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CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2003

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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 1-28-04

GRAGSON, CASIDAY & GUILLOGY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

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## **GRAGSON, CASIDAY & GUILLOGY, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

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### **INDEPENDENT AUDITORS' REPORT**

December 5, 2003

Honorable Beth Lundy  
Calcasieu Parish Sheriff  
Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Calcasieu Parish Sheriff, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended June 30, 2003, as listed in the table of contents. 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 *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 respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Calcasieu Parish Sheriff as of June 30, 2003, 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 our report dated December 5, 2003, 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.

As described in Note B to the basic financial statements, the Calcasieu Parish Sheriff adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, Statement No. 37, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments; Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

Calcasieu Parish Sheriff  
December 5, 2003

The Management's Discussion and Analysis and the required supplemental information on pages 5 through 12 and page 41, 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 inquiries 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 supplemental information on pages 44 through 48 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 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.

*Gragson, Casiday & Guillory*

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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 management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2003. The Sheriff's financial performance 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 \$36,575,565 (net assets) for the fiscal year reported.
- Total revenues of \$39.0 million exceeded total expenditures of \$36.0 million, which resulted in a current year surplus of \$3.0 million. This is better than last year, when revenues were short of expenditures by \$1.5 million.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$20,785,428 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the purchase of capital assets.
  - (2) Unrestricted net assets of \$15,790,137.
- The Sheriff's governmental funds reported total ending fund balance of \$15,772,722 this year. This compares to the prior year ending fund balance of \$12,699,214, reflecting a considerable increase of \$3,073,508 during the current year.

\*

- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$12,768,358, or 36% of total General Fund expenditures and 36% of total General Fund revenues including transfers.
- Overall, the Sheriff's office continues to maintain a strong financial position and is continuing to work to improve on this financial position.

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. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2004.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

**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 nonfinancial 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.

Both government-wide financial statements distinguish governmental activities of the Sheriff that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include public safety. Business-type activities include the jail commissary. \*

The government-wide financial statements are presented on pages 15 through 16 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 non-major funds is provided in the form of combining statements in a later section of this report.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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 15-16 of this report.

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

Proprietary funds are reported in the fund financial statements and generally report services for which the Sheriff charges customers a fee. The one Sheriff propriety fund classified as an enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to inmates for commissary services.

\*

The basic enterprise fund financial statements are presented on pages 23-25 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 26-27 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 28 of this report.

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**

**Management's Discussion and Analysis (Continued)**

***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 41 of this report.

As discussed, the Sheriff reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 44.

**Financial Analysis of the Sheriff as a Whole**

The Sheriff implemented the new financial reporting model used in this report beginning with the current 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 \$36,575,565. The following table provides a summary of the Sheriff's net assets:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Percentage Total</u>
<b>Assets:</b>				
Current assets	\$ 16,076,687	\$ 1,215,059	\$ 17,291,746	42% *
Capital assets	<u>23,962,468</u>	<u>-</u>	<u>23,962,468</u>	<u>58</u>
<b>Total assets</b>	<b><u>40,039,155</u></b>	<b><u>1,215,059</u></b>	<b><u>41,254,214</u></b>	<b><u>100%</u></b>
<b>Liabilities:</b>				
Current liabilities	1,265,092	17,957	1,283,049	32%
Long-term liabilities	<u>3,395,600</u>	<u>-</u>	<u>3,395,600</u>	<u>68</u>
<b>Total liabilities</b>	<b><u>4,660,692</u></b>	<b><u>17,957</u></b>	<b><u>4,678,649</u></b>	<b><u>100%</u></b>
<b>Net assets:</b>				
Investment in capital assets, net of debt	20,785,428	-	20,785,428	
Unrestricted	<u>14,593,035</u>	<u>1,197,102</u>	<u>15,790,137</u>	
<b>Total net assets</b>	<b><u>\$ 35,378,463</u></b>	<b><u>\$ 1,197,102</u></b>	<b><u>\$ 36,575,565</u></b>	

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**

**Management's Discussion and Analysis (Continued)**

The Sheriff continues to maintain a high current ratio. 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 12.71 to 1 and 67.67 to 1 for business type activities. For the Sheriff overall, the current ratio is 13.48 to 1. These ratios are strong.

Note that approximately 68% of the governmental activities' net assets are tied up in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

Overall, the Sheriff's office reports net assets of \$36,575,565. This amount is \$134,752 higher than last year. The Sheriff's office has \$24.0 million invested in capital assets. The Sheriff's overall financial position improved during fiscal year 2003.

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the Sheriff's changes in net assets:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Percentage of Total</u>
<b>Revenues:</b>				
Program:				
Charges for services/fines	\$ 9,770,593	\$ 165,876	\$ 9,936,469	28%
Operating grants and contributions	2,860,587	-	2,860,587	8
General:				
Sales taxes	7,512,108	-	7,512,108	21
Property taxes	13,384,288	-	13,384,288	37
State revenue sharing	447,986	-	447,986	1
Unrestricted state grants	379,188	-	379,188	1
Interest	165,120	16,677	181,797	1
Miscellaneous	<u>1,271,523</u>	<u>(125,000)</u>	<u>1,146,523</u>	<u>3</u>
<b>Total Revenues</b>	<b><u>35,791,393</u></b>	<b><u>57,553</u></b>	<b><u>35,848,946</u></b>	<b><u>100%</u></b>
<b>Program expenses:</b>				
Public safety	34,944,566	92,993	35,037,559	99%
Interest	<u>61,793</u>	<u>-</u>	<u>61,793</u>	<u>1</u>
<b>Total Expenses</b>	<b><u>35,006,359</u></b>	<b><u>92,993</u></b>	<b><u>35,099,352</u></b>	<b><u>100%</u></b>
Change in net assets	785,034	(35,440)	749,504	
Beginning net assets	<u>34,593,429</u>	<u>1,232,542</u>	<u>35,825,971</u>	
<b>Ending net assets</b>	<b><u>\$ 35,378,463</u></b>	<b><u>\$ 1,197,102</u></b>	<b><u>\$ 36,575,565</u></b>	

**CALCASIEU PARISH SHERIFF**  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

**Governmental Revenues**

The Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 37% of the Sheriff's total revenues. Also, note that program revenues covered 36% 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 64% of its operations.

