, charges, and commissions for services	650,500	616,270	(34,230)
Interest	30,150	27,290	(2,860)
Other	<u>7,500</u>	<u>137</u>	<u>(7,363)</u>
Total Revenues	1,742,213	1,687,811	(54,402)
Expenditures			
Public safety			
Personal services	1,479,433	1,507,647	(28,214)
Travel	10,150	12,585	(2,435)
Operating services	256,587	277,557	(20,970)
Supplies	201,815	188,555	13,260
Professional services	14,200	18,432	(4,232)
Capital outlay	<u>53,365</u>	<u>17,265</u>	<u>36,100</u>
Total Expenditures	<u>2,015,550</u>	<u>2,022,041</u>	<u>(6,491)</u>
Excess of Revenues Over/(Under) Expenditures	(273,337)	(334,230)	(60,893)
Other Financing Sources/(Uses)			
Sale of assets	0	1,596	1,596
Operating transfers in	<u>300,000</u>	<u>360,000</u>	<u>60,000</u>
Total Other Financing Sources/(Uses)	<u>300,000</u>	<u>361,596</u>	<u>61,596</u>
Excess of Revenues and Other Financing Sources Over /(Under) Expenditures and Other Financing Uses	<u>\$ 26,663</u>	27,366	<u>\$ 703</u>
FUND BALANCE, Beginning of year		<u>977,822</u>	
FUND BALANCE, End of year		<u>\$ 1,005,188</u>	

The accompanying notes are an integral part of this statement.

SABINE PARISH SHERIFF
MANY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2003

Operating Revenues	
Taxes	\$ 525,090
Charges for services	759,697
Commissary	60,533
Intergovernmental	75,900
Other	<u>40,929</u>
Total Operating Revenues	1,462,149
Operating Expenses	
Amortization	836
Commissary	46,469
Depreciation	82,072
Employee benefits	100,902
Farm	3,022
Food	84,384
Insurance	58,474
Medical	69,137
Miscellaneous	15,014
Payroll expense	9,379
Professional services	3,019
Repairs and maintenance	27,490
Retirement	30,107
Salaries	421,509
Supplies	57,012
Training	1,753
Utilities	<u>68,692</u>
Total Operating Expenses	<u>1,079,271</u>
Operating Income	382,878
Nonoperating Revenues/(Expenses)	
Interest income	3,909
Interest expense	(12,073)
Transfers out	<u>(360,000)</u>
Total Nonoperating Revenues/(Expenses)	<u>(368,164)</u>
Net Income	14,714
RETAINED EARNINGS, Beginning of year	<u>1,450,402</u>
RETAINED EARNINGS, End of year	<u>\$ 1,465,116</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SHERIFF
MANY, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Income	\$ 382,878
Adjustments to reconcile net income to net cash provided by/(used in) operating activities	
Amortization	836
Depreciation	82,072
(Increase)/decrease in operating assets	
Accounts Receivable	9,507
Increase/(decrease) in operating liabilities	
Accounts Payable	(4,168)
Accrued liabilities	(7,720)
Other	(6,442)
Net Cash From Operating Activities	<u>456,963</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund financing (to)/from other funds	143,234
Operating transfers (to)/from other funds	<u>(360,000)</u>
Net Cash From Noncapital Financing Activities	(216,766)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payment on bonds	(263,000)
Payment for capital acquisition-automobiles	(7,500)
Payments for capital acquisition-buildings	(2,875)
Payment for capital acquisition-equipment	(1,600)
Interest paid	<u>(16,394)</u>
Net Cash From Capital and Related Financing Activities	(291,369)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of interest	<u>3,909</u>
Net Cash From Investing Activities	<u>3,909</u>
Increase/(Decrease) in Cash	(47,263)
CASH, Beginning of year	<u>594,895</u>
CASH, End of year	<u><u>\$ 547,632</u></u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 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 also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

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

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

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

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Sabine Parish Police Jury is the financial reporting entity for Sabine Parish. The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a) The ability of the primary government to impose its will on an organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

The Sabine Parish Sheriff is an independent elected parish official. His office receives funding primarily through ad valorem taxes, fees, charges, and commissions for services. The office is independent and receives no financial benefit from the Sabine Parish Police Jury other than the provision of office space. The Sabine Parish Sheriff was determined not to be a component unit of the Sabine Parish Police Jury.

