

RECEIVED
LEGISLATIVE A
04 DEC 28 PM

**EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana**

ANNUAL FINANCIAL STATEMENTS

**As of and for the year ended
June 30, 2004**

(With Accountant's Report Thereon)

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 1-12-05

**Jerrold A. Black
Certified Public Accountant**

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Annual Financial Statements
As of and for the year ended
June 30, 2004

TABLE OF CONTENTS

	<u>PAGE NO.</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 10
BASIC FINANCIAL STATEMENTS	11
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	12
Statement of Net Assets	13
Statement of Activities	14
FUND FINANCIAL STATEMENTS (FFS)	15
MAJOR FUND DESCRIPTIONS	16
Balance Sheet – Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Assets and Liabilities Fiduciary Funds	21
Notes to Financial Statements	22 – 30
REQUIRED SUPPLEMENTARY INFORMATION	31
General Fund Budgetary Comparison Schedule	32
Special Revenue Fund - Prison Canteen Fund Budgetary Comparison Schedule	33
OTHER SUPPLEMENTARY INFORMATION	34
General Fund Budgetary Comparison – Schedule of Expenditures – Budget and Actual	35 – 36

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Annual Financial Statements
As of and for the year ended
June 30, 2004

Special Revenue Fund Budgetary Comparison – Schedule of Expenditures – Budget and Actual	37
FIDUCIARY FUNDS – AGENCY FUNDS	38
Combining Balance Sheet	39
Combining Statement of Changes in Assets and Liabilities	40
Schedule of Expenditures of Federal Awards	41
COMPLIANCE AND INTERNAL CONTROL	42
Summary Schedule of Prior Year Audit Findings	43
Summary Schedule of Current Year Audit Findings	44
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	45
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <i>OMB Circular A-133</i>	46 – 47
Schedule of Findings and Questioned Costs	48

JERROLD A. BLACK
CERTIFIED PUBLIC ACCOUNTANT
3888 S. SHERWOOD FOREST BLVD.
CELTIC CENTRE, BUILDING II, SUITE G
BATON ROUGE, LOUISIANA 70816

Member
American Institute of
Certified Public Accountants

TELE: (225) 754-7355
FAX : (225) 754-7354

Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

HONORABLE ELMER B. LITCHFIELD
EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Parish Sheriff as of and for the year ended June 30, 2004, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the East Baton Rouge Parish Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year's comparative information has been derived from the Sheriff's 2003 financial statements and, in my report dated December 16, 2003, I expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the relative financial position of the governmental activities and each major fund of the East Baton Rouge 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.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 21, 2004, on my consideration of the East Baton Rouge Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations 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 my audit.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

HONORABLE ELMER B. LITCHFIELD
EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana
INDEPENDENT AUDITOR'S REPORT

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the East Baton Rouge Parish Sheriff's basic financial statements. The Required Supplementary Information and Other Supplementary Information on pages 32 through 33 and 35 through 37 are presented for the purpose of additional analysis, and the Schedule of Expenditures of Federal Awards on page 41 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the East Baton Rouge Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Baton Rouge, Louisiana
December 21, 2004

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

This section of the East Baton Rouge Parish Sheriff's (the Sheriff's) annual financial report provides our narrative discussion and analysis of the financial activities of the Sheriff for the fiscal years ended June 30, 2004, and 2003. The Sheriff's financial performance is discussed and analyzed within the context of the financial statements and disclosures, which follow this section.

Financial Highlights

- The Sheriff's assets exceeded its liabilities by \$24 million and \$28 million (net assets) for the fiscal years ended June 30, 2004, and 2003, respectively.
- Total expenditures of \$53.1 million exceeded total revenues of \$49.1 million, resulting in a deficit of \$4.0 million for the year ended June 30, 2004. For the year ended June 30, 2003, total expenditures of \$58.6 million exceeded total revenues of \$46.8 million, resulting in a deficit of \$11.8 million for that year, \$6.8 million of which was due to the implementation of changes in the Sheriff's accounting policy with regard to capitalization of assets.
- The Sheriff's governmental funds report total ending fund balances of \$17.9 million and \$22.6 million for the years ending June 30, 2004, and 2003, respectively. This represents a decrease in fund balance of \$4.7 million and \$4.2 million for these years. For fiscal year 2005, the Sheriff's Office has budgeted a decrease in fund balance of \$5.5 million. Although the current fund balance is sufficient to absorb these annual deficits, the Sheriff's Office is examining cost-cutting measures in an effort to reduce the rate at which fund balance is being utilized to fund operations. Examples of such measures include consolidating the civil and criminal process sections of the Sheriff's office, as well as the warrants and uniform patrol sections to better utilize manpower in these areas. Additionally, new computer technology in these areas is allowing the office to more efficiently monitor service requirements and assign personnel accordingly.
- Total net assets are comprised of the following:
 - (1) Capital assets of \$8.9 million and \$7.9 million for the years ended June 30, 2004, and 2003, respectively, net of related debt of \$ -0-. Capital assets include property and equipment net of accumulated depreciation.
 - (2) Restricted net assets of \$29,115 and \$46,440 for the years ended June 30, 2004, and 2003, respectively.
 - (3) Unrestricted net assets of \$15.0 million and \$20.1 million for the years ended June 30, 2004, and 2003, respectively.

Greater detail of these financial highlights is provided in the "financial analysis" section of this document.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes information in this report to supplement the basic financial statements. Comparative data for the year ended June 30, 2003, is included.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

Government-wide Financial Statements

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

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

The second government-wide statement is the *Statement of Activities*, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 13 and 14 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds, rather than the Sheriff as a whole.

The Sheriff uses governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 17 through 20 of this report.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds.

The basic agency fund financial statement is presented on page 21 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "Required Supplementary Information" for the general and special revenue fund. These schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 32 and 33 of this report.