**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 outstanding obligations of capital leases. Of the total cost, depreciation on the equipment, vehicles and buildings was \$2,078,192 or 6.0% of total expenses.

**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 \$15,772,722. Legally restricted fund balances (i.e., the reserved fund balances) include: \$33,881 tied up in consumable inventories, \$742,654 reserved for capital assets and \$1,335,000 reserved for legal contingencies. As a result, the unreserved, undesignated fund balance is \$13,661,187.

The unreserved, undesignated fund balance increased by \$3,073,508 from the previous year.

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**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 fund balance increased by \$3,032,570. In fiscal year 2003, revenues remained constant from the prior year, however operating expenditures decreased by \$3,078,274, with the largest decrease being in salaries by \$1,491,246.

**The Proprietary Fund**

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term information about financial status.

**Budgetary Highlights**

**The General Fund** – When the original budget was adopted, it was anticipated that the total revenues were going to be more than the previous fiscal year by \$545,504 mainly due to an anticipated increase in property tax revenue. The original budget reflected a decrease in total expenditures of \$1,415,835 from the previous fiscal year mainly due to an anticipated decrease in capital outlay. The budget was not amended during the year.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

**Capital Assets and Debt Administrators**

***Capital assets***

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2003, was \$23,962,468. See Note E for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
Nondepreciable assets-land	\$ 698,962	\$ 698,962
Depreciable assets:		
Buildings and improvements	19,876,189	19,871,747
Equipment and furniture	8,669,019	8,617,580
Vehicles	<u>8,158,095</u>	<u>5,780,710</u>
Total depreciable assets	36,703,303	34,270,037
Less accumulated depreciation	<u>13,439,797</u>	<u>12,209,322</u>
Book value-depreciable assets	<u>\$ 23,263,506</u>	<u>\$ 22,060,715</u>
Percentage depreciated	37%	36%
Book value-all assets	<u>\$ 23,962,468</u>	<u>\$ 22,759,677</u>

At June 30, 2003, the depreciable capital assets for governmental activities were 36% depreciated. The book value is at 64% of the original cost.

The major additions to the vehicles account includes 177 vehicles for a total cost of \$2,896,665.

***Long-term debt***

At the end of the fiscal year, the Sheriff had total capital lease obligations outstanding of \$3,177,040. The total amount of these obligations are secured by general fund revenues. During the 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 current fiscal year to purchase the vehicles discussed in the capital assets section. See Note F for additional information regarding long-term debt.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

**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, Mr. Steele Viccellio, CFO at (337) 491-3690.

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## **BASIC FINANCIAL STATEMENTS**

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**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

\*

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**STATEMENT OF NET ASSETS**  
**June 30, 2003**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 12,972,489	\$ 1,204,064	\$ 14,176,553
Receivables	1,558,325	10,995	1,569,320
Due from other governmental units	1,511,992	-	1,511,992
Inventory	33,881	-	33,881
Capital assets:			
Land	698,962	-	698,962
Capital assets, net	<u>23,263,506</u>	<u>-</u>	<u>23,263,506</u>
Total assets	<u>40,039,155</u>	<u>1,215,059</u>	<u>41,254,214</u>
<b>LIABILITIES</b>			
Accounts and other accrued payables	303,965	17,957	321,922
Interest payable	25,193	-	25,193
Long-term liabilities:			
Due within one year	935,934	-	935,934
Due after one year	<u>3,395,600</u>	<u>-</u>	<u>3,395,600</u>
Total liabilities	<u>4,660,692</u>	<u>17,957</u>	<u>4,678,649</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	20,785,428	-	20,785,428
Unrestricted	<u>14,593,035</u>	<u>1,197,102</u>	<u>15,790,137</u>
Total net assets	<u>\$ 35,378,463</u>	<u>\$ 1,197,102</u>	<u>\$ 36,575,565</u>

\*

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

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

CALCASIEU PARISH SHERIFF  
 Lake Charles, Louisiana  
 STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2003

