

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Financial Report
For the Year Ended June 30, 2004

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

Release Date 1/12/05

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INDEPENDENT AUDITORS' REPORT

Calcasieu Parish Sheriff
Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the Calcasieu Parish Sheriff as of June 30, 2004, and for the year then ended. These basic financial statements are the responsibility of the Calcasieu Parish Sheriff. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

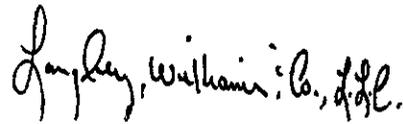
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Calcasieu Parish Sheriff as of June 30, 2004, and the respective changes 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*, we have also issued a report dated December 21, 2004, on our consideration of the Calcasieu Parish Sheriff's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the required supplemental information on pages 6 through 12 and page 37, respectively, are not a required part of the basic financial statements, but are supplemental information required by the Governmental Accounting Standards Board. We have applied

certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 40 through 47 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Calcasieu Parish Sheriff. In addition, the accompanying schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Langley, William B., CPA".

December 21, 2004

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Management's Discussion and Analysis

Within this section of the Calcasieu Parish Sheriff's (Sheriff) annual financial report, the Sheriff's current management is providing this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2004, which occurred during the administration of the previous Sheriff. Effective July 1, 2004 a newly elected Sheriff took office. The following information is provided by the current administration and is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

The Sheriff's assets exceeded its liabilities by \$40,125,682 (net assets) for the fiscal year reported.

Total revenues of \$38.4 million exceeded total expenditures of \$36.4 million, which resulted in a current year excess revenue of \$2.0 million.

Total net assets are comprised of the following:

- (1) Capital assets of \$22,304,061 include property and equipment, net of accumulated depreciation.
- (2) Unrestricted net assets of \$17,821,621.

The Sheriff's governmental funds reported total ending fund balance of \$18,996,363 this year. This compares to the prior year ending fund balance of \$16,969,843, reflecting an increase of \$2,026,520 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$15,878,683, or 44% of total General Fund expenditures and 42% of total General Fund revenues including transfers.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

Government-wide Financial Statement

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 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 are presented on pages 14 through 15 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.* Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

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.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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 financial 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 18 through 21 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

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 statements are presented on pages 43 through 45 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 23 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on page 37 of this report.

As discussed, the Sheriff reports major funds in the basic financial statement. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 40.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

Financial Analysis of the Sheriff as a Whole

The Sheriff implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's net assets at fiscal year-end are \$40,125,682. The following table provides a summary of the Sheriff's net assets:

	<u>2004</u>	<u>Percentage</u>	<u>2003</u>	<u>Percentage</u>
Assets:				
Current assets	\$ 19,294,802	46 %	\$ 17,291,746	42 %
Capital assets	<u>22,304,061</u>	<u>54</u>	<u>23,962,468</u>	<u>58</u>
Total assets	<u>41,598,863</u>	100 %	<u>41,254,214</u>	100 %
Liabilities:				
Current liabilities	457,029	31 %	1,283,049	32 %
Long-term liabilities	<u>1,016,152</u>	<u>69</u>	<u>3,395,600</u>	<u>68</u>
Total liabilities	<u>1,473,181</u>	100 %	<u>4,678,649</u>	100 %
Net assets:				
Investment in capital assets, net of debt	22,304,061		20,785,428	
Unrestricted	<u>17,821,621</u>		<u>15,790,137</u>	
Total net assets	<u>\$ 40,125,682</u>		<u>\$ 36,575,565</u>	

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 42.22 to 1 for the current year compared to 13.48 to 1 for the previous year.

Approximately 56.0% of the governmental activities' net assets are invested in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

Overall, the Sheriff's office reports net assets of \$40,125,682. This amount is \$3,550,117 more than last year. The Sheriff's office has \$22.0 million invested in capital assets. The Sheriff's overall financial position improved during fiscal year 2004.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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

	<u>2004</u>	<u>Percentage</u>	<u>2003</u>	<u>Percentage</u>
Revenues:				
Program:				
Charges for services/fines	\$ 9,792,989	26 %	\$ 9,936,469	28 %
Operating grants and contributions	3,442,536	9	2,860,587	8
General:				
Sales taxes	8,062,524	21	7,512,108	21
Property taxes	13,847,836	36	13,384,288	37
State revenue sharing	379,498	1	447,986	1
Unrestricted state grants	242,512	1	379,188	1
Interest	216,305	1	181,797	1
Miscellaneous	<u>2,394,954</u>	<u>5</u>	<u>1,146,523</u>	<u>3</u>
Total Revenues	<u>38,379,154</u>	100 %	<u>35,848,946</u>	100 %
Program expenses:				
Public safety	34,702,823	99 %	35,037,559	99 %
Interest	<u>126,214</u>	<u>1</u>	<u>61,793</u>	<u>1</u>
Total Expenses	<u>34,829,037</u>	100 %	<u>35,099,352</u>	100 %
Change in net assets	<u>3,550,117</u>		<u>749,594</u>	
Beginning net assets	<u>36,575,565</u>		<u>35,825,971</u>	
Ending net assets	\$ <u>40,125,682</u>		\$ <u>36,575,565</u>	

Governmental Revenues

The sheriff is heavily reliant on property taxes to support its operation. Property taxes provided 36% of the Sheriff's total revenues. Also, program revenues covered 38% of governmental operating expenses. This means that the government's taxpayers, in the form of property and sales taxes, and the Sheriff's other general revenues funded 62% of its operation.

