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**ST. JAMES PARISH SHERIFF**  
Convent, Louisiana

**Financial Report**

**Year Ended June 30, 2007**

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 1/23/08

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Willy J. Martin, Jr.  
St. James Parish Sheriff  
Convent, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Sheriff (hereinafter "Sheriff") as of and for the year ended June 30, 2007, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sheriff. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Sheriff as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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CERTIFIED PUBLIC ACCOUNTANTS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2007 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The required supplementary information on pages 28 and 29 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express any opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 5, 2007

**BASIC FINANCIAL STATEMENTS**

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

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Statement of Net Assets  
June 30, 2007

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 4,437,337
Investments	4,302,569
Receivables, net	76,723
Due from other governmental units	270,279
Capital assets, net	<u>2,429,405</u>
 TOTAL ASSETS	 <u>11,516,313</u>
LIABILITIES	
Accounts, salaries, and other payables	269,723
Noncurrent liabilities:	
Due within one year	180,000
Due in more than one year	<u>580,000</u>
 TOTAL LIABILITIES	 <u>1,029,723</u>
NET ASSETS	
Invested in capital assets	2,429,405
Unrestricted	<u>8,057,185</u>
 TOTAL NET ASSETS	 <u>\$ 10,486,590</u>

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

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Statement of Activities  
Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) / Revenue And Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Public safety:				
Police	\$ 7,906,651	\$ 774,723	\$ 8,392	\$ (7,123,536)
Interest on long-term debt	<u>21,463</u>	-	-	<u>(21,463)</u>
Total governmental activities	<u>7,928,114</u>	<u>774,723</u>	<u>8,392</u>	<u>(7,144,999)</u>
Taxes:				
Property, levied for general purposes				6,156,789
State sources:				
Commissions				482,608
Grants not restricted to specific programs				108,917
Revenue Sharing				141,370
Supplemental pay				220,385
Interest and investment earnings				374,254
Miscellaneous				<u>144,276</u>
Total general revenues				<u>7,628,599</u>
Change in net assets				483,600
Net assets - July 1, 2006				<u>10,002,990</u>
Net assets - June 30, 2007				<u>\$10,486,590</u>

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



**FUND FINANCIAL STATEMENTS (FFS)**

# MAJOR FUNDS DESCRIPTION

## General Fund

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

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Balance Sheet - Governmental Fund  
June 30, 2007

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 4,437,337
Investments	4,302,569
Receivables -	
Accrued interest	52,669
Due from other governmental agencies	159,157
Loan receivable - St. James Parish Council	111,122
Other	<u>24,054</u>
Total assets	<u>\$ 9,086,908</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 44,971
Accrued liabilities	181,931
Deferred revenues	<u>6,400</u>
Total liabilities	<u>233,302</u>
Fund balance:	
Unreserved and undesignated	<u>8,853,606</u>
Total fund balance	<u>8,853,606</u>
Total liabilities and fund balance	<u>\$ 9,086,908</u>

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

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
June 30, 2007

Total fund balance for governmental fund at June 30, 2007		\$ 8,853,606
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		
Buildings and improvements other than buildings, net of \$33,213 accumulated depreciation	\$ 81,465	
Vehicles, net of \$1,041,656 accumulated depreciation	1,251,947	
Office furniture, net of \$397,941 accumulated depreciation	518,668	
Equipment, net of \$390,967 accumulated depreciation	174,436	
	<u>402,889</u>	2,429,405
Certain liabilities are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		(36,421)
Long-term liabilities at June 30, 2007:		
Certificates of indebtedness payable		<u>(760,000)</u>
Net assets at June 30, 2007		<u>\$10,486,590</u>

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

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
Year Ended June 30, 2007

	General Fund
Revenues:	
Ad valorem taxes	\$6,156,789
Intergovernmental revenues -	
Federal grants	8,392
State grants - state revenue sharing (net)	141,370
State supplemental pay	220,385
Other state grants	108,917
Video poker commissions	482,608
Fees charges and commissions for services -	
Civil and criminal fees	392,260
Feeding, keeping, and transporting prisoners	263,925
Other Fees and Commissions	112,138
Interest income	374,254
Miscellaneous	144,276
Total revenues	<u>8,405,314</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	5,484,233
Operating services	899,964
Operations and maintenance	1,122,859
Travel and other charges	12,613
Capital outlay	447,161
Debt service	191,463
Total expenditures	<u>8,158,293</u>
Net change in fund balance	247,021
Fund balance, beginning	<u>8,606,585</u>
Fund balance, ending	<u>\$8,853,606</u>