Financial Analysis of the Sheriff as a Whole

The Sheriff's net assets are \$23,996,339 and \$27,963,614 at June 30, 2004 and 2003, respectively. The following table on page 6 provides a summary of the Sheriff's net assets:

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

Summary of Net Assets

	June 30, 2004		June 30, 2003	
	Governmental Activities	Percentage Total	Governmental Activities	Percentage Total
Assets:				
Current assets	\$ 20,368,070	70%	\$ 25,044,531	76%
Capital assets	<u>8,925,513</u>	<u>30%</u>	<u>7,850,575</u>	<u>24%</u>
Total assets	<u>29,293,583</u>	<u>100%</u>	<u>32,895,106</u>	<u>100%</u>
Liabilities:				
Current liabilities	2,412,135	46%	2,359,810	48%
Long-term liabilities	<u>2,885,110</u>	<u>54%</u>	<u>2,571,682</u>	<u>52%</u>
Total liabilities	<u>5,297,245</u>	<u>100%</u>	<u>4,931,492</u>	<u>100%</u>
Net assets:				
Investment in capital assets	8,925,513		7,850,575	
Restricted	29,115		46,440	
Unrestricted	<u>15,041,711</u>		<u>20,066,599</u>	
Total net assets	<u>\$ 23,996,339</u>		<u>\$ 27,963,614</u>	

Net assets of \$23,996,339 and \$27,963,614 at June 30, 2004, and 2003, respectively, were \$3,967,275 and \$11,845,926 less than net assets for the previous year. The Sheriff has \$8,925,513 and \$7,850,575 invested in capital assets at June 30, 2004, and 2003, respectively. Current assets exceed current liabilities by \$17,955,935 and \$22,684,721 at June 30, 2004, and 2003, respectively.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

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

Summary of Changes in Net Assets

	<u>June 30, 2004</u>		<u>June 30, 2003</u>	
	<u>Governmental</u>	<u>Percentage</u>	<u>Governmental</u>	<u>Percentage</u>
	<u>Activities</u>	<u>of Total</u>	<u>Activities</u>	<u>of Total</u>
Revenues:				
Program:				
Fees, charges and commissions for services	\$ 12,677,901	26%	\$ 11,937,447	26%
Operating grants and contributions	<u>1,220,327</u>	3%	<u>1,595,057</u>	4%
General:				
Ad valorem taxes	31,502,692	64%	29,364,261	63%
Licenses and permits	528,562	1%	495,965	1%
Grants not restricted to specific programs	2,175,651	4%	2,065,384	4%
Interest income	516,288	1%	667,013	1%
Proceeds from sale of fixed assets/ gain on sale of fixed assets	154,732	0%	158,765	0%
Miscellaneous	<u>326,816</u>	1%	<u>503,650</u>	1%
Total revenues	<u>49,102,969</u>	<u>100%</u>	<u>46,787,542</u>	<u>100%</u>
Program expenses:				
Public safety	<u>53,070,243</u>	<u>100%</u>	<u>58,633,468</u>	<u>100%</u>
Total expenses	<u>53,070,243</u>	<u>100%</u>	<u>58,633,468</u>	<u>100%</u>
Change in net assets	(3,967,275)		(11,845,926)	
Beginning net assets	<u>27,963,614</u>		<u>39,809,540</u>	
Ending net assets	<u>\$ 23,996,339</u>		<u>\$ 27,963,614</u>	

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

GOVERNMENTAL REVENUES

Taxpayers funded 72% and 71% of the Sheriff's operations in the form of property taxes, grants and the Sheriff's other general revenues for the years ended June 30, 2004, and 2003, respectively. Program revenues funded 28% and 29% of governmental operating expenses for the years ended June 30, 2004, and 2003, respectively.

GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of the Sheriff's Office is public safety activities. Depreciation of office equipment, vehicles, buildings and all other capital assets for the years ended June 30, 2004, and 2003, was \$2,107,658 (3.9% of total expenses) and \$2,095,239 (3.6% of total expenses), respectively.

Financial Analysis of the Sheriff's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$17,944,537 and \$22,671,821 at June 30, 2004, and 2003, respectively. The legally restricted fund balances (i.e., the reserved fund balances) for inventory were \$29,115 and \$46,440 for the years ended June 30, 2004, and 2003, respectively. The unreserved, undesignated fund balances were \$17,915,422, \$22,625,381, and \$26,688,930 at June 30, 2004, 2003, and 2002, respectively.

The unreserved, undesignated fund balances decreased by \$4,709,959 and \$4,063,549 from the previous year for the years ended June 30, 2004, and 2003, respectively.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund. Total General Fund revenues increased by approximately \$2.3 million in the fiscal year 2004 from fiscal year 2003 and by approximately \$1 million in fiscal year 2003 from fiscal year 2002, with the most significant increase coming from a \$2.1 million and a \$1.2 million increase in ad valorem tax revenue in fiscal years 2004, and 2003, respectively. Total expenditures in the General Fund increased from the previous fiscal year by \$2.9 million and \$5.8 million in the years ended June 30, 2004, and 2003, respectively. The most significant increases were in wages and benefits (\$3.4 million and \$3.3 million for the years ended June 30, 2004, and 2003, respectively) and materials and supplies decreased (\$0.9) million and increased \$2.1 million for the years ended June 30, 2004, and 2003, respectively). For the years ended June 30, 2004, and 2003, respectively, total expenditures for the General Fund exceeded total revenues by \$5.0 million and \$4.4 million, resulting in ending fund balances of \$18.0 million and \$22.6 million.

As previously indicated, the Sheriff's Office is examining cost-cutting measures in an effort to reduce the rate at which fund balance is being utilized to fund operations. Examples of such measures include consolidating the civil and criminal process sections of the Sheriff's office, as well as the warrants and uniform patrol sections to better utilize manpower in these areas. Additionally, new computer technology in these areas is allowing the office to more efficiently monitor service requirements and assign personnel accordingly.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

Budgetary Highlights

The General Fund — The original budget for the General Fund included anticipated revenues of approximately \$46.6 million and \$45.8 million for the years ended June 30, 2004, and 2003, respectively, an increase of approximately \$0.8 million and \$1.2 million for these years from the prior year. For the fiscal year ended June 30, 2004, the budget was amended to reflect increases in various revenue accounts totaling approximately \$800,000; however, the total actual revenues of \$47,930,184, as reported in the General Fund, exceeded the amended budget by approximately \$550,000.

The original budget for the General Fund included anticipated expenditures of approximately \$51 million and \$48 million for the years ended June 30, 2004, and 2003, respectively, an increase of approximately \$3 million and \$4 million for these years from the prior year. For the year ended June 30, 2004, the budget was amended to reflect an increase of approximately \$2.4 million in anticipated expenditures, most significantly in the area of personnel services and related benefits and operating services; however, the total actual expenditures of \$52,715,152, as reported in the General Fund, was less than the amended budget by approximately \$660,000.

The Prison Canteen Special Revenue Fund — There were no significant differences between the original and final budget.

Capital Assets and Debt Administration

Capital assets

The Sheriff's investment in capital assets was \$8,925,513, net of accumulated depreciation of \$8,649,106 at June 30, 2004, and \$7,850,575, net of accumulated depreciation of \$7,923,617 at June 30, 2003. Under the Sheriff's capitalization policy, assets with a cost of \$5,000 or more are capitalized for purposes of financial reporting. All assets with a cost of \$500 or more, as well as certain assets with a cost of less than \$500, are inventoried and tracked. See Note 6 for additional information about changes in capital assets during the fiscal year and the balance at the end of the year.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Management's Discussion and Analysis

The following table provides a summary of capital asset categories:

Capital Assets	<u>Governmental Activities</u>	
	<u>6/30/2004</u>	<u>6/30/2003</u>
Depreciable assets, net:		
Land	\$ 43,560	\$ 43,560
Buildings	2,093,092	1,153,411
Vehicles	5,024,874	4,628,528
Office furniture & equipment	754,230	840,379
Law enforcement	853,765	1,081,394
Telephone equipment	<u>155,992</u>	<u>103,303</u>
Total depreciable assets, net	<u>\$ 8,925,513</u>	<u>\$ 7,850,575</u>

At June 30, 2004, and 2003, respectively, the depreciable capital assets for governmental activities were 49% and 50% depreciated.