Governmental Functional Expenses

The total function of the Sheriff's office is public safety activities. The only other non-functional cost is interest expense related to the obligations on capital leases. Of the total cost, depreciation on the equipment, vehicles and buildings was \$2,338,851 or 6.7% of total expenses.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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 an ending balance of \$18,996,363. Legally restricted fund balances (i.e., the reserved fund balances include: \$30,348 in inventories, \$813,000 reserved for capital assets and improvements and \$1,335,000 reserved for legal contingencies. As a result, the unreserved, undesignated fund balance is \$16,818,015.

The unreserved, undesignated fund balance increased by \$3,156,828 from the previous year.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's balance increased by \$3,177,138. In fiscal year 2004, revenues increased \$2.7 million over the prior year, however operating expenditures decreased by \$2.6 million with the largest decrease being in capital outlay.

Budgetary Highlights

The General Fund – When the original budget was adopted, it was not anticipated that the total revenues were going to be more than the previous fiscal year, which was mainly due to unanticipated increases in sales taxes, fees and other revenues. Also, the original budgeted expenditures did not anticipate the repaying of the long-term debt, which occurred near the end of the fiscal year. Overall the actual revenues and expenditures exceeded the budgeted amounts as displayed on page 37.

CAPTIAL ASSETS AND DEBT ADMINISTRATORS

Capital Assets

The Sheriff's investments in capital assets, net of accumulated depreciation as of June 30, 2004 was \$22,304,061. See Note 5 for additional information about changes in capital assets during the fiscal year and the end of the year. The following table provides a summary of capital asset activity.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

	2004	2003
Nondepreciable assets-land	\$ 698,962	\$ 698,962
Depreciable assets:		
Buildings and improvements	19,891,681	19,876,189
Equipment and furniture	8,989,650	8,669,019
Vehicles	6,425,297	8,158,095
Total depreciable assets	35,306,628	36,703,303
Less accumulated depreciation	13,701,529	13,439,797
Book value-depreciable assets	\$ <u>21,605,099</u>	\$ <u>23,263,506</u>
Percentage depreciated	39 %	37 %
Book value-all assets	\$ <u>22,304,061</u>	\$ <u>23,962,468</u>

Long-term debt

At the end of the fiscal year, the Sheriff repaid total capital lease obligations outstanding of \$3,177,040. General fund revenues secured the total amount of these obligations. During the previous year, the Sheriff issued \$3,025,500 of new obligations and retired \$98,580 of the outstanding debt balance. \$2,800,000 of capital lease obligations was issued in the fiscal year ended 2002 to purchase vehicles. See Note 9 for additional information regarding long-term debt.

Contacting the Sheriff's Financial Management

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Sheriff's office, Mrs. Sharon Cutrera, CFO at (337)491-3690.

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

STATEMENT OF NET ASSETS

June 30, 2004

ASSETS	
Cash and cash equivalents	\$ 16,181,753
Receivables	3,092,361
Prepaid items	340
Inventory	20,348
Capital assets:	
Land	698,962
Capital assets, net	<u>21,605,099</u>
Total assets	<u>\$ 41,598,863</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 248,439
Other liabilities	50,000
Long-term liabilities:	
Due within one year	158,590
Due after one year	<u>1,016,152</u>
Total liabilities	<u>1,473,181</u>
NET ASSETS	
Invested in capital assets	22,304,061
Unrestricted	<u>17,821,621</u>
Total net assets	<u>\$ 40,125,682</u>

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2004

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenues and Changes in Net Assets</u>
<u>Activities</u>	<u>Charges for Services</u>	<u>Fees, Fines, And Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:			
Public safety	\$ 34,702,823	\$ 9,792,989	\$ (21,467,298)
Interest on long-term debt	<u>126,214</u>	<u>-</u>	<u>(126,214)</u>
Total Governmental Activities	<u>\$ 34,829,037</u>	<u>\$ 9,792,989</u>	<u>(21,593,512)</u>
General revenues			
Taxes -			
Property taxes, levied for general purposes			13,847,836
Sales and use taxes, levied for general purposes			8,062,524
State revenue sharing			379,498
Grants and contributions not restricted to specific programs -			
State sources			242,512
Interest and investment earnings			216,305
Miscellaneous			2,394,954
Total general revenues			<u>25,143,629</u>
Change in net assets			3,550,117
Net assets - July 1, 2003			<u>36,575,565</u>
Net assets - June 30, 2004			<u>\$ 40,125,682</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Other Governmental

To account for the special revenue funds, which are considered governmental funds and are also considered to be nonmajor funds.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENT FUNDS

June 30, 2004

	General	Other Governmental	Total
ASSETS			
Cash and cash equivalents	\$ 15,211,624	\$ 970,129	\$ 16,181,753
Receivables	3,047,128	45,233	3,092,361
Prepaid items	250	90	340
Inventory	20,348	-	20,348
Total Assets	\$ 18,279,350	\$ 1,015,452	\$ 19,294,802
LIABILITIES			
Accounts payable and accrued liabilities	\$ 222,319	\$ 26,120	\$ 248,439
Other liabilities	-	50,000	50,000
Total Liabilities	222,319	76,120	298,439
FUND BALANCES			
Reserve for inventory	20,348	-	20,348
Reserve for narcotics inventory	10,000	-	10,000
Reserve for vehicle improvements	63,000	-	63,000
Reserve for capital improvements	750,000	-	750,000
Reserve for legal contingencies	1,335,000	-	1,335,000
Unreserved - undesignated	15,878,683	939,332	16,818,015
Total Liabilities and Fund Balances	\$ 18,279,350	\$ 1,015,452	\$ 19,294,802

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENT FUNDS
TO THE STATEMENT OF NET ASSETS

June 30, 2004

Total fund balances for governmental funds at June 30, 2004 \$ 18,996,363

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	698,962
Capital assets, net of \$13,701,529 accumulated depreciation	<u>21,605,099</u>
	22,304,061