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Public safety	\$ 34,944,566	\$ 9,770,593	\$ 2,860,587	\$ (22,313,386)	\$ -	\$ (22,313,386)
Interest on long-term debt	<u>61,793</u>	<u>-</u>	<u>-</u>	<u>(61,793)</u>	<u>-</u>	<u>(61,793)</u>
Total Governmental Activities	35,006,359	9,770,593	2,860,587	(22,375,179)	-	(22,375,179)
Business-type activities:						
Jail commissary	<u>92,993</u>	<u>165,876</u>	<u>-</u>	<u>(22,375,179)</u>	<u>72,883</u>	<u>72,883</u>
Total	<u>\$ 35,099,352</u>	<u>\$ 9,936,469</u>	<u>\$ 2,860,587</u>	<u>(22,302,296)</u>	<u>72,883</u>	<u>72,883</u>
General revenues:						
Taxes –						
Property taxes, levied for general purposes				13,384,288	-	13,384,288
Sales and use taxes, levied for general purposes				7,512,108	-	7,512,108
State revenue sharing				447,986	-	447,986
Grants and contributions not restricted to specific programs-						
State sources				379,188	-	379,188
Interest and investment earnings				165,120	16,677	181,797
Miscellaneous				<u>1,271,523</u>	<u>(125,000)</u>	<u>1,146,523</u>
Total general revenues				<u>23,160,213</u>	<u>(108,323)</u>	<u>23,051,890</u>
Change in net assets				785,034	(35,440)	749,594
Net assets – Beginning				<u>34,593,429</u>	<u>1,232,542</u>	<u>35,825,971</u>
Net assets – Ending				<u>\$ 35,378,463</u>	<u>\$ 1,197,102</u>	<u>\$ 36,575,565</u>

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

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GRAGSON, CASIDAY & GUILLOGY, L.L.P.  
 CERTIFIED PUBLIC ACCOUNTANTS

## **FUND FINANCIAL STATEMENTS**

\*

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

## MAJOR FUND DESCRIPTIONS

### General Fund

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

### Enterprise Fund

Jail Commissary – To account for all activities necessary to provide commissary services to jail inmates.

\*

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
June 30, 2003

	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 12,091,182	\$ 881,307	\$ 12,972,489
Receivables	3,036,821	33,496	3,070,317
Due from other funds	21,932	-	21,932
Inventory	33,881	-	33,881
<b>TOTAL ASSETS</b>	<b><u>\$ 15,183,816</u></b>	<b><u>\$ 914,803</u></b>	<b><u>\$ 16,098,619</u></b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 303,923	\$ 42	\$ 303,965
Due to other funds	-	21,932	21,932
<b>Total Liabilities</b>	<b><u>303,923</u></b>	<b><u>21,974</u></b>	<b><u>325,897</u></b>
<b>FUND BALANCES</b>			
Reserve for inventory	33,881	-	33,881
Reserve for capital outlay-vehicles	142,654	-	142,654
Reserve for capital improvements	600,000	-	600,000
Reserve for legal contingencies	1,335,000	-	1,335,000
Unreserved – undesignated	12,768,358	892,829	13,661,187
<b>Total fund balances</b>	<b><u>14,879,893</u></b>	<b><u>892,829</u></b>	<b><u>15,772,722</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 15,183,816</u></b>	<b><u>\$ 914,803</u></b>	<b><u>\$ 16,098,619</u></b>

\*

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

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
 Lake Charles, Louisiana  
**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
 June 30, 2003

Total fund balance for governmental funds at June 30, 2003 \$ 15,772,722

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 \$13,439,797 accumulated depreciation	<u>23,263,506</u>	23,962,468

Long-term liabilities at June 30, 2003:

Capital lease obligations	(3,177,040)	
Accrued interest payable	(25,193)	
Compensated absences payable	<u>(1,154,494)</u>	<u>(4,356,727)</u>

Total net assets of governmental activities at June 30, 2003 \$ 35,378,463

2

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

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
 CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
 Lake Charles, Louisiana  
**STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES –GOVERNMENTAL FUNDS**  
 Year Ended June 30, 2003

	<u>General</u>	<u>Other Governmental</u>	<u>Totals</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 13,384,288	\$ -	\$ 13,384,288
Intergovernmental	3,687,761	-	3,687,761
Commissions, fees & charges	9,240,832	529,761	9,770,593
Interest	153,225	11,895	165,120
Other	1,146,523	-	1,146,523
Sales taxes	<u>7,512,108</u>	<u>-</u>	<u>7,512,108</u>
Total revenues	35,124,737	541,656	35,666,393
<b>EXPENDITURES</b>			
Current			
Public safety	31,845,603	481,119	32,326,722
Capital outlay	3,261,384	19,599	3,280,983
Debt Service			
Principal	98,580	-	98,580
Interest	<u>36,600</u>	<u>-</u>	<u>36,600</u>
Total expenditures	<u>35,242,167</u>	<u>500,718</u>	<u>35,742,885</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(117,430)	40,938	(76,492)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	125,000	-	125,000
Proceeds from borrowings	<u>3,025,000</u>	<u>-</u>	<u>3,025,000*</u>
Total other financing sources (uses)	<u>3,150,000</u>	<u>-</u>	<u>3,150,000</u>
<b>NET CHANGES IN FUND BALANCE</b>	3,032,570	40,938	3,073,508
<b>FUND BALANCE – BEGINNING</b>	<u>11,847,323</u>	<u>51,891</u>	<u>12,699,214</u>
<b>FUND BALANCE – ENDING</b>	<u>\$ 14,879,893</u>	<u>\$ 92,829</u>	<u>\$ 15,772,722</u>

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

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
 CERTIFIED PUBLIC ACCOUNTANTS

**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**  
**Year Ended June 30, 2003**

Total net changes in fund balances at June 30, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 3,073,508
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 Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 3,280,983
Depreciation expense for the year ended June 30, 2003	<u>(2,078,192)</u> 1,202,791
Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable on the statement of net assets	
	98,580
Governmental funds report debt proceeds as revenues. However, this revenue does not appear in the statement of activities since the debt is reported on the statement of net assets	(3,025,000)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	(25,193)
Governmental funds do not report compensated absenses as expenditures. However, this payable does appear in the Statement of Activities since the payable is reported on the Statement of Net Assets	<u>(539,652)</u>
Total changes in net assets at June 30, 2003 per Statement of Activities	<u>\$ 785,034</u>