Long-term debt

The Sheriff had no long-term debt for the fiscal years ended June 30, 2004, and 2003. On October 15, 2004, the Sheriff issued \$6,000,000 in Revenue Anticipation Notes maturing on March 1, 2005. Proceeds from this debt issuance will be repaid with interest at the rate of 1.55% per annum from the collection of 2004 ad valorem revenues.

Contacting the Sheriff's Financial Management

This financial report is designed to provide a general overview of the Sheriff's finances, comply with laws and regulations related to finance, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Sheriff's Office, Daniel J. Hefner, CPA, CFE, CGFM, Chief Civil Deputy, at (225) 389-4929.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Statement of Net Assets
June 30, 2004

ASSETS

Cash and cash equivalents	\$ 17,921,504
Cash restricted	525,544
Receivables	1,104,921
Due from other funds	760,396
Inventory	29,115
Other	26,591
Capital assets:	
Land	43,560
Capital assets, net	<u>8,881,953</u>
Total assets	<u>29,293,583</u>

LIABILITIES

Accounts payable and accrued liabilities	1,983,855
Payroll taxes payable	370,039
Deferred revenues	58,240
Reserve deputy - equipment deposits	11,399
Long-term liabilities	
Compensated absences payable	<u>2,873,711</u>
Total liabilities	<u>5,297,245</u>

NET ASSETS

Invested in capital assets	8,925,513
Restricted	29,115
Unrestricted	<u>15,041,711</u>
Total net assets	<u>\$ 23,996,339</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Statement of Activities
For the year ended June 30, 2004

	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Fees, Fines, and Charges for Services	
Governmental activities:			
Public safety	\$ 53,070,243	12,677,901	(39,172,016)
		1,220,327	
General revenues:			
Ad valorem taxes			31,502,692
Licenses and permits			528,562
Grants not restricted to specific programs			2,175,651
Interest income			516,288
Proceeds from sale of fixed assets/gain on sale of fixed assets			154,732
Miscellaneous			326,816
Total general revenues			<u>35,204,741</u>
Change in net assets			(3,967,275)
Net assets - July 1, 2003			27,963,614
Net assets - June 30, 2004			<u>\$ 23,996,339</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

MAJOR FUND DESCRIPTIONS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Prison Canteen Fund

To account for the receipt and use of proceeds from the sale of personal items to prisoners in the parish jail.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Balance Sheet - Governmental Funds
June 30, 2004
With Comparative Totals for June 30, 2003

	General Fund	Special Revenue Fund	Totals (Memorandum Only)	
			2004	2003
ASSETS				
Cash and cash equivalents	\$ 17,797,633	123,871	17,921,504	23,033,727
Cash restricted	525,544	-	525,544	257,830
Receivables	1,104,921	-	1,104,921	754,476
Due from other funds	737,678	22,718	760,396	849,619
Inventory	2,353	26,762	29,115	46,440
Other	26,356	235	26,591	102,438
Total assets	\$ 20,194,485	173,585	20,368,070	25,044,530
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,963,350	20,505	1,983,855	2,034,441
Payroll taxes payable	370,039	-	370,039	237,661
Due to others	0	-	0	17,201
Deferred revenues	58,240	-	58,240	70,506
Reserve deputy - equipment deposits	11,399	-	11,399	12,900
Total liabilities	2,403,029	20,505	2,423,534	2,372,709
FUND BALANCE/NET ASSETS				
Fund balances:				
Reserved for inventory	2,353	26,762	29,115	46,440
Unreserved - undesignated	17,789,103	126,319	17,915,422	22,625,381
Total liabilities and fund balances	\$ 20,194,485	173,585	20,368,070	25,044,530

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, 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 \$ 17,944,537

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	43,560	
Building, net of \$428,400 accumulated depreciation	2,093,091	
Vehicles, net of \$5,201,092 accumulated depreciation	5,024,874	
Office furniture and equipment, net of \$1,195,375 accumulated depreciation	754,230	
Law enforcement equipment, net of \$1,699,661 accumulated depreciation	853,766	
Telephone equipment, net of \$124,578 accumulated depreciation	<u>155,992</u>	8,925,513

Long term liabilities at June 30, 2004:

Compensated absences payable	(2,873,711)
------------------------------	-------------

Total net assets of governmental activities at June 30, 2004 \$ 23,996,339

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds

For the year ended June 30, 2004

With Comparative Totals for the year ended June 30, 2003

	General Fund	Special Revenue Fund	Totals (Memorandum Only)	
			2004	2003
Revenues:				
Ad Valorem taxes	\$ 31,502,692	-	31,502,692	29,364,261
Licenses and permits	528,562	-	528,562	495,965
Intergovernmental revenues:				
Federal grants	1,148,111	-	1,148,111	1,553,581
State grants	72,216	-	72,216	41,476
State supplemental pay	2,175,651	-	2,175,651	2,065,384
Fees, charges and commissions for services:				
Commissions and state revenue sharing	677,528	-	677,528	675,729
Civil and criminal fees	5,588,590	-	5,588,590	5,345,841
Court attendance	151,102	-	151,102	147,356
Transporting prisoners	123,703	-	123,703	112,432
Feeding and keeping prisoners	3,234,136	-	3,234,136	2,851,270
Sales of merchandise	-	1,171,183	1,171,183	1,134,426
Fines and forfeitures	209,931	-	209,931	227,735
Other	1,521,727	-	1,521,727	1,442,660
Interest income	514,767	1,521	516,288	667,013
Miscellaneous	326,736	80	326,816	503,649
Total revenues	<u>47,775,452</u>	<u>1,172,785</u>	<u>48,948,237</u>	<u>46,628,778</u>
Expenditures:				
Public safety:				
Personnel services and related benefits	38,313,745	-	38,313,745	34,903,280
Operating services	5,590,912	450,912	6,041,824	5,811,693
Materials and supplies	4,452,807	586,968	5,039,775	5,915,225
Travel and other charges	770,399	77,221	847,619	1,168,404
Capital outlay	3,587,289	-	3,587,289	3,144,204
Total expenditures	<u>52,715,152</u>	<u>1,115,101</u>	<u>53,830,252</u>	<u>50,942,806</u>
Excess (deficiency) of revenues over expenditures	(4,939,699)	57,684	(4,882,015)	(4,314,028)
Other financing sources:				
Sale of fixed assets	154,732	-	154,732	158,765
Total other financing sources	<u>154,732</u>	<u>-</u>	<u>154,732</u>	<u>158,765</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,784,968)	57,684	(4,727,284)	(4,155,263)
Fund balance, beginning of year	<u>22,576,424</u>	<u>95,397</u>	<u>22,671,821</u>	<u>26,827,084</u>
Fund balance, end of year	<u>\$ 17,791,456</u>	<u>153,081</u>	<u>17,944,537</u>	<u>22,671,821</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, 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 changes in fund balances at June 30, 2004, per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		\$ (4,727,284)
The change in net assets reported for governmental activities in the statement of activities is different because:		
<p style="margin-left: 40px;">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 - Governmental Funds	3,587,290	
Depreciation expense for the year ended June 30, 2004	<u>(2,107,658)</u>	1,479,632
Excess of compensated absences earned over compensated absences used		(314,929)
Disposal of fixed assets		<u>(404,694)</u>
Total changes in net assets at June 30, 2004, per Statement of Activities		<u>\$ (3,967,275)</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2004
With Comparative Totals for June 30, 2003