Long-term liabilities at June 30, 2004:

Compensated absences payable	<u>(1,174,742)</u>
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Total net assets of governmental activities at June 30, 2004 \$ 40,125,682

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS

For the Year Ended June 30, 2004

	General	Other Governmental	Totals
REVENUES			
Ad valorem taxes	\$ 13,847,836	\$ -	\$ 13,847,836
Intergovernmental	3,999,038	65,508	4,064,546
Commission, fees and charges	9,314,327	478,662	9,792,989
Interest	208,262	8,043	216,305
Sales taxes	8,062,524	-	8,062,524
Other	2,393,245	1,709	2,394,954
Total revenues	37,825,232	553,922	38,379,154
EXPENDITURES			
Current			
Public safety	31,902,123	441,601	32,343,724
Capital outlay	614,645	65,818	680,463
Debt service			
Principal	3,177,040	-	3,177,040
Interest	151,407	-	151,407
Total expenditures	35,845,215	507,419	36,352,634
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,980,017	46,503	2,026,520
OTHER FINANCING SOURCES (USES)			
Operating transfers in	125,000	-	125,000
Operating transfers (out)	(125,000)	-	(125,000)
Total other financing sources (uses)	-	-	-
NET CHANGES IN FUND BALANCE	1,980,017	46,503	2,026,520
FUND BALANCES AT BEGINNING OF YEAR	16,077,014	892,829	16,969,843
FUND BALANCES AT END OF YEAR	\$ 18,057,031	\$ 939,332	\$ 18,996,363

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 2,026,520
The change in net assets reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	680,463
Depreciation expense for the year ended June 30, 2004	<u>(2,338,851)</u>
	(1,658,388)
Debt principal retirement considered as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balance	3,177,040
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	25,193
<i>Government funds do not report compensated absences as expenditures. However, this payable does appear in the Statement of Activities since the payable is reported on the Statement of Net Assets</i>	<u>(20,248)</u>
Total changes in net assets at June 30, 2004 per Statement of Activities	<u>\$ 3,550,117</u>

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2004

ASSETS	
Cash	\$ 2,203,908
Investments	<u>1,012,816</u>
Total assets	<u>\$ 3,216,724</u>
 LIABILITIES	
Due to taxing bodies and others	<u>\$ 3,216,724</u>

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

INTRODUCTION

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

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

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

The accounting and reporting policies of the Calcasieu Parish Sheriff conform to generally accepted accounting principles and applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governments*.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operation of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and receipt and disbursements of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Calcasieu 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 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. As a result, an entirely new financial presentation format has been implemented.

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. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions 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 include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) 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 defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. 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 is at least 10 percent of the corresponding total for all governmental funds.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION (Continued)

The Sheriff reports the following major governmental fund:

The General Fund is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds.

Additionally, the Sheriff reports the following fund types:

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 (asset equal liabilities) and do not involve measurement of results of operation. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

The amounts reflected in the governmental fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

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 noncurrent) associated with their activities are reported.

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 economic asset used. The governmental funds use the following practices in recording revenues and expenditures

Revenues

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

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

Expenditures

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfers are 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.

D. BUDGET PRACTICES

1. The proposed budget for the general fund is submitted 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 public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

E. CASH AND INTEREST-BEARING DEPOSITS

Cash includes amounts in demand deposits and interest-bearing demand deposits and time deposits. They are stated at costs, which approximates market.

F. INVESTMENTS

Investments are reported at market value.

G. INVENTORY

All inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventory consists mainly of automobile parts.

H. CAPITAL ASSETS

Capital assets are capitalized at historical costs. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	25-40
Office, equipment, and furniture	5-12
Vehicles	5

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

I. LONG-TERM DEBT

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

J. VACATION AND SICK LEAVE

All permanent, full-time employees earn from 10-20 days of vacation leave each year, depending upon length of service. Vacation leave is available for use by employees in the fiscal year succeeding the year it was earned and cannot be accumulated. Upon resignation, termination, or retirement, unused vacation leave up to 20 days is paid to the employee at the employee's current rate of pay.

Sick leave is earned at the rate of 12 days per year by permanent, full-time employees. Unused sick leave may be accumulated from year to year. However, unused sick leave is forfeited upon termination.

At June 30, 2004, employees of the Sheriff's office have accumulated \$1,174,742 in leave privileges, \$158,590 in current liabilities and \$1,016,152 in long-term liabilities.

K. EQUITY CLASSIFICATIONS

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

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

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

L. FUND EQUITY

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

M. 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 a reduction of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

N. ESTIMATES

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

2. CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Sheriff has cash and cash equivalents (book balances) totaling \$18,385,661 as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Demand deposits	\$ 3,388,098	\$ 1,859,828	\$ 5,247,926
Time deposits	12,793,655	344,080	13,137,735
Total	\$ 16,181,753	\$ 2,203,908	\$ 18,385,661

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

2. CASH AND INTEREST-BEARING DEPOSITS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2004, the Sheriff has \$19,916,480 in deposits (collected bank balances). These deposits are secured from risk by \$452,896 of federal deposit insurance and \$19,463,584 of pledged securities held by the custodial banks 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, R.S. 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.