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

**CALCASIEU PARISH SHERIFF**  
 Lake Charles, Louisiana  
**STATEMENT OF NET ASSETS – PROPRIETARY FUND**  
 June 30, 2003

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 68,795	\$ 1,135,269	\$ 1,204,064
Receivables	<u>10,995</u>	-	<u>10,995</u>
<b>Total assets</b>	<b><u>\$ 79,790</u></b>	<b><u>\$ 1,135,269</u></b>	<b><u>\$ 1,215,059</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 17,957	\$ -	\$ 17,957
Net assets – unrestricted	<u>61,833</u>	<u>1,135,269</u>	<u>1,197,102</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 79,790</u></b>	<b><u>\$ 1,135,269</u></b>	<b><u>\$ 1,215,059</u></b>

\*

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

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
 CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
 Lake Charles, Louisiana  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS –PROPRIETARY FUND**  
 Year Ended June 30, 2003

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Sales to inmates	\$ 165,876	\$ -	\$ 165,876
<b>OPERATING EXPENSES</b>			
Cost of goods sold	69,996	-	69,996
Materials and supplies	15,485	-	15,485
Sales tax	1,978	-	1,978
Depreciation	2,061	-	2,061
Health claims	-	3,473	3,473
Total operating expenses	<u>89,520</u>	<u>3,473</u>	<u>92,993</u>
Operating income (loss)	76,356	(3,473)	72,883
Non-operating revenues			
Interest	<u>2,019</u>	<u>14,658</u>	<u>16,677</u>
Income before operating transfers	78,375	11,185	89,560
Operating transfers out	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>
Change in Net Assets	(46,625)	11,185	(35,440)
NET ASSETS BEGINNING	<u>108,458</u>	<u>1,124,084</u>	<u>1,232,542</u>
NET ASSETS ENDING	<u>\$ 61,833</u>	<u>\$ 1,135,269</u>	<u>\$ 1,197,102</u> *

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

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUND**  
**Year Ended June 30, 2003**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from inmates	\$ 231,503	\$ -	\$ 231,503
Payments to suppliers	<u>(293,067)</u>	<u>(1,936)</u>	<u>(295,003)</u>
Net cash from operating activities	<u>(61,564)</u>	<u>(1,936)</u>	<u>(63,500)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	<u>2,019</u>	<u>14,658</u>	<u>16,677</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers out	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(184,545)</b>	<b>12,722</b>	<b>(171,823)</b>
<b>CASH – BEGINNING</b>	<b><u>253,340</u></b>	<b><u>1,122,547</u></b>	<b><u>1,375,887</u></b>
<b>CASH – ENDING</b>	<b><u>\$ 68,795</u></b>	<b><u>\$ 1,135,269</u></b>	<b><u>\$ 1,204,064</u></b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>			
Operating income (loss)	\$ 76,356	\$ (3,473)	\$ 72,883
<b>Adjustment to reconcile net income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation	2,061	-	2,061
(Increase) decrease in receivables	65,627	1,537	67,164
Increase (decrease) in accounts payable	<u>(205,608)</u>	<u>-</u>	<u>(205,608)</u>
Net cash from operating activities	<u>\$ (61,564)</u>	<u>\$ (1,936)</u>	<u>\$ (63,500)</u>

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
STATEMENT OF FIDUCIARY NET ASSETS  
June 30, 2003

ASSETS

Cash	\$ 2,328,801
Investments	924,421
Total assets	<u>\$ 3,253,222</u>

LIABILITIES

Accounts payable	\$ 129,243
Due to taxing bodies and others	3,123,979
Total liabilities	3,253,222

NET ASSETS

Unrestricted	<u>\$ 3,253,222</u>
Total liabilities and net assets	

\*

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

GRAGSON, CASIDAY & GUILLOGY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**Year Ended June 30, 2003**

**REVENUES**

Contributions	\$ 58,549
Cash appearance bonds	663,244
Fines and costs	2,087,764
Suits, sales, seizures, etc.	4,070,727
Deposits by inmates	1,375,465
Taxes, licenses, etc.	111,780,915
Investment earnings	85,010
Total revenues	<u>120,121,674</u>

**EXPENSES**

Remittance of seizures, bond forfeitures, fines, and cost:	
General Fund	266,485
District Attorney	420,118
Police Jury	675,835
Parish Coroner	36,000
Clerk of Court	77,467
Criminal indigent transcript	49,226
Indigent Defender Bond	470,035
Criminal court fund	112,406
Judicial Expense Fund	44,670
Southwest Louisiana	
Criminalistics Laboratory	121,265
Louisiana Commission on Law Enforcement	19,922
Refunds	
Cash bonds	170,851
Other	14,701 *
Remittance of civil suits:	
General Fund	1,084,835
Clerk of Court	174,321
Other sheriffs and clerks	14,981
Litigants	2,475,532
Attys, appraisers, and other costs	304,937
Inmate purchases from enterprise fds	902,825
Refunds to inmates	436,092
Settlement to taxing bodies and others	<u>112,249,170</u>
Total expenses	<u>120,121,674</u>

**Change in Net Assets**

Net Assets – beginning	-
Net Assets – ending	<u>\$ -</u>

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

**CALCASIEU PARISH SHERIFF**  
Lake Charles, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2003

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, 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 and anti-drug abuse programs. Additionally, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

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

The financial statements of the Calcasieu Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The more significant of the government's accounting policies are described below.