	Agency Funds	
	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and cash equivalents	\$ 8,340,578	8,470,664
Cash restricted	3,568,853	3,584,042
Receivables	<u>15,226</u>	<u>16,680</u>
Total assets	<u>\$ 11,924,657</u>	<u>12,071,386</u>
LIABILITIES		
Balance due to taxing bodies, prisoners and others	<u>\$ 11,924,657</u>	<u>12,071,386</u>

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements

As of and for the year ended June 30, 2004

INTRODUCTION

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Sheriff includes all funds, 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 city-parish council as required by Louisiana law, the Sheriff is financially independent. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the East Baton Rouge Parish Sheriff (the primary government). There are no component units to be included in the Sheriff's reporting entity.

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the East Baton Rouge Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

Government-Wide Financial Statements (GWFS), Continued

Revenues, expenses, gains, losses assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Program revenues are derived directly from fees and charges paid by the recipient of services offered by the Sheriff and grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 10% of the corresponding total for all governmental funds.

The following are the Sheriff's governmental funds:

Governmental Funds

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the primary operating fund of the Sheriff. It accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose, provided it is expended or transferred in accordance with state and federal laws and according to the Sheriff's policy.

Prison Canteen Special Revenue Fund

The Prison Canteen Special Revenue Fund accounts for sales of personal items to prisoners in the parish jail. Revenues are used to compensate ministers who visit the prison, to purchase office supplies, directly associated personnel services and related benefits and to provide for other inmate benefits, et cetera.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

The government-wide financial statements are accounted for using an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. Fund equity is classified as net assets.

The government-wide financial statements 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 the economic asset used.

Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

Licenses, permits, fees, charges, and commissions for services are recorded when earned.

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

Interest income on time deposits is recorded when the interest is earned.

Expenditures

The Sheriff's primary expenditures include salaries and other personnel related benefits, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

Deferred Revenues

Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

D. BUDGET PRACTICES

The Sheriff uses the following budget practices:

1. The chief civil deputy prepares a proposed budget for the general and special revenue funds 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. The proposed budget for 2003-2004 was made available for public inspection on June 9, 2003.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. The proposed budget for 2003-2004 was published in the official journal ten (10) days prior to the public hearing, which was held at the Sheriff's Office on June 20, 2003, for the comments from taxpayers.
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 the fiscal year. Unexpended appropriations and any excess revenues over expenditures are carried forward to the subsequent year as beginning fund balance.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

Under state law, the Sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days.

F. INVENTORY

Inventory at June 30, 2004, consists of merchandise for resale in the General Fund, and Prison Canteen Special Revenue Fund. Inventory items are valued at cost and are recorded as expenditures, using the first-in, first-out (FIFO) cost flow assumption for valuing inventory.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$5,000 or more for capitalizing capital assets.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

G. CAPITAL ASSETS, Continued

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight line method over the following useful lives:

	<u>Estimated Lives</u>
Buildings	40 years
Vehicles	5 years
Computer software	5 years
Office furniture and equipment	5 – 15 years
Law enforcement equipment	5 – 10 years
Telephone equipment	10 years

H. COMPENSATED ABSENCES

Employees of the Sheriff's Office earn from 16 to 22 hours of paid time off (PTO) every 28 days of uninterrupted full-time employment. Maximum accrual of PTO is 208 to 286 hours, depending upon length of service. Hours of PTO accumulated in excess of the limits are transferred into an extended sick leave bank. The maximum accrual of extended sick leave is 2,184 hours. Upon termination of employment, employees are paid for accrued PTO. All accumulated extended sick leave lapses upon termination of employment. The plan assets remain the property of the Sheriff's Office until paid or made available to participants, subject only to the claims of the employer's general creditors. The cost of leave privileges is recognized as a current-year expenditure in the General Fund when leave is actually taken or paid upon termination. The cost of leave privileges not requiring current resources is reported as a liability in the Statement of Net Assets.

I. FUND EQUITY

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

J. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as revenue in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

K. ESTIMATES

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

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

2. LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	AUTHORIZED MILLAGE	LEVIED MILLAGE	EXPIRATION DATE
Special law enforcement	4.36	4.36	None
Additional special law enforcement	3.73	3.73	12/31/2010
Additional special law enforcement	6.90	6.90	12/31/2013

3. CASH AND CASH EQUIVALENTS

At June 30, 2004, the Sheriff had cash and cash equivalents (book balances) totaling \$30,356,479 as follows:

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Demand deposits	\$ 17,920,957	8,340,278	26,261,235
Petty cash	<u>547</u>	<u>300</u>	<u>847</u>
	17,921,504	8,340,578	26,262,082
Restricted cash	<u>525,544</u>	<u>3,568,853</u>	<u>4,094,397</u>
Totals	<u>\$ 18,447,048</u>	<u>11,909,431</u>	<u>30,356,479</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the deposits are adequately secured from risk by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Restricted cash represents funds received from federal block grants to be disbursed for specific expenditures authorized by the grants and for litigation settlements, which are held in these accounts until disbursed, respectively.