3. AD VALOREM TAXES

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

Ad valorem taxes are budgeted and recorded in the year for which levied and billed. For the year ended June 30, 2004, law enforcement taxes applicable to the Sheriff's General Fund, were levied as follows:

	Levied Millage	Expiration Date	Amount Collected
Regular Law Enforcement District	8.25	Permanent	\$ 7,216,270
Special Law Enforcement District	7.58	2010	6,631,566
	15.83		\$ 13,847,836

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

4. RECEIVABLES

The receivables of \$3,092,361 at June 30, 2004, are as follows:

	<u>Governmental Activities</u>
Taxes - sales	\$ 646,286
Taxes - ad valorem	90,350
Intergovernmental	407,785
Feeding prisoners	992,264
Other	955,676
Total	<u>\$ 3,092,361</u>

5. CAPITAL ASSETS

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

	<u>Balance, July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 698,962	\$ -	\$ -	\$ 698,962
Other capital assets:				
Buildings and improvements	19,876,189	44,900	(29,408)	19,891,681
Vehicles	8,158,095	181,206	(1,914,004)	6,425,297
Equipment and furniture	8,669,019	454,338	(133,707)	8,989,650
Total	<u>37,402,265</u>	<u>680,444</u>	<u>(2,077,119)</u>	<u>36,005,590</u>
Less accumulated depreciation	<u>(13,439,797)</u>	<u>(2,338,851)</u>	<u>2,077,119</u>	<u>(13,701,529)</u>
Net assets	<u>\$ 23,962,468</u>	<u>\$ (1,658,407)</u>	<u>\$ -</u>	<u>\$ 22,304,061</u>

Depreciation expense in the amount of \$2,338,851 was charged to public safety.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

6. RETIREMENT COMMITMENTS

Plan Description. Substantially all employees of the Calcasieu Parish 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, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

Funding Policy. Plan members are required by state statute to contribute 9.8% of their annual covered salary and the Calcasieu Parish 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 Calcasieu Parish Sheriff are established and may be amended by state statute. As provided by R.S. 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 payroll for the Sheriff's employees covered by the system for the year ended June 30, 2004 was \$19,082,327, the Sheriff's total payroll was \$20,680,437. The Sheriff contributed \$1,754,312 to the system during the year and employees contributed \$1,858,819.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

6. RETIREMENT COMMITMENTS (Continued)

Deferred Compensation Plan. The Calcasieu Parish Sheriff offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Sheriff employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

7. OTHER POSTEMPLOYMENT BENEFITS

The Calcasieu Parish Sheriff provides certain healthcare and life insurance benefits for retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by employees and the Sheriff ("pay-as-you-go" basis). The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 2004, the amount of retiree benefits totaled \$199,404 for 76 participants.

8. 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.

9. LONG-TERM DEBT

For the year ended June 30, 2003, the Sheriff had entered into a lease agreement as lessee for financing the acquisition of vehicles. The economic substance of the lease was that the Sheriff was financing the acquisition of the assets through the lease, and accordingly, it was recorded in the Sheriff's assets and liabilities. The original cost of the equipment was \$2,800,000.

The Sheriff also entered into a joint service agreement with the Calcasieu Parish Safety Communications District (District) to provide for the transfer of the Sheriff's communications facility to the District's headquarters. The District agreed to fund the cost of the transfer (\$225,000) through a loan to be repaid over five years.

The \$3,177,040 outstanding at June 30, 2003 was repaid along with the accrued interest to the date of payment of \$151,407 during the year ended June 30, 2004.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

Notes to the Financial Statements

10. CHANGES IN AGENCY FUND BALANCES

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

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Deferred Compensation	\$ 924,421	\$ 88,395	\$ -	\$ 1,012,816
Cash Appearance Bond	329,000	598,721	(601,321)	326,400
Fines and Costs	352,853	1,914,514	(2,039,157)	228,210
Civil Suits	31,246	4,785,499	(4,764,436)	52,309
Work Release Program	66,710	104,927	(84,294)	87,343
Inmate Deposits	176,994	1,328,350	(1,362,482)	142,862
Tax Collector	1,371,998	118,481,987	(118,487,201)	1,366,784
Total	<u>\$ 3,253,222</u>	<u>\$ 127,302,393</u>	<u>\$(127,338,891)</u>	<u>\$ 3,216,724</u>

11. CONTINGENCIES AND COMMITMENTS

The Sheriff is a defendant in a number of lawsuits, which have arisen in the normal course of operations, which are in various stages of completion. The Sheriff has established a fund balance reserve for legal contingencies in the amount of \$1,335,000 for potential losses on those cases, which may result in judgements in excess of insurance coverage or in denial of insurance coverage. As of the date of this report, the Sheriff's legal counsel believes that, for all other lawsuits, final and probable judgments as a result of these suits would be covered by insurance and would not have a material adverse effect on the Sheriff's financial statements.

As disclosed in the attached schedule of findings and questioned costs, it was determined that the Sheriff was not in compliance with certain allowed activity requirements under the provisions of the COPS program, CFDA Number 16.711. The effect of such noncompliance has not been determined, but it is the opinion of management that such effect would not be material to the basic financial statements.

12. ON-BEHALF PAYMENTS

The Sheriff's office is located within the Administrative Complex and Calcasieu Correctional Center on East Broad Street. Substantially all the utilities and maintenance costs of the administrative complex and correctional center are paid for by the Calcasieu Parish Police Jury.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended June 30, 2004