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

**ST. JAMES PARISH SHERIFF**  
**Convent, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
Year Ended June 30, 2007**

Total net changes in fund balances for the year ended June 30, 2007 per Statement of Revenues, Expenditures and Changes in Fund Balances	<b>\$ 247,021</b>
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The change in net assets reported for governmental activities in the  
statement of activities is different because:

Revenues in the statement of net assets that do not provide current financial resources are not reported as revenues in the funds.	6,400
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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 Balance	\$447,161	
Depreciation expense for the year ended June 30, 2007	(364,873)	
Current year dispositions of capital assets, net of accumulated depreciation	<u>(22,109)</u>	60,179

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 balance on the  
statement of net assets

170,000

Total changes in net assets for the year ended June 30, 2007 per Statement of Activities	<b><u>\$ 483,600</u></b>
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The accompanying notes are an integral part of the basic financial statements.

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Statement of Fiduciary Net Assets  
June 30, 2007

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	<u>\$2,706,074</u>
<b>LIABILITIES</b>	
<b>Liabilities:</b>	
Due to other taxing bodies	\$2,703,558
Due to inmates	<u>2,516</u>
<b>Total liabilities</b>	<u>\$2,706,074</u>

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

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the St. James Parish Sheriff (Sheriff) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

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

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



**ST. JAMES PARISH SHERIFF**  
Convent, Louisiana

**Notes to Basic Financial Statements (Continued)**

**B. Basis of Presentation**

The accompanying basic financial statements of the 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.

**Government-Wide Financial Statements (GWFS)**

The statement of net assets and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

**Fund Financial Statements (FFS)**

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

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

Fiduciary Funds -

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

C. Measurement Focus/Basis of Accounting

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

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

**ST. JAMES PARISH SHERIFF**  
Convent, Louisiana

**Notes to Basic Financial Statements (Continued)**

**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.

Intergovernmental revenues and fees, charges and commissions for services 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.

**Deferred Revenues**

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

**D. Budgets**

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

1. The chief administrative deputy prepares a proposed budget for the general and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

**ST. JAMES PARISH SHERIFF**  
Convent, Louisiana

**Notes to Basic Financial Statements (Continued)**

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

**E. Cash and Interest-Bearing Deposits**

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

**F. Investments**

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

**G. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). 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.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

**ST. JAMES PARISH SHERIFF**  
**Convent, Louisiana**

**Notes to Basic Financial Statements (Continued)**

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Lives
Buildings	40 years
Improvements other than buildings	10-15 years
Vehicles	5 years
Office furniture	5-10 years
Equipment	5-10 years

**H. Compensated Absences**

Employees of the Sheriff's office earn from 5 to 10 days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Employees with 0-9 years service to the Sheriff earn ten (10) days per year. Sick leave is not compensable if an employee leaves the service of the Sheriff. Sick leave may be accrued up to a total of twenty-five (25) working days. Employees having served the Sheriff over nine consecutive years receive twenty-five (25) working days sick leave per year, which cannot be accrued. Additional sick leave is allowed at the discretion of the Sheriff. At June 30, 2007, the Sheriff has no leave benefits required to be reported in accordance with generally accepted accounting principles.

**I. Restricted Net Assets**

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

**J. Fund Equity**

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

**ST. JAMES PARISH SHERIFF**  
**Convent, Louisiana**

Notes to Basic Financial Statements (Continued)

K. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2007, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$7,413,411, as follows:

	<u>Government-wide Statement of Net Assets</u>	<u>Fiduciary Funds Statement of Net Assets</u>	<u>Total</u>
Noninterest-bearing deposits	\$ 35,836	\$ 8,122	\$ 43,958
Interest-bearing deposits	<u>4,401,501</u>	<u>2,697,952</u>	<u>7,099,453</u>
Total	<u>\$4,437,337</u>	<u>\$2,706,074</u>	<u>\$7,143,411</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Sheriff or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2007, are secured as follows:

Bank balances	<u>\$7,340,712</u>
Federal deposit insurance	252,180
Pledged securities	<u>7,088,532</u>
Total	<u>\$7,340,712</u>

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2007, the Sheriff's total bank balances were fully insured and collateralized with securities held in the name of the Sheriff by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

(3) Investments

Investments held at June 30, 2007 consist of \$4,302,569 in the Louisiana Asset Management Pool (LAMP). In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the Sheriff's position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Ad Valorem Taxes

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2007, law enforcement taxes applicable to the Sheriff's general fund, were levied at the rate of 20.96 mills on property with net assessed valuations (after homestead exemption) totaling \$300,634,213.