**1. REPORTING ENTITY**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Calcasieu Parish Sheriff includes all funds, account groups, et cetera, that are within the oversight responsibility of the Calcasieu Parish Sheriff.

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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for 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 Calcasieu Parish Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits or to impose specific financial burden on the Calcasieu Parish Police Jury.

Continued

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Organizations for which the Calcasieu Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Calcasieu Parish Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Calcasieu Parish Police Jury financial statements would be misleading if data of the Calcasieu Parish Sheriff was not included and due to the nature and significance of the relationship, the Sheriff was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the Calcasieu Parish Policy Jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

2. BASIS OF PRESENTATION

The accompanying basic financial statements of the Calcasieu Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 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

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. The statements distinguish between governmental, and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. 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 and business-type 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.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements

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 three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed on 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 and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Sheriff reports the following major funds:

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.

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

3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING \*

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

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

**Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes 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 Sheriff applies all applicable FASB pronouncements in accounting and reporting for its proprietary fund.

\*

**4. BUDGET PRACTICES**

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

1. Formal budgeting integration is employed as a management control device during the year for the general and special revenue funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
3. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
4. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
5. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Sheriff prior to the commencement of the fiscal year for which the budget is being adopted.

**GRAGSON, CASIDAY & GUILLORY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Any budgetary amendments must be approved by the Sheriff and are published in the official journal. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.
7. All budgetary appropriations lapse at end of each year.

5. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, time deposits and those other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

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 or exceed 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, 2003, the Sheriff has \$17,469,240 in deposits (collected bank balances). These deposits are secured from risk by \$387,152 of federal deposit insurance and \$16,916,105 of pledged securities held by the custodial bank in the name of the fiscal agent bank, \$165,983 is unsecured at June 30, 2003.

6. INVESTMENTS

Investments are reported at market value.

\*

7. STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Sheriff considers all cash deposits and investments with a maturity of three months or less when purchased to be cash equivalents.

8. INVENTORY

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

9. CAPITAL ASSETS

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical 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 \$1,000 or more for capitalizing capital assets.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	25-40 years
Equipment	5-12 years
Vehicles	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

10. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of capital lease obligations and compensated absences payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

11. VACATION AND SICK LEAVE

All permanent, full-time employees earn from 10 to 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, 2003, employees of the Sheriff's office have accumulated \$1,154,494 in leave privileges, \$156,690 in current liabilities and \$997,804 in long-term liabilities, computed in accordance with GASB Statement No. 16.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**12. EQUITY CLASSIFICATION**

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- 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”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

**13. REVENUES, EXPENDITURES, AND EXPENSES**

**Program Revenues**

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Sheriff's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

\*

**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 on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Sales taxes are considered as “measurable” when in the hands of sales tax collector and are recognized as revenue at that time. Intergovernmental revenues and fees, charges and commissions for service are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when 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 purchases of various operating supplies are regarded as expenditures at the time purchased.

**Other Financing Sources**

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.

**GRAGSON, CASIDAY & GUILLORY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE B – CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2003, the Sheriff has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Sheriff's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Sheriff also implemented GASB Statement No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2002 to be restated in terms of "net assets" as follows:

Total fund balances – Governmental Funds at June 30, 2002		\$ 12,699,214
Add: Cost of capital assets at June 30, 2002	\$ 34,968,999	
Less: Accumulated depreciation at June 30, 2002	<u>(12,209,322)</u>	22,759,677
Less: Capital lease obligations at June 30, 2002	(250,620)	
Compensated absences payable at June 30, 2002	<u>(614,842)</u>	<u>(865,462)</u>
Net assets at June 30, 2002		<u>\$ 34,593,429</u>

NOTE C – AD VALOREM TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Levied <u>Millage</u>	Expiration <u>Date</u>	Amount <u>Collected</u>
Regular Law Enforcement District	8.25	Permanent	\$ 6,975,673
Special Law Enforcement District	<u>7.58</u> <u>15.83</u>	2010	<u>6,408,615</u> <u>\$ 13,384,288</u>

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15<sup>th</sup> of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

GRAGSON, CASIDAY & GUILLOGY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

**NOTE D – RECEIVABLES**

The receivables of \$3,081,312 at June 30, 2003, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes – sales	\$ 662,984	\$ -	\$ 662,984
Taxes – ad valorem	91,476	-	91,476
Intergovernmental	256,856	-	256,856
Feeding prisoners	1,255,136	-	1,255,136
Other	<u>803,865</u>	<u>10,995</u>	<u>814,860</u>
<b>Total</b>	<b><u>\$ 3,070,317</u></b>	<b><u>\$ 10,995</u></b>	<b><u>\$ 3,081,312</u></b>

All receivables are deemed fully collectible, and accordingly, no allowance has been provided.

**NOTE E – CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2003 follows:

	<u>Balance June 30, 2002</u>	<u>Net Additions (Deletions)</u>	<u>Balance June 30, 2003</u>
Land	\$ 698,962	\$ -	\$ 698,962
Buildings and improvements	19,871,747	4,442	19,876,189
Vehicles	5,780,710	2,377,385	8,158,095
Equipment and furniture	8,617,580	51,439	8,669,019
<b>Total</b>	<b><u>34,968,999</u></b>	<b><u>\$ 2,433,266</u></b>	<b><u>37,402,265</u></b>
 Less accumulated depreciation	 <u>12,209,322</u>		 <u>13,439,797</u>
 Net	 <u>\$ 22,759,677</u>		 <u>\$ 23,962,468</u>

Depreciation expense for the year was \$2,078,192.