	GENERAL FUND			
	BUDGET		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 13,927,500	\$ 13,710,544	\$ 13,847,836	\$ 137,292
Intergovernmental	3,737,714	2,988,714	3,999,038	1,010,324
Commission, fees and charges	8,287,070	8,169,008	9,314,327	1,145,319
Interest	200,000	200,000	208,262	8,262
Sales taxes	7,000,000	7,000,000	8,062,524	1,062,524
Other	1,386,350	1,416,350	2,393,245	976,895
Total revenues	<u>34,538,634</u>	<u>33,484,616</u>	<u>37,825,232</u>	<u>4,340,616</u>
EXPENDITURES				
Current				
Public safety	33,869,796	32,369,408	31,902,123	467,285
Capital outlay	600,000	600,000	614,645	(14,645)
Debt service				
Principal	-	-	3,177,040	(3,177,040)
Interest	-	-	151,407	(151,407)
Total expenditures	<u>34,469,796</u>	<u>32,969,408</u>	<u>35,845,215</u>	<u>(2,875,807)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	68,838	515,208	1,980,017	1,464,809
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	125,000	125,000
Operating transfers (out)	-	-	(125,000)	(125,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	68,838	515,208	1,980,017	1,464,809
FUND BALANCES AT BEGINNING OF YEAR	<u>16,077,014</u>	<u>16,077,014</u>	<u>16,077,014</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 16,145,852</u>	<u>\$ 16,592,222</u>	<u>\$ 18,057,031</u>	<u>\$ 1,464,809</u>

The accompanying notes are an integral part of this financial statement.

OTHER SUPPLEMENTAL INFORMATION

NONMAJOR FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS

REGIONAL LAW ENFORCEMENT TRAINING ACADEMY FUND

The Regional Law Enforcement Training Academy Fund accounts for the collection of training fees from students attending the Calcasieu Regional Law Enforcement Training Academy. Expenditures of the fund include instructor fees, materials, and supplies for the academy.

SOUTHWEST LOUISIANA CRIMINALISTIC LABORATORY FUND

As provided by Louisiana Revised Statute 40:2266.1-3, the Southwest Louisiana Criminalistics Laboratory is operated by the Sheriff of Calcasieu Parish for Allen, Beauregard, Calcasieu, Cameron and Jefferson Davis Parishes. Laboratory services for crime detection, prevention, investigation, and other related activities in connection with criminal investigation are provided. The fund accounts for the collection of criminal fees from the aforementioned parishes and the related operating expenditures.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

COMBINING BALANCE SHEET - NONMAJOR FUNDS

June 30, 2004

	<u>Regional Law Enforcement Training Academy</u>	<u>Southwest Louisiana Criminalistic Laboratory</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 121,804	\$ 848,325	\$ 970,129
Receivables	767	44,466	45,233
Prepays	90	-	90
	<u>122,661</u>	<u>892,791</u>	<u>1,015,452</u>
Total Assets	<u>\$ 122,661</u>	<u>\$ 892,791</u>	<u>\$ 1,015,452</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ -	\$ 26,120	\$ 26,120
Other liabilities	-	50,000	50,000
Total Liabilities	<u>-</u>	<u>76,120</u>	<u>76,120</u>
Fund equity:			
Fund Balance			
Unreserved-undesignated	<u>122,661</u>	<u>816,671</u>	<u>939,332</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 122,661</u>	<u>\$ 892,791</u>	<u>\$ 1,015,452</u>

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NONMAJOR FUNDS

For the Year Ended June 30, 2004

	Regional Law Enforcement Training Academy	Southwest Louisiana Criminalistic Laboratory	Total
REVENUES			
Training fees	\$ 49,514	\$ -	\$ 49,514
Crime laboratory fees	-	429,148	429,148
Interest earnings	968	7,075	8,043
Grants	-	65,508	65,508
Other	749	960	1,709
Total revenues	<u>51,231</u>	<u>502,691</u>	<u>553,922</u>
EXPENDITURES			
Public safety	53,560	388,041	441,601
Capital outlay	-	65,818	65,818
Total expenditures	<u>53,560</u>	<u>453,859</u>	<u>507,419</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,329)	48,832	46,503
FUND BALANCES AT BEGINNING OF YEAR	<u>124,990</u>	<u>767,839</u>	<u>892,829</u>
FUND BALANCES AT END OF YEAR	<u>\$ 122,661</u>	<u>\$ 816,671</u>	<u>\$ 939,332</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

DEFERRED COMPENSATION FUND

The Deferred Compensation Fund accounts for the contributions elected for deferral by employees of the Calcasieu Parish Sheriff and the subsequent distribution of these participants' balances.

CASH APPEARANCE BOND FUND

The Cash Appearance Bond Fund accounts for the collection of bonds and payment of these collections to the general fund and other recipients in accordance with applicable laws.

FINES AND COSTS FUND

The Fines and Costs Fund accounts for the collection of fines and costs and payment of these collections to the general fund and other recipients in accordance with applicable laws.

WORK RELEASE PROGRAM FUND

The Work Release Program Fund accounts for the wages earned by inmates who are employed through the program while they are serving their sentence. The inmate deposits his wages in the fund and the Sheriff disburses the funds according to applicable laws.

INMATE DEPOSIT FUND

The Inmate Deposit Fund accounts for deposits made by and for prisoners to their individual accounts. The prisoners make purchases of personal items from the commissary with these funds and any remainder of their individual account is disbursed to them upon release from prison.

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.

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

COMBINING BALANCE SHEET - AGENCY FUNDS

June 30, 2004

	<u>Deferred Compensation</u>	<u>Cash Appearance Bond</u>	<u>Fines and Costs</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 326,400	\$ 228,210
Investments	<u>1,012,816</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,012,816</u>	<u>\$ 326,400</u>	<u>\$ 228,210</u>
LIABILITIES			
Due to taxing bodies and others	<u>\$ 1,012,816</u>	<u>\$ 326,400</u>	<u>\$ 228,210</u>

Civil Suits	Work Release Program	Inmate Deposit	Tax Collector	TOTAL
\$ 52,309	\$ 87,343	\$ 142,862	\$ 1,366,784	\$ 2,203,908
-	-	-	-	1,012,815
<u>\$ 52,309</u>	<u>\$ 87,343</u>	<u>\$ 142,862</u>	<u>\$ 1,366,784</u>	<u>\$ 3,216,724</u>
<u>\$ 52,309</u>	<u>\$ 87,343</u>	<u>\$ 142,862</u>	<u>\$ 1,366,784</u>	<u>\$ 3,216,724</u>