Based on the application of criteria established by GASB Statement No. 14, it was determined that the Sabine Parish Sheriff has no financial accountability and exercises no oversight responsibility for any other entity. Therefore, the accompanying financial statements present information only on the funds maintained by the Sabine Parish Sheriff.

B. FUND ACCOUNTING

The accounts of the sheriff are organized on the basis of funds and account groups, each of which is considered separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Fund accounting is designed to demonstrate legal compliance with laws, regulations, or other restrictions. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund Types - These are funds through which most governmental functions typically are financed.

General Fund

The General Fund, as provided by Louisiana Revised Statutes 33:1422, is the principal fund of the sheriff's office and is used to account 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 commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Proprietary Fund Types - Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary for useful sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Sheriff applies all GASB pronouncements as well as the FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund

The enterprise fund is used to account for operations a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING (CONTINUED)

Fiduciary Fund Types - These funds account for assets held by the Sheriff as a trustee or agent for individuals or other units of governments.

Agency Funds

The agency funds are used as depositories for ad valorem taxes, civil suits, cash bonds, taxes and fees. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, 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.

C. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the fund's measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Account Groups - An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes. Assets provided by the parish police jury are not recorded within the general fixed assets account group. Fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for long-term obligations expected to be financed by governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

Property, plant, and equipment acquired for the proprietary funds is capitalized in the respective funds to which it applies.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity is included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases/(revenues) and decreases/(expenses) in net total assets.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. FIXED ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Depreciation of all exhaustible fixed assets used by the enterprise fund is charged as an expense against its operations. Accumulated depreciation is reported on the enterprise fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The accompanying financial statements have been prepared using the modified accrual basis of accounting. All governmental fund types and agency funds use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Sheriff considers ad valorem taxes as available if they are collected within 60 days after the fiscal year end. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, February, and March of the fiscal year.

Those revenues susceptible to accrual include ad valorem taxes and the related 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.

E. BUDGETS AND BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Sheriff adopts annual operating budgets for the General Fund for each fiscal year and amends them as required.

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

1. Prior to May 31, a proposed operating budget for the fiscal year commencing the following July 1, is prepared. The operating budget includes proposed expenditures and the means of financing them.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for inspection. 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 the hearing.
4. Prior to June 30, the proposed budget is legally enacted by the Sheriff.
5. The chief civil deputy is authorized to transfer budgeted amounts between departments within the general fund. However, any revisions that alter the total expenditures of the general fund must be approved by the Sheriff.
6. All budgetary appropriations lapse at the end of the fiscal year.
7. Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Sheriff's procedures with respect to its budget are designed to meet the requirements of the Louisiana Local Government Budget Act (LSA- R.S. 1301-1314). The adopted budgets, as amended, for the fiscal year ended June 30, 2003 are presented in the accompanying financial statements.

F. 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 Sabine Parish Sheriff.

G. CASH

Cash includes not only cash on hand but also demand deposits with financial institutions or other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively withdraw funds at any time without prior notice or penalty. State law authorizes the sheriff to deposit funds in, interest bearing accounts, certificates of deposit or other investments as permitted by law with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. RECEIVABLES

All receivables are reported at their gross value and, where applicable are reduced by the estimated portion that is expected to be uncollectible.

I. DUE TO AND DUE FROM OTHER FUNDS

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At June 30, 2003, the enterprise fund, Detention Center, owed the general fund \$696,753.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. DEFERRED DEBT EXPENSE

Bond issue costs and bond discounts are capitalized and amortized over the terms of the respective bonds using a method which approximates the effective interest method. Total bond issue costs and bond discounts (deferred debt expense) paid by the enterprise fund, Detention Center, was \$36,946. The amortization expense related to deferred debt expense was \$836, for the year ended June 30, 2003.