4. RECEIVABLES

Receivables as of June 30, 2004, are as follows:

<u>Class of Receivable</u>	General Fund	Special Revenue Fund	<u>TOTAL</u>
Licenses and permits	\$ 35,507	-	35,507
Feeding, keeping and transporting prisoners	780,362	-	780,362
Other fees, charges and commissions	<u>289,052</u>	-	<u>289,052</u>
Totals	<u>\$1,104,921</u>	-	<u>1,104,921</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

5. INTERFUND TRANSACTIONS

Interfund receivables and payables consist of amounts due to/from other funds primarily for commissions and fees. They consist of the following at June 30, 2004:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 737,678	-
Prison Canteen Special Revenue Fund	22,718	-
Agency funds:		
Sheriff's	-	800
Prison Inmate	-	22,718
Tax Collector	-	<u>736,878</u>
 Total	 <u>\$ 760,396</u>	 <u>760,396</u>

6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2004, follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2004</u>
Land	\$ 43,560	-	-	43,560
Buildings	1,519,675	1,001,816	-	2,521,491
Vehicles	9,521,224	2,261,005	1,556,263	10,225,966
Office furniture and equipment	1,827,475	245,814	123,684	1,949,605
Law enforcement equipment	2,655,093	5,250	106,916	2,553,427
Telephone equipment	<u>207,165</u>	<u>73,405</u>	-	<u>280,570</u>
	15,774,192	3,587,290	1,786,863	17,574,619
Less: Accumulated Depreciation	<u>7,923,617</u>	<u>2,107,658</u>	<u>1,382,169</u>	<u>8,649,106</u>
 Net capital assets	 <u>\$7,850,575</u>	 <u>1,479,632</u>	 <u>404,694</u>	 <u>8,925,513</u>

Assets with a cost of \$5,000 or more are capitalized for purposes of financial reporting. All assets with a cost of \$500, or more, as well as certain other assets with a cost of less than \$500 are inventoried and tracked. Depreciation expense in the amount of \$2,107,658 is charged to public safety.

7. PENSION PLAN

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

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month if employed prior to January 1, 1991, and not less than \$800 if employed subsequent to December 31, 1990, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least twelve years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

7. PENSION PLAN, Continued

The percentage factor to be used for each year of service is 2.50% for each year if total service is at least twelve but less than fifteen years, 2.75% for each year if total service is at least fifteen but less than twenty years, and 3.00% for each year if total service is at least twenty years. In any case, the retirement benefit cannot exceed 100.00% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least twelve years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

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

Funding Policy. Plan members are required by state statute to contribute 9.80% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.25% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Sheriff's contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$2,763,663, \$2,150,975, and \$1,822,155, respectively, equal to the required contributions for each year.

8. CHANGES IN AGENCY FUND BALANCES

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

	Sheriff's Fund	Prison Inmate Fund	Tax Collector Fund	Honor Fund
Balance, June 30, 2003	\$ 3,545,896	107,171	7,493,823	3,072
Additions	18,802,052	1,741,074	242,289,302	37,117
Reductions	<u>(18,778,149)</u>	<u>(1,761,658)</u>	<u>(242,365,352)</u>	<u>(31,620)</u>
Balance, June 30, 2004	<u>\$ 3,569,800</u>	<u>86,587</u>	<u>7,417,773</u>	<u>8,569</u>

9. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligations during the fiscal year ended June 30, 2004:

	<u>Compensated Absences</u>
Balance, June 30, 2003	\$ 2,558,782
Additions	3,202,427
Reductions	<u>(2,887,498)</u>
Balance, June 30, 2004	<u>\$ 2,873,711</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Notes to Financial Statements (Continued)

10. PROTESTED TAXES

The unsettled balances due to taxing bodies and others in the Agency Funds at June 30, 2004, amounted to \$2,953,053, consisting of \$2,848,271 of taxes paid under protest, plus interest earned to date on the investments of their funds, totaling \$104,782. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

11. 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 these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

12. LITIGATION AND CLAIMS

At June 30, 2004, the Sheriff is a defendant in various litigations principally arising from the normal course of operations. 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, or in the case of uninsured claims, have a material adverse effect on the financial condition of the Sheriff.

13. SUBSEQUENT EVENTS

On October 15, 2004, the Sheriff's Office issued a Revenue Anticipation Note in the amount of \$6,000,000. The proceeds are to fund costs of current operations through December 31, 2004. The note is secured by and payable from a pledge of all revenues accruing to the Sheriff's Office through December 31, 2004. The note, bearing interest at 1.55%, matures March 1, 2005.

On December 21, 2004, the Sheriff's Office arrested the supervisor of the evidence room on criminal charges concerning the theft of cash and property from the evidence room. A criminal investigation was still underway as of the date of this report. Preliminary estimates place the loss of cash at approximately \$240,000. No additional estimates were available concerning the loss of property as of the date of this report.

REQUIRED SUPPLEMENTARY INFORMATION

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

General Fund
Budgetary Comparison Schedule
For the year ended June 30, 2004
With Comparative Actual Amounts for the year ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003
	Budget		Actual		
	Original	Final			
Revenues:					
Ad valorem taxes	\$ 30,975,000	31,320,000	31,502,692	182,692	29,364,261
Licenses and permits	590,000	515,000	528,562	13,562	495,965
Intergovernmental revenues:					
Federal grants	1,000,000	1,135,000	1,148,111	13,111	1,553,581
State grants	40,000	72,000	72,216	216	41,476
State supplemental pay	2,160,000	2,177,000	2,175,651	(1,349)	2,065,384
Fees, charges and commissions for services:					
Commissions and state revenue sharing	675,700	677,527	677,528	1	675,729
Civil and criminal fees	5,166,400	5,427,000	5,588,590	161,590	5,345,841
Court attendance	145,000	147,000	151,102	4,102	147,356
Transporting prisoners	110,000	128,000	123,703	(4,297)	112,432
Feeding and keeping prisoners	3,065,000	3,164,000	3,234,136	70,136	2,851,270
Fines and forfeitures	215,000	202,000	209,931	7,931	227,735
Other	1,436,890	1,520,980	1,521,727	747	1,442,660
Interest income	611,000	485,000	514,767	29,767	665,778
Miscellaneous	258,500	281,200	326,736	45,536	488,799
Total revenues	46,448,490	47,251,707	47,775,452	523,745	45,478,267
Expenditures:					
Public safety:					
Personnel services and related benefits	37,026,055	38,457,278	38,313,745	143,533	34,903,280
Operating services	5,579,910	6,029,200	5,590,912	438,288	5,353,614
Materials and supplies	4,201,700	4,573,500	4,452,807	120,693	5,339,796
Travel and other charges	641,000	718,263	770,399	(52,136)	1,087,504
Capital outlay	3,508,950	3,596,950	3,587,289	9,661	3,144,204
Total expenditures	50,957,615	53,375,191	52,715,152	660,040	49,828,398
Excess (deficiency) of revenues over expenditures	(4,509,125)	(6,123,484)	(4,939,699)	1,183,785	(4,350,131)
Other financing sources:					
Sale of fixed assets	115,000	125,000	154,732	29,732	158,765
Total other financing sources	115,000	125,000	154,732	29,732	158,765
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,394,125)	(5,998,484)	(4,784,968)	1,213,516	(4,191,366)
Fund balance, beginning of year	22,347,842	22,576,424	22,576,424	-	26,767,792
Fund balance, end of year	\$ 17,953,717	16,577,940	17,791,456	1,213,516	22,576,425