CALCASIEU PARISH SHERIFF
 Lake Charles, Louisiana
 Fiduciary Fund Type - Agency Funds

Combining Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2003

	<i>Deferred Compensation</i>	<i>Cash Appearance Bond</i>	<i>Fines and Costs</i>
BALANCES AT BEGINNING OF YEAR	\$ 924,421	\$ 329,000	\$ 352,853
ADDITIONS			
Appearance bonds	-	598,721	-
Suits, sales, seizures, etc.	-	-	-
Fines and costs	-	-	1,909,754
Taxes, fees, etc., paid to tax collector	-	-	-
Inmate receipts	-	-	-
Other additions	88,395	-	4,760
Total additions	88,395	598,721	1,914,514
REDUCTIONS			
Taxes, fees, etc., distributed to taxing bodies and others	-	-	-
District Attorney's General Fund	-	102,673	325,528
Sheriff's General Fund	-	102,673	168,582
Calcasieu Parish Police Jury	-	-	643,224
Indigent Defender Fund	-	102,673	343,492
Clerk of Court	-	-	75,551
Criminal Court Fund	-	102,673	-
Southwest Louisiana Regional Crime Lab	-	-	115,154
Judicial Expense Fund	-	-	42,365
<i>Crime Victims Reparation</i>	-	-	39,271
Calcasieu Parish Coroner's Office	-	-	34,607
Louisiana Commission of Law Enforcement	-	-	18,979
Bond refunds	-	190,629	-
Remittance of civil suits:			
General Fund	-	-	-
Clerk of Court	-	-	-
Other sheriffs and clerks	-	-	-
Litigants	-	-	-
Attorneys, appraisers, and other costs	-	-	-
Inmate disbursements	-	-	-
Other settlements	-	-	232,404
Total reductions	-	601,321	2,039,157
BALANCES AT END OF YEAR	\$ 1,012,816	\$ 326,400	\$ 228,210

<u>Civil Suits</u>	<u>Work Release Program</u>	<u>Inmate Deposit</u>	<u>Tax Collector</u>	<u>TOTAL</u>
\$ 31,246	\$ 66,710	\$ 176,994	\$ 1,371,998	\$ 3,253,222
-	-	-	-	598,721
4,785,499	-	-	-	4,785,499
-	-	-	-	1,909,754
-	-	-	118,481,987	118,481,987
-	104,927	1,328,350	-	1,433,277
-	-	-	-	93,155
<u>4,785,499</u>	<u>104,927</u>	<u>1,328,350</u>	<u>118,481,987</u>	<u>127,302,393</u>
-	-	-	118,487,201	118,487,201
-	-	-	-	428,201
-	-	-	-	271,255
-	-	-	-	643,224
-	-	-	-	446,165
-	-	-	-	75,551
-	-	-	-	102,673
-	-	-	-	115,154
-	-	-	-	42,365
-	-	-	-	39,271
-	-	-	-	34,607
-	-	-	-	18,979
-	-	-	-	190,629
1,225,067	-	-	-	1,225,067
213,144	-	-	-	213,144
15,703	-	-	-	15,703
3,022,463	-	-	-	3,022,463
288,059	-	-	-	288,059
-	84,294	1,359,699	-	1,443,993
-	-	2,783	-	235,187
<u>4,764,436</u>	<u>84,294</u>	<u>1,362,482</u>	<u>118,487,201</u>	<u>127,338,891</u>
<u>\$ 52,309</u>	<u>\$ 87,343</u>	<u>\$ 142,862</u>	<u>\$ 1,366,784</u>	<u>\$ 3,216,724</u>

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Expenditures</u>
U.S. Department of Justice			
COPS	16.711	N/A	\$ 1,021,563
Local Law Enforcement Block Grant	16.592	N/A	39,198
Passed through Louisiana Commission on Law Enforcement			
Domestic violence	16.588	N/A	65,871
Intensive incarceration	16.579	N/A	<u>70,200</u>
 TOTAL FEDERAL AWARDS			 <u><u>\$ 1,196,832</u></u>

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Calcasieu Parish Sheriff and is presented on the accrual basis of accounting. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

COMPLIANCE
AND
INTERNAL CONTROL



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

Calcasieu Parish Sheriff
Lake Charles, Louisiana

We have audited the basic financial statements of the Calcasieu Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated December 21, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Calcasieu Parish Sheriff's basic 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as item 2004-1 and 2004-2.

Internal Control Over Financial Reporting

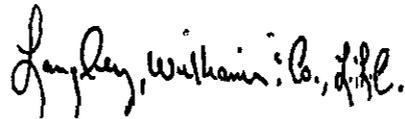
In planning and performing our audit, we considered Calcasieu Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over 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 basic financial statements being audited may occur and

Calcasieu Parish Sheriff
Page 2

not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Lake Charles, Louisiana
December 21, 2004





Langley, Williams & Company, L.L.C.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Calcasieu Parish Sheriff
Lake Charles, Louisiana

Compliance

We have audited the compliance of the Calcasieu 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 Calcasieu Parish Sheriff's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Calcasieu Parish Sheriff's management. Our responsibility is to express an opinion on the Calcasieu Parish Sheriff's compliance based on our audit.

We conducted our 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 we 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 Calcasieu Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Calcasieu Parish Sheriff's compliance with those requirements.

As described in item 2004-2, in the accompanying schedule of findings and questioned costs, the Calcasieu Parish Sheriff did not comply with certain allowed activity requirements that are applicable to its COPS program, CFDA Number 16.711. Compliance with such requirements is necessary, in our opinion, for the Calcasieu Parish Sheriff to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Calcasieu 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.