**CALCASIEU PARISH SHERIFF**  
 Lake Charles, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2003

**NOTE F – LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended June 30, 2003:

Capital lease obligations payable – beginning	\$ 250,620
Capital lease obligations issued	3,025,000
Capital lease obligations retired	98,580
Capital lease obligations payable – ending	<u>\$ 3,177,040</u>

The Sheriff entered into a lease agreement as lessee for financing the acquisition of vehicles. The economic substance of the lease is that the Sheriff is financing the acquisition of the asset through the lease, and accordingly, it is 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 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.

Capital assets recorded under capital leases:

Equipment	\$ 225,000
Vehicles	<u>2,657,346</u>
	2,882,346
Accumulated depreciation	<u>576,469</u>
Net	<u>\$ 2,305,877</u>

The following is a schedule by years of future minimum payments required under the lease together with their present value as of June 30, 2003:

<u>Year Ending June 30,</u>	<u>General Long-Term Debt</u>
2004	\$ 875,249
2005	872,999
2006	870,749
2007	825,399
2008	-
Total minimum lease payments	3,444,396
Less amount representing interest	<u>(267,356)</u>
Present value of minimum Lease payments	<u>\$ 3,177,040</u>

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2003

NOTE G –RETIREMENT COMMITMENTS

Pension Plan

Substantially all employees of the Calcasieu Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement System (PERS), controlled and administered by a separate board of trustees.

All Sheriff's 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 or older 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 3 1/3 per cent. In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or jointed 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. 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.

Contributions to the System also include one-half of one per cent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. State statute requires covered employees to contribute a percentage, 9.70%, of their salaries to the System. 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 employer contributions for the year ended June 30, 2003 were 7.00% of covered employees' salaries.

The payroll for the Sheriff employees covered by the system for the year ended June 30, 2003 was \$18,821,359, the Sheriff's total payroll was \$21,170,497. The Sheriff contributed \$1,458,656 to the system during the year and employees contributed \$1,844,491.

The Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information for the Retirement 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.

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.

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2003**

**NOTE H – CHANGES IN AGENCY FUND BALANCES**

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

	<u>Balance</u> <u>June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
<b>Agency funds:</b>				
Cash Appearance Bond	\$ -	\$ 663,244	\$ 663,244	\$ -
Fines and Costs	- -	2,097,449	2,097,449	- -
Civil Suits	- -	4,070,727	4,070,727	- -
Work Release Program	- -	82,748	82,748	- -
Inmate Deposit	- -	1,292,717	1,292,717	- -
Tax Collector	- -	111,856,240	111,856,240	- -
Deferred Compensation	- -	58,549	58,549	- -
<b>Total</b>	<b>\$ - -</b>	<b>\$ 120,121,674</b>	<b>\$ 120,121,674</b>	<b>\$ - -</b>

**NOTE I – 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.

**NOTE J – EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE CALCASIEU PARISH POLICE JURY**

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. \*

**NOTE K – POST RETIREMENT BENEFITS**

The Calcasieu Parish Sheriff provides certain continuing health care 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's office. These benefits for retirees and similar benefits for active employees are provided through the insurance program whose monthly premiums are paid jointly by the employee and by the Sheriff. The Sheriff recognizes the cost of providing these benefits as an expenditure in the Internal Service Fund. The Sheriff paid \$184,700 for benefits during the year, covering 78 participants.

**NOTE L – 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.

REQUIRED SUPPLEMENTAL INFORMATION

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**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**Year Ended June 30, 2003**

	<b>GENERAL FUND</b>			Variance Favorable (Unfavorable)	
	Budget		Actual		
	<u>Original</u>	<u>Final</u>			
<b>REVENUES</b>					
Ad valorem taxes	\$ 13,927,500	\$ 13,927,500	\$ 13,384,288	\$ (543,212)	
Intergovernmental	2,372,554	2,372,554	3,687,761	1,315,207	
Commissions, fees & charges	11,207,923	11,207,923	9,240,832	(1,967,091)	
Interest	304,000	304,000	153,225	(150,775)	
Other	264,100	264,100	1,146,523	882,423	
Sales taxes	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,512,108</u>	<u>12,108</u>	
Total revenues	35,576,077	35,576,077	35,124,737	(451,340)	
<b>EXPENDITURES</b>					
Current					
Public safety	34,465,634	34,465,634	31,845,603	2,620,031	
Capital outlay	1,116,500	1,116,500	3,261,384	(2,144,884)	
Debt Services					
Principal	-	-	98,580	(98,580)	
Interest	-	-	36,600	(36,600)	
Total expenditures	<u>35,582,134</u>	<u>35,582,134</u>	<u>35,242,167</u>	<u>339,967</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,057)	(6,057)	(117,430)	(111,373)	
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	100,000	100,000	125,000	25,000	
Proceeds from borrowings	-	-	3,025,000	3,025,000	
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>3,150,000</u>	<u>3,050,000</u>	
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	93,943	93,943	3,032,570	2,938,627	
FUND BALANCE-BEGINNING	<u>11,847,323</u>	<u>11,847,323</u>	<u>11,847,323</u>	<u>-</u>	
FUND BALANCE-ENDING	<u>\$ 11,941,266</u>	<u>\$ 11,941,266</u>	<u>\$ 14,879,893</u>	<u>\$ 2,938,627</u>	

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

## OTHER SUPPLEMENTAL INFORMATION

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**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