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Special Revenue Fund - Prison Canteen Fund
Budgetary Comparison Schedule
For the year ended June 30, 2004

With Comparative Actual Amounts for the year ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003
	Budget		Actual		
	Original	Final			
Revenues:					
Sales of merchandise	\$ 1,131,000	1,131,400	1,171,183	39,783	1,134,426
Interest income	-	-	1,521	1,521	1,235
Miscellaneous	-	-	80	80	14,851
Total revenues	1,131,000	1,131,400	1,172,785	41,385	1,150,512
Expenditures:					
Public safety:					
Personnel services and related benefits					
Operating services	460,000	452,700	450,912	1,788	458,079
Materials and supplies	581,000	581,000	586,968	(5,968)	575,429
Travel and other charges	87,780	82,000	77,221	4,779	80,900
Capital outlay	-	-	-	-	-
Total expenditures	1,128,780	1,115,700	1,115,101	599	1,114,408
Excess (deficiency) of revenues over expenditures	2,220	15,700	57,684	41,984	36,104
Fund balances, beginning of year	63,872	95,397	95,397	-	59,292
Fund balance, end of year	\$ 66,092	111,097	153,081	41,984	95,396

OTHER SUPPLEMENTARY INFORMATION

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

General Fund Budgetary Comparison - Schedule of Expenditures - Budget and Actual
For the year ended June 30, 2004
With Comparative Actual Amounts for the year ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Expenditures:					
Public safety:					
Personnel services and related benefits					
Salaries	\$ 28,250,000	29,000,000	28,890,964	109,036	26,974,698
Sheriff's Expense Allowance	11,455	11,778	11,757	21	11,238
State Supplemental Pay	2,160,000	2,177,000	2,175,539	1,461	2,065,349
Pension Fund Contributions	2,258,000	2,778,000	2,763,663	14,337	2,150,975
FICA Contributions	33,600	31,500	29,743	1,757	30,743
Medicare Contributions	327,000	344,000	342,909	1,091	312,180
Unemployment Contributions	6,000	15,000	13,038	1,962	6,567
Group Health and Life Insurance	3,980,000	4,100,000	4,086,132	13,868	3,351,529
Operating services:					
Auto Insurance	1,365,000	1,252,500	1,252,433	67	1,049,723
Auto Insurance Deductible	110,000	110,000	110,614	(614)	110,055
Surety Bond/Liability Insurance Premium	875,000	855,000	860,341	(5,341)	700,372
Liability Insurance Deductible	20,000	30,000	23,439	6,561	12,679
Rental/Lease-Office Machines	16,000	21,000	20,457	543	17,945
Rental/Lease Copiers	7,000	26,000	26,283	(283)	70,676
Rental/Lease-Parking	6,960	10,000	9,629	372	11,648
Rental/Lease-Radio Tower Site	4,450	4,500	4,477	23	4,612
Rental/Lease-Buildings	4,000	5,200	5,440	(240)	3,762
Telephone Expense	256,000	305,000	320,406	(15,406)	222,427
Utilities	20,000	23,000	22,747	253	14,015
Auto Fuel	700,000	815,000	817,529	(2,529)	730,034
Maintenance-Vehicles	460,000	450,000	446,401	3,599	435,354
Maintenance-Radios	184,000	180,000	157,263	22,737	165,308
Maintenance-Telephone	70,000	40,000	39,820	180	50,246
Maintenance-Office Equipment	22,000	27,000	28,611	(1,611)	22,323
Maintenance-Computers	180,000	147,000	138,986	8,014	159,020
Maintenance-Buildings	15,000	22,000	14,033	7,967	11,973
Maintenance-Other Property	50,000	50,000	54,444	(4,444)	52,186
Minor Construction and Renovations	2,500	75,000	45,850	29,150	326
Professional Services	73,000	90,000	85,340	4,560	72,634
Professional Services-Accounting and Auditing	65,000	57,000	50,915	6,085	56,437
Professional Services-Legal	150,000	155,000	175,450	(20,450)	142,174
Professional Services-Computer	325,000	275,000	266,223	8,777	335,073
Medical Exams	13,000	15,000	13,397	1,603	11,932
Temporary Employees	140,000	172,000	166,781	5,219	169,759
Office Expense and Postage	270,000	255,000	243,659	11,341	258,065
Legal Notices	41,000	36,000	33,977	2,023	32,752
Recording and Filing Fees	130,000	125,000	132,144	(7,144)	123,580
Mileage Election Expense	-	-	44	(44)	4,658
Freight	-	-	293	(293)	-
Litigation Settlements	5,000	401,000	23,488	377,512	301,916
Materials and supplies:					
Uniforms and Related Supplies	175,000	225,000	252,510	(27,510)	147,588
Uniform Allowance	71,000	72,000	72,000	-	70,000
Supplies-Office	115,000	172,000	173,181	(1,181)	110,701
Supplies-Copier	21,000	23,000	22,768	232	22,149
Supplies-Computer	120,000	250,000	240,114	9,886	222,384
Supplies-Training	12,000	35,000	33,930	1,070	13,726
Supplies-Law Enforcement	200,000	200,000	149,260	50,740	199,442
Supplies-Photo	11,000	23,000	20,007	2,993	10,131
Supplies-Radio	15,000	50,000	49,570	430	13,546

Continued

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

General Fund Budgetary Comparison - Schedule of Expenditures - Budget and Actual
For the year ended June 30, 2004
With Comparative Actual Amounts for the year ended June 30, 2003