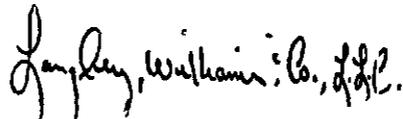
Internal Control Over Compliance

The management of the Calcasieu Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Calcasieu 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 our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 21, 2004



CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Reportable conditions identified not considered
to be material weaknesses? Yes None reported

Noncompliance material to financial statements
noted? Yes No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes No

Reportable conditions identified not considered
to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance
For major programs: Unqualified

Any audit findings disclosed that are required to
be reported in accordance with Circular A-133,
Section.510(a) Yes No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

16.711

COPS

Dollar threshold used to distinguish between

Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee Yes No

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2004

SECTION II – FINANCIAL STATEMENT FINDINGS

Prior Year

Item 2003-01:

Description: At June 30, 2003, the amount of funds on deposit with a local depository authority was undersecured by \$165,983. LSA-R.S. 39-1225 requires the amount of security to be a least equal to the amount of collected funds on deposit.

Corrective Action Taken: Yes

Current Year

Item 2004-1:

Description: State law requires budgets to be monitored and amended prior to the end of the year if actual revenues or expenditures exceed budgeted amounts by 5% or more.

Corrective Action Planned: In the future the current administration will take steps to ensure that the budget is amended as necessary in accordance with applicable state law.

SECTION III – FEDERAL AWARD FINDINGS

Prior Year

None Noted

Current Year

Item 2004-2:

Description: Under the COPS program, Number 16.711, there is a requirement that if the grantee transfers existing employees to the COPS program, then new hires shall replace the transferees and the request for reimbursement of salaries shall be for the salaries of the new hires. In this case, the reimbursement requests were computed using the transferees instead of the new hires.

Questioned costs: Unknown due to insufficient documentation to determine specifically which deputies were new hires under the program.

Corrective Action Planned: The current administration, which took office effective July 1, 2004, concurs with the finding and will adopt procedures that will ensure that the request for reimbursement will be calculated correctly.

Contact Person: Sharon Cutrera, CFO

CALCASIEU PARISH SHERIFF
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2004

SECTION IV – MANAGEMENT LETTER

No separate management letter was issued.

FINANCIAL STATEMENT AND
AUDITORS' REPORT

CALCASIEU PARISH TAX COLLECTOR
Lake Charles, Louisiana

Year ended June 30, 2004

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INDEPENDENT AUDITORS' REPORT

Honorable Anthony S. Mancuso, Jr.
Calcasieu Parish Sheriff and
Ex-Officio Tax Collector
Lake Charles, LA 70601

We have audited the statement of changes in due to others of the Calcasieu Parish Tax Collector, a component unit of the Calcasieu Parish Sheriff, as of and for the year ended June 30, 2004, as listed in the table of contents. This financial statement is the responsibility of the Calcasieu Parish Tax Collector's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

As described in Note A, the Calcasieu Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Calcasieu Parish, and the accompanying statement presents information only on his activities as parish tax collector. Further, the accompanying statement of collections, distributions, and unsettled balances has been prepared on a cash basis of accounting, without recognition of receivables and payables relating to tax collection activity. Accordingly, the accompanying statement is not intended to present the financial position and results of operations of the Calcasieu Parish Tax Collector in accordance with generally accepted accounting principles.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the collections, distributions, and unsettled balances of the Calcasieu Parish Tax Collector, as of and for the year ended June 30, 2004 on the basis of accounting described in Note A.

In accordance with Government Auditing Standards, we have also issued a report dated November 8, 2004 on our consideration of the Calcasieu Parish Tax Collector's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

November 8, 2004

CALCASIEU PARISH TAX COLLECTOR
Statement of Changes in Due to Others

For The Year Ended June 30, 2004

ADDITIONS	
Ad valorem taxes	\$ 112,378,851
Prior year ad valorem taxes	1,065,387
Angling, hunting, and trapping licenses	3,809
Interest	52,289
Interest-Protest taxes	2,124
State revenue sharing	3,756,330
Refunds and redemptions	1,066,873
Tax notices	84,851
Tax collection fees	71,500
	118,482,014
DEDUCTIONS	
Dept. of Wildlife and Fisheries	4,220
LA Forestry Commission	15,022
LA Tax Commission	18,459
Calcasieu Parish:	
Police Jury	34,962,911
School Board	38,140,087
Drainage Districts	4,006,740
Waterworks Districts	517,645
Recreation Districts	5,569,989
Fire Protection Districts	444,808
Port, Harbor & Terminal Districts	1,780,625
Airport District	431,939
Sheriff	14,953,580
Assessor	1,354,603
Chennault Authority	4,836,104
City of Lake Charles	5,961,171
City of Sulphur	1,130,933
City of Westlake	141,904
City of Vinton	27
Pension funds	3,141,001
Refunds and redemptions	1,066,872
Other disbursements	8,588
	118,487,228
CHANGE IN DUE TO OTHERS	(5,214)
DUE TO OTHERS - BEGINNING OF YEAR	1,371,998
DUE TO OTHERS - END OF YEAR	\$ 1,366,784

The accompanying notes are an integral part of this statement

CALCASIEU PARISH TAX COLLECTOR
Notes to Financial Statements
For the Year Ended June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff is the ex-officio tax collector of the parish. He is responsible for the collection and distribution of ad valorem property taxes; state revenue sharing funds; angling, hunting, and trapping licenses; fines; costs; and bond forfeitures imposed by the state district court.