Total law enforcement taxes levied during 2007 were \$6,301,304.

(5) Receivables and Due From Other Governmental Units

Receivables and amounts due from other governmental units at June 30, 2007 consist of the following:

	<u>Receivables</u>	<u>Due from Other Governments</u>
Fees, charges, and commissions for services	\$22,665	\$ 138,842
Grants	-	12,340
Loan for equipment for Adult Detention Center	-	111,122
Interest receivable	52,669	-
Miscellaneous receivables	<u>1,389</u>	<u>7,975</u>
	<u>\$76,723</u>	<u>\$270,279</u>



ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2007</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 78,000	\$ 3,465	\$ -	\$ 81,465
Other capital assets:				
Buildings	1,263,749	-	-	1,263,749
Improvements other than buildings	21,411	-	-	21,411
Vehicles	1,532,130	260,672	232,478	1,560,324
Office furniture	525,471	134,977	88,071	572,377
Equipment	770,296	90,868	67,308	793,856
Total	<u>4,191,057</u>	<u>489,982</u>	<u>387,857</u>	<u>4,293,182</u>
Less: accumulated depreciation				
Buildings	-	31,594	-	31,594
Improvements other than buildings	-	1,619	-	1,619
Vehicles	1,061,464	206,718	226,526	1,041,656
Office furniture	414,964	58,785	75,808	397,941
Equipment	388,224	66,157	63,414	390,967
Total	<u>1,864,652</u>	<u>364,873</u>	<u>365,748</u>	<u>1,863,777</u>
Net capital assets	<u>\$2,326,405</u>	<u>\$ 125,109</u>	<u>\$ 22,109</u>	<u>\$2,429,405</u>

Depreciation expense in the amount of \$364,873 was charged to public safety.

(7) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2007:

Accounts payable	\$ 87,792
Salaries	89,768
Payroll withholdings	<u>92,163</u>
Total	<u>\$ 269,723</u>

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Sheriff for the year ended June 30, 2007:

	Governmental Activities
Long-term certificates payable, July 1, 2006	\$ 930,000
Long-term certificates issued	-
Long-term certificates retired	(170,000)
Long-term certificates payable, June 30, 2007	\$ 760,000

Long-term debt payable at June 30, 2007 is comprised of the following individual issue:

\$1,250,000 Certificates of Indebtedness payable, Series 2004, due in annual installments of \$180,000 - \$200,000 through January 1, 2011; interest at 2.54 percent; payable from ad valorem tax revenues	\$ 760,000
--	------------

The certificates are due as follows:

Year ending June 30,	Governmental Activities	
	Principal payments	Interest payments
2008	180,000	19,304
2009	185,000	14,732
2010	195,000	10,033
2011	200,000	5,080
Total	\$ 760,000	\$ 49,149

(9) Pension Plan

**Plan Description.** Substantially all employees of the Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. Benefits are established or amended by state statute.

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

**ST. JAMES PARISH SHERIFF**  
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

**Funding Policy.** Plan members are required to contribute 10% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. The contribution requirements of plan members and the Sheriff are established and may be amended by state statute. As of July 1, 2005, the Sheriff also pays the members share of the required contribution. The Sheriff's contributions to the retirement system for the years ended June 30, 2007, 2006, and 2005 were \$949,900, \$937,693, and \$356,121, respectively.