	Budget			Final Budget Positive (Negative)	2003 Actual
	Original	Final	Actual		
Supplies-Printed Material	50,000	50,000	48,030	1,970	57,906
Supplies-Publications	23,000	35,000	33,448	1,552	27,302
Supplies-Ammunition	115,000	87,500	88,854	(1,354)	83,132
Supplies-Other	28,700	24,000	20,186	3,814	26,276
Prisoner Food and Related Supplies	1,931,000	1,960,000	1,939,825	20,175	1,815,017
Prisoner Household	353,000	470,000	468,857	1,144	352,697
Prisoner Laundry/Toiletries	56,000	3,000	5,063	(2,063)	52,060
Prisoner Uniforms	100,000	51,000	50,630	370	87,154
Work Release-Food & Related Supplies	-	4,000	1,375	-	-
Work Release-Household	-	15,000	11,206	-	-
Work Release-Prisoner Drug Testing	-	1,500	730	-	-
Work Release-Furnishings & Related Supplies	-	45,000	43,322	-	-
Work Release-Vending Inventory	-	-	149	-	-
Small Equipment-Boat	-	16,500	16,155	-	-
Small Equipment-Law Enforcement	175,000	85,000	62,611	22,389	180,296
Small Equipment-Radios	175,000	180,000	178,289	1,711	436,515
Small Equipment-Telephone	-	8,500	8,377	-	-
Small Equipment-Office Furniture and Equipment	40,000	20,000	17,924	2,076	39,818
Small Equipment-Computer Hardware	380,000	300,000	281,691	18,309	1,356,435
Small Equipment-Computer Software	35,000	160,000	157,323	2,677	1,577
Small Equipment-Maintenance Equipment	-	-	-	-	7,314
Small Equipment-Vehicles	-	-	-	-	6,629
Small Equipment-Work Release Center	-	7,500	5,421	2,079	-
Travel and other charges:					
Reimburse to City/Parish for State Prisoners	142,000	175,000	190,836	(15,836)	102,618
Prisoner Transportation	1,000	1,000	1,046	(46)	772
Extraditions	55,000	70,000	64,381	5,619	48,131
Prisoner Guard Services	-	33,000	33,378	(378)	1,296
Feeding and Lodging of Jurors	2,000	21,000	20,928	72	1,378
Criminal Investigation Expense	30,000	13,000	11,402	1,598	30,914
Deputy Training	170,000	170,000	181,528	(11,528)	170,200
L.S.U. Basic Training	30,000	30,000	38,700	(8,700)	27,600
Travel Expense	500	5,000	4,329	671	32
Business Meeting Expense	1,000	1,000	951	49	994
Association Dues and Subscriptions	18,500	21,000	20,595	405	18,629
Capital District Law Enforcement Dues	9,000	8,500	8,480	20	8,133
Membership-Health and Fitness	55,000	53,000	53,825	(825)	53,056
Medical and Related Expense	5,000	4,000	3,842	159	4,500
Occupational Injury Expense	20,000	20,000	26,151	(6,151)	27,582
Law Enforcement Foundation Donation	12,000	5,000	5,000	-	-
Contribution to City/Parish Government for Range	-	41,763	41,763	0	251,214
Sub-grantee Awards	90,000	46,000	63,265	(17,265)	340,406
Capital Outlay:					
Vehicles	2,200,000	2,261,000	2,261,005	(5)	2,025,513
Boat, Motors, and Trailers	7,050	-	-	-	7,051
Law Enforcement Equipment	75,000	5,300	5,250	50	77,066
Radios and Equipment	150,000	-	-	-	121,418
Telephone Equipment	10,000	73,500	73,405	95	30,008
Office Furniture and Equipment	35,000	50,100	49,575	525	29,099
Computer Hardware	120,000	152,000	148,882	3,118	115,040
Computer Software	165,000	47,500	47,357	143	56,996
Maintenance Equipment	15,000	-	-	-	15,228
Land, Building, and Related Equipment	-	13,700	13,677	23	83,522
Training Academy	5,000	-	-	-	190,298
Training Academy-Architect and Professional Services	-	-	-	-	3,421
Evidence Building	58,400	183,000	182,991	9	277,586
Evidence Building-Architect and Professional Services	-	7,000	6,922	78	30,809
Work Release Center	668,500	792,200	785,970	6,230	33,090
Work Release Center-Architect and Professional Services	-	11,650	12,256	(606)	48,058
Total expenditures	\$ 50,957,615	53,375,191	52,715,152	650,854	49,828,398

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Special Revenue Fund Budgetary Comparison - Schedule of Expenditures - Budget and Actual
For the year ended June 30, 2004
With Comparative Actual Amounts for year ended June 30, 2004

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Original	Budget Final	Actual		
Expenditures:					
Public safety:					
Operating services:					
Maintenance of Property	\$ 2,500	1,500	-	1,500	1,496
Employee Reimbursement	450,000	450,000	450,000	-	456,583
Office Expense/Postage	7,500	1,200	912	288	-
Materials and supplies:					
Office Supplies	10,000	11,000	10,233	767	8,879
Merchandise for Resale	570,000	570,000	576,735	(6,735)	566,550
Medical Merchandise for Resale	1,000	-	-	-	-
Travel and other charges:					
Payments to Church Ministers	47,280	45,000	44,480	520	44,320
Inmate Benefits	33,000	30,000	25,648	4,352	30,120
Inmate Education	1,500	1,000	1,093	(93)	960
Services for Resale-Haircuts	6,000	6,000	6,000	-	5,500
Total expenditures	<u>\$ 1,128,780</u>	<u>1,115,700</u>	<u>1,115,101</u>	<u>599</u>	<u>1,114,408</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Supplemental Information Schedules
As of and for the year ended
June 30, 2004

FIDUCIARY FUNDS - AGENCY FUNDS

Sheriff's Fund

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

Prison Inmate Fund

This fund accounts for deposits made by and for the inmates and for authorized withdrawals.

Tax Collector Agency Fund

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

Honor Fund

This fund receives donations from employees and retirees for the payment of death benefits to eligible members. The benefit amount paid is equivalent to the amount donated.

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Combining Balance Sheet
June 30, 2004

With Comparative Totals for June 30, 2003

	Sheriff's Fund	Prison Inmate Fund	Tax Collector Fund	Honor Fund	Totals	
					2004	2003
ASSETS						
Cash and cash equivalents	\$ -	190,495	8,150,084	-	8,340,578	8,470,664
Cash restricted	3,560,376	-	-	8,477	3,568,853	3,584,042
Receivables	<u>10,224</u>	<u>445</u>	<u>4,465</u>	<u>92</u>	<u>15,226</u>	<u>16,680</u>
Total assets	<u>\$ 3,570,599</u>	<u>190,940</u>	<u>8,154,549</u>	<u>8,569</u>	<u>11,924,657</u>	<u>12,071,386</u>
LIABILITIES						
Due to State of Louisiana	\$ -	21,833	-	-	21,833	18,628
Due to other funds	800	22,718	736,775	-	760,292	849,619
Due to E.M.S.	-	59,802	-	-	59,802	53,177
Due to taxing bodies and others:						
Due to taxing bodies and others	-	86,587	4,464,721	8,569	4,559,877	5,867,311
Restricted liabilities	3,569,800	-	-	-	3,569,800	3,545,896
Protested taxes	-	-	2,953,053	-	2,953,053	1,736,755
Total due taxing bodies and others	<u>3,569,800</u>	<u>86,587</u>	<u>7,417,773</u>	<u>8,569</u>	<u>11,082,730</u>	<u>11,149,962</u>
Total liabilities	<u>\$ 3,570,599</u>	<u>190,940</u>	<u>8,154,549</u>	<u>8,569</u>	<u>11,924,657</u>	<u>12,071,386</u>