## 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, 2003**

	<u>Regional Law Enforcement Training Academy</u>	<u>Southwest Louisiana Criminalistics Laboratory</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 124,933	\$ 756,374	\$ 881,307
Accounts receivable	<u>99</u>	<u>33,397</u>	<u>33,496</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 125,032</u></b>	<b><u>\$ 789,771</u></b>	<b><u>\$ 914,803</u></b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable	\$ 42	\$ -	\$ 42
Due to other funds	<u>-</u>	<u>21,932</u>	<u>21,932</u>
<b>Total Liabilities</b>	<b><u>42</u></b>	<b><u>21,932</u></b>	<b><u>21,974</u></b>
<b>Fund equity</b>			
<b>Fund Balance</b>			
Unreserved – undesignated	<u>124,990</u>	<u>767,839</u>	<u>892,829</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 125,032</u></b>	<b><u>\$ 789,771</u></b>	<b><u>\$ 914,803</u></b>

\*

**CALCASIEU PARISH SHERIFF**  
 Lake Charles, Louisiana  
**COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR FUNDS**  
 Year Ended June 30, 2003

	<u>Regional Law Enforcement Training Academy</u>	<u>Southwest Louisiana Criminalistics Laboratory</u>	<u>Total</u>
<b>REVENUES</b>			
Training fees	\$ 47,900	\$ -	\$ 47,900
Crime laboratory fees	- -	481,861	481,861
Interest earnings	1,687	10,208	11,895
Grants	- -	- -	- -
<b>Total revenues</b>	<u>49,587</u>	<u>492,069</u>	<u>541,656</u>
<b>EXPENDITURES</b>			
Public Safety	38,094	443,025	481,119
Capital Outlay	- -	19,599	19,599
<b>Total expenditures</b>	<u>38,094</u>	<u>462,624</u>	<u>500,718</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>11,493</b>	<b>29,445</b>	<b>40,938</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>113,497</u>	<u>738,394</u>	<u>851,891</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 124,990</u>	<u>\$ 767,839</u>	<u>\$ 892,829</u>

**GRAGSON, CASIDAY & GUILLOGY, L.L.P.**  
 CERTIFIED PUBLIC ACCOUNTANTS

## FIDUCIARY 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.

### CIVIL SUITS FUND

The Civil Suits Fund accounts for funds held for disposition in connection with civil suits, sheriff's sales, and garnishments.

### WORK RELEASE PROGRAM FUND

The Work Release Program Fund accounts for the wages earned by inmates who are employed through the work release 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. Payments from this fund are made to the inmate commissary enterprise fund for purchases of personal items by prisoners and refunds to prisoners when they are released.

\*

### 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, 2003**

	<u>Deferred Compensation</u>	<u>Cash Appearance Bond</u>	<u>Fines and Costs</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 329,000	\$ 352,853
Investments	<u>924,421</u>	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 924,421</u></b>	<b><u>\$ 329,000</u></b>	<b><u>\$ 352,853</u></b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities			
Due to taxing bodies and others	\$ 924,421	\$ 329,000	\$ 352,853
Accounts payable			
Fund equity – fund balances	-	-	-
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 924,421</u></b>	<b><u>\$ 329,000</u></b>	<b><u>\$ 352,853</u></b>

\*

<u>Civil Suits</u>	<u>Work Release Program</u>	<u>Inmate Deposit</u>	<u>Tax Collector</u>	<u>Totals</u>
\$ 31,246	\$ 66,710	\$ 176,994	\$ 1,371,998	\$ 2,328,801
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>924,421</u>
<u>\$ 31,246</u>	<u>\$ 66,710</u>	<u>\$ 176,994</u>	<u>\$ 1,371,998</u>	<u>\$ 3,253,222</u>
 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
<u>\$ 31,246</u>	<u>\$ 66,710</u>	<u>\$ 176,994</u>	<u>\$ 1,371,998</u>	<u>\$ 3,253,222</u>

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GRAGSON, CASIDAY & GUILLOGY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH SHERIFF**  
**Lake Charles, Louisiana**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2003**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Disbursements/Expenses</u>
U.S. Department of Justice			
COPS	16.711	N/A	\$ 736,329
Local Law Enforcement Block Grant	16.592	N/A	168,295
Passed through Louisiana Commission on Law Enforcement			
Domestic violence	16.588	N/A	58,717
Intensive incarceration	16.579	N/A	<u>92,355</u>
<b>TOTAL FEDERAL AWARDS</b>			<b><u>\$ 1,055,696</u></b>

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of 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.

\*



## **GRAGSON, CASIDAY & GUILLOGY, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.  
RICHARD W. CASIDAY, C.P.A.  
RAYMOND GUILLOGY, JR., C.P.A.  
GRAHAM A. PORTUS, E.A.  
COY T. VINCENT, C.P.A.  
MICHELLE BOURNE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.

JULIA W. PORTUS, C.P.A.  
DAWN REDD, C.P.A.  
MELONIE H. HIMEL, C.P.A.

### **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**

December 5, 2003

Honorable Beth Lundy  
Calcasieu Parish Sheriff  
Lake Charles, LA

We have audited the financial statements of the Calcasieu Parish Sheriff as of and for the year ended June 30, 2003, and have issued our report thereon dated December 5, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether the Calcasieu Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs at item 2003-01.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 general purpose 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Calcasieu Parish Sheriff in a separate letter dated December 5, 2003.

This report is intended solely for the information and use of the Calcasieu Parish Sheriff's management and the Legislative Auditor 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.