K. COMPENSATED ABSENCES

Employees that have been employed one year or more earn two weeks of vacation leave per year. Vacation leave is prorated for employees having less than a year of service. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

L. FUND EQUITY

Reservations represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific purpose.

The unreserved fund balances for the governmental funds represent the amount available for budgeting future operations.

M. TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

The total column on the combined statements - overview is captioned "(Memorandum Only)" to indicate that it is presented only to facilitate analysis. The data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

N. ESTIMATES

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

NOTE 2 CASH

At June 30, 2003, the Sheriff had cash totaling \$1,064,167, as follows:

	<u>General Fund</u>	<u>Agency Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Petty cash	\$ 265	\$ 0	\$ 0	\$ 265
Interest bearing demand deposit	<u>332,443</u>	<u>183,827</u>	<u>547,632</u>	<u>1,063,902</u>
Total	<u>\$ 332,708</u>	<u>\$ 183,827</u>	<u>\$ 547,632</u>	<u>\$ 1,064,167</u>

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 2 CASH (CONTINUED)

Under state law, these deposits 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. As of June 30, 2003, the Sheriff had \$1,118,190 in bank deposits. These deposits were secured from risk by \$200,000 of federal deposit insurance and \$1,308,664 (market value) of pledged securities held by the custodial banks in the name of the fiscal agent (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 3 RECEIVABLES

Accounts receivable in the amount of \$164,985 at June 30, 2003, as shown on Exhibit A, are shown below. All receivables at June 30, 2003, were determined to be fully collectible.

General Fund	
Taxes	\$ 5
Intergovernmental	2,209
Fees, charges, and commissions for services	41,632
Insurance reimbursement	961
Other	678
Proprietary Fund Type	
Charges for services	67,171
Sales taxes	47,320
Other	<u>5,009</u>
Total	<u>\$ 164,985</u>

NOTE 4 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets, comprised of automobiles, office furniture and equipment, follows:

General fixed assets balance at June 30, 2002	\$ 527,887
Additions	17,265
Deletions	<u>(77,499)</u>
General fixed assets balance at June 30, 2003	<u>\$ 467,653</u>

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 5 PROPERTY AND EQUIPMENT - ENTERPRISE FUND

A summary of the enterprise fund's property and equipment at June 30, 2003 follows:

	Straight Line Rate	Cost	Accumulated Depreciation	Net	Depreciation This Year
Land		\$ 111,165	\$ 0	\$ 111,165	\$ 0
Automobiles	5 - 7 yrs	84,071	(58,836)	25,235	13,939
Buildings	20 - 40 yrs	2,031,581	(441,289)	1,590,292	53,732
Equipment	5 - 15 yrs	169,700	(106,876)	62,824	14,401
Total		<u>\$ 2,396,517</u>	<u>\$ (607,001)</u>	<u>\$ 1,789,516</u>	<u>\$ 82,072</u>
Changes during the year:					
Balance, beginning of year		\$ 2,384,542	\$ (524,929)	\$ 1,859,613	
Additions					
Automobiles		7,500	0	7,500	
Buildings		2,875	0	2,875	
Equipment		1,600	0	1,600	
Deletions		0	0	0	
Depreciation		0	(82,072)	(82,072)	
Balance, end of year		<u>\$ 2,396,517</u>	<u>\$ (607,001)</u>	<u>\$ 1,789,516</u>	

NOTE 6 LONG-TERM DEBT

The following is a summary of the long-term debt of the enterprise fund of the Sabine Parish Sheriff for the year ended June 30, 2003:

	Interest Rate	Maturity Date	Amount Issued	Outstanding
1993 Series bonds	3.95%	08/01/03	<u>\$ 1,900,000</u>	<u>\$ 240,000</u>

The annual requirements to amortize all debt outstanding as of June 30, 2003, including interest payments of \$5,880 are as follows:

Year Ended <u>June 30</u>	1993 Series Bonds
2004	<u>\$ 245,880</u>
Total	<u>\$ 245,880</u>

NOTE 7 PENSION PLAN

Substantially all employees of the sheriff's office are members of the Sheriff's Pension and Relief Fund ("System"), a multiple-employer, cost-sharing public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 7 PENSION PLAN (CONTINUED)

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

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 Sheriffs Pension & Relief Fund, Monroe, Louisiana, 71210-3163 or by calling (318) 362-3188.