Louisiana Revised Statute 24:513(B) requires that the accounts of each tax collector be examined annually. Accordingly, the accompanying statement reflects financial activity of the sheriff related only to his responsibility as ex-officio tax collector. Amounts included in this report are included in the sheriff's annual general purpose financial statements.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others. The accompanying financial statement has been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid.

As the governing authority of the parish, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish for reporting purposes. The financial reporting entity consists of (a) the primary government (police jury), (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.

CALCASIEU PARISH TAX COLLECTOR
Notes to Financial Statements
For the Year Ended June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Sheriff for financial reporting purposes. The basic criterion of including a potential component unit within the reporting entity is financial accountability.

This criteria includes:

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

The Sheriff's financial statements would be misleading if data of the organization was not included and due to the nature and significance of the relationship, the Calcasieu Parish Tax Collector was determined to be a component unit of the Calcasieu Parish Sheriff, the financial reporting entity. The accompanying financial statement presents information only on the funds maintained by the Calcasieu Parish Tax Collector and does not present information on the Sheriff, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

NOTE B - CASH

Under state law, the Calcasieu Parish Sheriff and Tax Collector's deposits must be secured by federal deposit insurance and/or the pledge of securities owned by the financial institution as collateral. At June 30, 2004 the Calcasieu Parish Tax Collector had deposits totaling \$1,361,794. These deposits were covered by federal depository insurance and by collateral pledged in the Calcasieu Parish Sheriff and Tax Collector's name from the respective financial institutions.

CALCASIEU PARISH TAX COLLECTOR
Notes to Financial Statements
For the Year Ended June 30, 2004

NOTE C - STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Act 1220 of 1995 were distributed as follows:

Calcasieu Parish:	
Police jury	\$ 1,706,143
School board	937,582
Sheriff:	
Law enforcement districts	379,498
Commissions	449,178
Assessor	73,348
Vinton port, harbor and terminal district	3,189
Lake Charles port, harbor and terminal district	89,294
Retirement Funds:	
Assessor	10,801
Clerks of Court	10,801
District Attorney	7,389
Municipal Employee	10,801
Parochial Employee	10,801
Registrar of Voters' Employee	2,700
Sheriff	21,602
Teachers	<u>43,203</u>
	<u>\$ 3,756,330</u>

NOTE D - TAXES PAID UNDER PROTEST

The unsettled balance at June 30, 2004 includes \$570,320 of taxes paid under protest in the amounts represented as follows:

<u>Taxpayer</u>	<u>Unsettled Balance</u>
Wal-Mart Stores, Inc.	\$ 58,565
Florida Gas Transmission (Enron)	113,800
Tennessee Gas Pipeline Co.	75,595
Reliant Energy (Entex)	<u>96,121</u>
	<u>\$ 344,081</u>

These funds are being held pending resolution of the protest.

CALCASIEU PARISH TAX COLLECTOR
Notes to Financial Statements
For the Year Ended June 30, 2004

NOTE E - SERVICE AGREEMENT

The Sheriff as *ex-officio* tax collector of the Parish has service agreements with the City of Lake Charles, the City of Sulphur, and the City of Westlake to collect ad valorem taxes and grass liens. These agreements are under the authority of Article VII, Section 14 of the Louisiana Constitution of 1974. Fees charged to compensate for the increased costs of collecting these ad valorem taxes are paid annually and are included in the Sheriff's general fund.

NOTE F - PENSION FUNDS

The office of the Legislative Auditor annually prepares a statement showing amounts to be deducted from current year tax collections for contributions to Pension Funds. For the 2003 tax year this amount was \$3,022,903. In addition, each year a portion of the State Revenue Sharing is allocated for retirement contributions. For the 2003 tax year, this amount was \$118,098. Below is a breakdown of the total dollars that were disbursed to the various Pension Funds.

Assessors' Retirement Fund	\$ 351,493
Clerk's of Court Retirement and Relief Fund	277,688
District Attorney's Retirement System	220,898
Municipal Employee's Retirement System	277,688
Parochial Employee's Retirement System of Louisiana	277,688
Registrar of Voters Employee's Retirement System	69,422
Sheriff's Pension and Relief Fund	555,375
Teachers' Retirement System	<u>1,110,749</u>
	\$ <u>3,141,001</u>



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

Honorable Anthony S. Mancuso, Jr.
Calcasieu Parish Sheriff and
Ex-Officio Tax Collector
Lake Charles, LA 70601

We have audited the statement of collections, distributions and unsettled balances of the Calcasieu Parish Tax Collector, a component unit of the Calcasieu Parish Sheriff, as of and for the year ended June 30, 2004, and have issued our report thereon dated November 8, 2004. We conducted our audit in accordance with generally accepted auditing standards 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 assurance about whether the Calcasieu Parish Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, *noncompliance with which could have a direct and material effect on the determination of financial statement amounts*. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Tax Collector'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 the misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the *internal control over financial reporting and its operation* that we consider to be material weaknesses.

Honorable Anthony S. Mancuso, Jr.
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This report is intended for the information of management and other state and federal agencies and pass-through entities. However this report is a matter of public record and its distribution is not limited.

Langley, William B., LLC

November 8, 2004

CALCASIEU PARISH TAX COLLECTOR
Audit Findings and Questioned Costs
For the Year Ended June 30, 2004

SUMMARY OF AUDIT RESULTS

1. *The auditors' report expresses an unqualified opinion on the financial statements of the Calcasieu Parish Tax Collector.*
2. *No reportable conditions disclosed during the audit of the financial statements in the report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Governmental Auditing Standards.*
3. *No instances of noncompliance were disclosed during the audit.*
4. *A separate management letter was not issued.*

FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs noted during the audits of the current year or prior year financial statements in accordance with Government Auditing Standards