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Combining Statement of Changes in Assets and Liabilities
For the year ended June 30, 2004
With Comparative Totals for the year ended June 30, 2003

	Sheriff's	Prison Inmate	Tax Collector Agency Fund	Honor Fund	Total	
					2004	2003
Additions:						
Deposits:						
Suits, successions, etc.	\$14,550,949	-	-	-	14,550,949	14,833,123
Garnishments	2,606,946	-	-	-	2,606,946	2,411,640
Bonds	602,053	-	-	-	602,053	462,050
Clerk of Court fees	1,041,305	-	-	-	1,041,305	1,009,905
Taxes, fees, etc. paid to tax collector	-	-	241,207,112	-	241,207,112	224,950,819
Interest on investments	-	-	1,082,190	7	1,082,197	969,198
Other additions:						
Prisoner deposits	-	1,741,074	-	-	1,741,074	1,770,353
Donations	-	-	-	37,020	37,020	34,910
Miscellaneous receipts	800	-	-	90	890	22,441
Total additions	18,802,052	1,741,074	242,289,302	37,117	262,869,546	246,464,441
Reductions:						
Taxes, fees, etc. distributed to taxing bodies and others	-	-	242,365,352	-	242,365,352	225,375,634
Payments to litigants, etc.	12,650,946	-	-	-	12,650,946	12,168,123
Fees to sheriff's General Fund	5,335,389	-	-	-	5,335,389	5,133,200
Bond forfeitures	297,950	-	-	-	297,950	365,060
Cash bond refunds	493,613	-	-	-	493,613	336,207
Prisoner canteen purchases	-	-	-	-	-	1,134,426
Refunds to released inmates and prisoner authorized disbursements	-	1,761,658	-	-	1,761,658	575,016
Authorized program disbursements	-	-	-	31,220	31,220	86,827
Miscellaneous disbursements	250	-	-	400	650	19,279
Total reductions	18,778,149	1,761,658	242,365,352	31,620	262,936,779	245,193,774
Change in net assets	23,903	(20,583)	(76,050)	5,497	(67,232)	1,270,666
Balance, beginning of year	3,545,896	107,170	7,493,823	3,072	11,149,962	9,879,296
Balance, end of year	\$ 3,569,800	86,587	7,417,773	8,569	11,082,730	11,149,962

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Schedule of Expenditures of Federal Awards
For the year ended
June 30, 2004

<u>PASS-THROUGH FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Justice:			
Office of Justice Programs:			
Violent Offender Incarceration	16.586	96-CV-VX-0022	\$ 677,660
Local Law Enforcement Block Grant (02)	16.592	2002-LB-BX-2800	70,506
Local Law Enforcement Block Grant (03)	16.592	2003-LB-BX-1643	214,992
State Home Land Security Grant Project 2	16.007	2003-MU-T3-0022	8,570
Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Enhanced Crime Scene	16.579	B01-5-030	10,609
Community Policing	16.579	B02-5-008	3,238
Community Policing	16.579	B03-5-006	6,933
Property Crime	16.579	B02-5-010	16,021
Crime Victims Unit	16.575	C02-5-002	15,126
Child Advocacy Center	16.548	W00-5-001	24,634
Child Advocacy Center	16.548	W01-5-004	43,700
Child Advocacy Center	16.548	W02-5-004	6,976
Child Advocacy Center	16.575	C01-8-020	7,982
Victims Assistance	16.575	C00-8-021	3,425
Victims Assistance	16.575	C01-8-022	874
Criminal Records	16.579	B03-5-022	<u>16,865</u>
Total U.S. Department of Justice			1,128,111
Office of Academic Programs:			
Governor's Safe and Drug Free	84.186	N/A	<u>20,000</u>
Total Expenditures of Federal Awards			<u>\$ 1,148,111</u>

Note to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of the East Baton Rouge Parish Sheriff and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

COMPLIANCE AND INTERNAL CONTROL

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

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

Ref.No. Description of Finding

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

_____ None

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

_____ None

Section III - Management Letter:

_____ None

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Summary Schedule of Current Year Audit Findings
For the year ended
June 30, 2004

Ref.No. Description of Findings

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

 None

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

 None

Section III - Management Letter:

 None

JERROLD A. BLACK
CERTIFIED PUBLIC ACCOUNTANT
3888 S. SHERWOOD FOREST BLVD.
CELTIC CENTRE, BUILDING II, SUITE G
BATON ROUGE, LOUISIANA 70816

Member
American Institute of
Certified Public Accountants

TELE: (225) 754-7355
FAX : (225) 754-7354

Member
Society of Louisiana
Certified Public Accountants

**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 ELMER B. LITCHFIELD
EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

I have audited the financial statements of the East Baton Rouge Parish Sheriff as of and for the year ended June 30, 2004, and have issued my report thereon dated December 21, 2004. I conducted my 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 East Baton Rouge Parish Sheriff's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the East Baton Rouge Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the East Baton Rouge Parish Sheriff, the Legislative Auditor, 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.

Baton Rouge, Louisiana
December 21, 2004



JERROLD A. BLACK
CERTIFIED PUBLIC ACCOUNTANT
3888 S. SHERWOOD FOREST BLVD.
CELTIC CENTRE, BUILDING II, SUITE G
BATON ROUGE, LOUISIANA 70816

Member
American Institute of
Certified Public Accountants

TELE: (225) 754-7355
FAX : (225) 754-7354

Member
Society of Louisiana
Certified Public Accountants

**Report on Compliance With Requirements Applicable to Each Major Program and on Internal
Control Over Compliance in Accordance With OMB Circular A-133**

HONORABLE ELMER B. LITCHFIELD
EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Compliance

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

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the East Baton Rouge Parish Sheriff's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the East Baton Rouge Parish Sheriff's compliance with those requirements.

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

Internal Control Over Compliance

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

HONORABLE ELMER B. LITCHFIELD
EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133 (Continued)

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the management of the East Baton Rouge Parish Sheriff 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.



Baton Rouge, Louisiana
December 21, 2004

EAST BATON ROUGE PARISH SHERIFF
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs
For the year ended
June 30, 2004

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the East Baton Rouge Parish Sheriff.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the East Baton Rouge Parish Sheriff were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's Report on Compliance expresses an unqualified opinion.
6. There were no audit findings relative to major federal award programs for the East Baton Rouge Parish Sheriff.
7. The programs tested as major programs include:

<u>NAME</u>	<u>CFDA Nos.</u>
Local Law Enforcement Block 03	16.592
Violent Offender Incarceration	16.586

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The East Baton Rouge Parish Sheriff was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None