Contributions to the system include one-half of 1 percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. State statute requires covered employees to contribute 9.8 percent of their salary to the system and requires an employer contribution equal to 7.75 percent of each covered employee's salary. 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 Sabine Parish Sheriff's contributions to the System for the year ending June 30, 2003, were \$105,915, equal to the required contribution for the year.

NOTE 8 LITIGATION

The Sheriff is a defendant in various litigations as of the close of business on June 30, 2003. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff's legal counsel, resolution of these matters would not create a liability in excess of insurance coverage, and therefore would not have a material adverse effect on the financial condition of the Sheriff.

NOTE 9 RESTRICTED ASSETS

At June 30, 2003, the following funds in the Enterprise Fund were restricted in use by a bond agreement and an agreement with inmates:

Sales tax bonds		
Sinking fund	\$	194,986
Reserve fund		215,805
Inmate deposit account		<u>5,247</u>
Total	\$	<u><u>416,038</u></u>

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2003

NOTE 10 AD VALOREM TAXES

For the 2002 tax year, taxes of 12.13 mills were levied on property with assessed valuation of \$94,510,110 and a taxable value of \$68,864,480 and were dedicated to the law enforcement district. Total taxes levied were \$835,327. Taxes receivable at June 30, 2003, totaled \$5. The Sheriff did not collect the total taxes levied due to Louisiana Tax Commission reductions in the tax roll.

NOTE 11 RESERVED FUND BALANCES

The Enterprise Fund has a reserved fund balance that was created by a bond agreement requiring upon sale of the 1993 series bonds a transfer of \$118,000 and monthly transfers of \$2,000 beginning December 1993, to a reserve fund until the fund requirement is met. The requirement is the lesser of a) 10 percent of the proceeds of the bonds (\$215,000) or b) the highest combined principal and interest requirements in any year (\$291,105). The balance required at June 30, 2003, was \$215,000. At June 30, 2003, the reserved balance was \$215,805.

NOTE 12 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE 13 EXPENSES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Sabine Parish Police Jury provided office space and paid the utilities related to the office space of the Sabine Parish Sheriff for the year ended June 30, 2003.

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and other funds.

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

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

SABINE PARISH SHERIFF
MANY, LOUISIANA
AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Totals</u>
ASSETS			
Cash	\$ <u>105,447</u>	\$ <u>78,380</u>	\$ <u>183,827</u>
Total Assets	\$ <u>105,447</u>	\$ <u>78,380</u>	\$ <u>183,827</u>
 LIABILITIES			
Due to taxing bodies and others	\$ <u>105,447</u>	\$ <u>78,380</u>	\$ <u>183,827</u>
Total Liabilities	\$ <u>105,447</u>	\$ <u>78,380</u>	\$ <u>183,827</u>

HINES, JACKSON & HINES, L.L.C.

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

A. NEILL JACKSON, JR., CPA
1926-1999

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

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

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
P. O. Box 1440
Many, Louisiana 71449

We have audited the financial statements of Sabine Parish Sheriff, Many, Louisiana, for the year ended June 30, 2003, and have issued our report thereon dated September 30, 2003. 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 Sabine 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 Sabine 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 operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Sabine Parish Sheriff and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines

Natchitoches, Louisiana
September 30, 2003

SABINE PARISH SHERIFF
MANY, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2003

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SABINE PARISH SHERIFF
MANY, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2003

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.