*Gragson, Casiday & Guillory*



## **GRAGSON, CASIDAY & GUILLORY, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.  
RICHARD W. CASIDAY, C.P.A.  
RAYMOND GUILLORY, JR., C.P.A.  
GRAHAM A. PORTUS, E.A.  
COY T. VINCENT, C.P.A.  
MICHELLE BOURNE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.

JULIA W. PORTUS, C.P.A.  
DAWN REDD, C.P.A.  
MELONIE H. HIMEL, C.P.A.

### **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**

December 5, 2003

Honorable Beth Lundy  
Calcasieu Parish Sheriff  
Lake Charles, LA

#### **Compliance**

We have audited the compliance of 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, 2003. 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 Calcasieu Parish Sheriff's management. Our responsibility is to express an opinion on 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 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 Calcasieu Parish Sheriff's compliance with those requirements.

In our opinion, 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, 2003.

Calcasieu Parish Sheriff  
December 5, 2003

Internal Control Over Compliance

The management of 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 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.

*Gragson, Casiday & Guillory*

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GRAGSON, CASIDAY & GUILLOGY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2003

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable conditions identified not considered to be material weakness?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Noncompliance material to financial statements noted?

Yes  No

Federal Awards

Internal control over major programs:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable condition identified that is not considered to be material weakness?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
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16.711	COPS
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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

Year Ended June 30, 2003

**SECTION II – FINANCIAL STATEMENT FINDINGS**

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 at least equal to the amount of collected funds on deposit.

Corrective Action Planned: Management will ensure that collected funds on deposit with all depository authorities will be adequately secured as required, on an on-going basis.

Contact Person: Steele Viccellio, CFO

**SECTION III – FEDERAL AWARD FINDINGS**

None

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**MANAGEMENT LETTER**

December 5, 2003

To the Honorable Beth Lundy and Management  
Calcasieu Parish Sheriff  
Lake Charles, LA.

We have audited the financial statements of Calcasieu Parish Sheriff as of and for the year ended June 30, 2003, and have issued our report thereon dated December 5, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As a part of our examination, we have issued our report on the financial statements, dated December 5, 2003, and our report on internal control and compliance with laws, regulations and contracts, dated December 5, 2003.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

**Suggestion 2003-01:**

At June 30, 2003 we tested 80% of the total petty cash funds and found small, insignificant deficiencies in the amounts on hand and what should be on hand (stated balances). All petty cash funds on hand should reconcile to stated balances. We recommend monthly reconciliations by proper supervisors.

**Management Response –** Agreement to comments. Periodic reconciliations and balancing of petty cash funds will be performed by appropriate supervisors.

Calcasieu Parish Sheriff  
December 5, 2003  
Page Two

Suggestion 2003-02:

Inmate Fund:

The inmate fund is a fiduciary responsibility of the Sheriff. Inmates are allowed to deposit monies into the fund and spend these monies on items from the commissary. On the average, one million dollars a year flows through the inmate fund. A subsidiary ledger is maintained that tracks individual inmate activity and contains a running balance of total funds on hand.

In what appears to be a pervasive problem throughout the year, the cash account does not reconcile to the subsidiary ledger. The variance, which is certainly immaterial to the financial statements, is different each month due to what appears to be timing differences in posting and paying of disbursements. We recommend that the accounting department perform monthly reconciliations of the cash account, subsidiary ledger and the individual records.

This is a repeat suggestion from the prior year.

In addition, in July 2003 the computer system maintaining all inmate account activity "crashed" and the department did not have adequate backups, including supporting documentation of transactions. The system was being maintained by an outsourcing entity. We recommend that the department reconstruct inmate account activity, including individual inmate account balances, and maintain adequate daily backups of computer information.

**Management Response** – Agreement to comments. The Sheriff has initiated last year's suggestions and has identified the problem areas. Steps are currently being implemented to correct any discrepancies, including monthly reconciliations will be performed by the accounting department. Also, computer records will be reconstructed and backups of computer information will be done on a continual basis.

Suggestion 2003-03:

In testing of tax collector department bank deposits, it was noted that the department policy of daily deposits was not being followed. In May 2003, we found three daily deposits that were not made timely. We recommend adherence to department policy of daily deposits.

**Management Response** – Agreement to comments. Daily deposits will be adhered to in the future.

Calcasieu Parish Sheriff  
December 5, 2003  
Page Three

Suggestion 2003-04:

Physical inventory was not performed at June 30, 2003 of the parts shop inventory. Through subsequent physical counts and alternative procedures we were able to substantiate the June 30, 2003 inventory balance of \$33,881. We recommend monthly physical inventory counts with reconciliations to the general ledger balance.

**Management Response** – Agreement to comments. Monthly physical inventory counts will be performed along with reconciliations to the general ledger.

Suggestion 2003-05:

The detailed fixed asset records had not been updated for the current year additions and deletions. We recommend that the records be updated and that procedures be initiated to insure the continual updating of the detailed records. In addition, a continued effort should be made for proper utilization of the fixed asset tagging system to accommodate monitoring by management.

This is a repeat suggestion from the prior year.

**Management Response** – Agreement to comments. The Sheriff has recently updated its software program and controls will be improved to insure periodic updating of detailed property records.

Suggestion 2003-06:

In review of credit card receipts, we noted seven instances where the actual receipt was not attached to the monthly credit card statement. Although sufficient documentation was contained on the monthly statement, we recommend that actual invoices of all credit card charges be attached to the monthly statement prior to payment.

**Management Response** – Agreement to comment. Original credit card receipts will be obtained and attached to monthly statements prior to payments.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

*Grayson, Casiday, Guillory*