(10) Deferred Compensation Plan

Certain employees of the Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures related to the Plan are included in the separately issued audit report of the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(11) Changes in Agency Fund Balances

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

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Inmate Trust & Commissary Fund
Balances, June 30, 2006	\$ 31,084	\$ 1,047,105	\$348,454	\$ 6,259
Additions	299,869	35,875,586	841,693	78,575
Reductions	<u>(297,786)</u>	<u>(34,622,686)</u>	<u>(824,917)</u>	<u>(77,162)</u>
Balances, June 30, 2007	<u>\$ 33,167</u>	<u>\$ 2,300,005</u>	<u>\$365,230</u>	<u>\$ 7,672</u>

(12) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2007, include \$2,298,246 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**ST. JAMES PARISH SHERIFF**  
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Litigation and Claims

At June 30, 2007, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

(14) Postretirement Health Care and Life Insurance Benefits

The Sheriff provides certain health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees are eligible for these benefits if they reach normal retirement age while working for the Sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company in which the monthly premium is paid by the Sheriff. The Sheriff's cost of providing retiree's health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2007, the amount of retiree benefits totaled \$70,918 and there were seventeen former employees qualified to receive such benefits.

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement requires the accrual of postemployment benefits for retired employees. The Sheriff is required to implement this standard for the fiscal year ending June 30, 2010. The Sheriff has not yet determined the full impact that adoption of GASB Statement 45 will have on the financial statements.

(15) Risk Management

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, group health and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(16) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse, as required by statute, is paid by the St. James Parish Council. These expenditures are not included in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Budgetary Comparison Schedule  
Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive / (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$5,295,000	\$6,174,980	\$ 6,156,789	\$ (18,191)
Intergovernmental revenues -				
Federal grants	10,000	10,000	8,392	(1,608)
State grants - state revenue sharing (net)	140,000	141,439	141,370	(69)
State supplemental pay	227,000	220,500	220,385	(115)
Other state grants	250,000	97,000	108,917	11,917
Video poker commissions	400,000	401,000	482,608	81,608
Fees charges and commissions for services -				
Civil and criminal fees	277,450	373,820	392,260	18,440
Feeding, keeping, and transporting prisoners	277,000	270,325	263,925	(6,400)
Other Fees and Commissions	270,000	155,000	112,138	(42,862)
Interest income	301,000	370,000	374,254	4,254
Miscellaneous	50,100	70,293	144,276	73,983
Total revenues	<u>7,497,550</u>	<u>8,284,357</u>	<u>8,405,314</u>	<u>120,957</u>
<b>Expenditures:</b>				
Current -				
Public safety:				
Personal services and related benefits	5,183,900	5,475,719	5,484,233	(8,514)
Operating services	1,008,900	991,956	899,964	91,992
Operations and maintenance	915,850	1,164,413	1,122,859	41,554
Travel and other charges	4,000	10,000	12,613	(2,613)
Capital outlay	250,500	394,000	447,161	(53,161)
Debt service	193,622	193,622	191,463	2,159
Total expenditures	<u>7,556,772</u>	<u>8,229,710</u>	<u>8,158,293</u>	<u>71,417</u>
Excess (deficiency) of revenues over expenditures	(59,222)	54,647	247,021	192,374
Fund balance, beginning	<u>8,606,585</u>	<u>8,606,585</u>	<u>8,606,585</u>	-
Fund balance, ending	<u>\$8,547,363</u>	<u>\$8,661,232</u>	<u>\$ 8,853,606</u>	<u>\$ 192,374</u>

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Note to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

**OTHER SUPPLEMENTARY INFORMATION**



ST. JAMES PARISH SHERIFF  
Convent, Louisiana  
General Fund

Budgetary Comparison Schedule - Expenditures  
Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive / (Negative)
Current:				
Public safety -				
Personal services and related benefits:				
Sheriff's salary	\$ 104,000	\$ 104,589	\$ 106,506	\$ (1,917)
Deputies salaries	3,995,000	4,116,000	4,206,759	(90,759)
Other salaries	20,000	33,750	25,414	8,336
Pension and payroll taxes	1,054,500	1,210,800	1,134,903	75,897
Sheriff's expense allowance	<u>10,400</u>	<u>10,580</u>	<u>10,651</u>	<u>(71)</u>
Total personal services and related benefits	<u>5,183,900</u>	<u>5,475,719</u>	<u>5,484,233</u>	<u>(8,514)</u>
Operating services:				
Hospitalization insurance	620,000	572,000	551,745	20,255
Dental and vision insurance	49,000	48,300	30,776	17,524
Auto insurance	200,000	238,000	178,331	59,669
Other liability insurance	<u>139,900</u>	<u>133,656</u>	<u>139,112</u>	<u>(5,456)</u>
Total operating services	<u>1,008,900</u>	<u>991,956</u>	<u>899,964</u>	<u>91,992</u>
Operations and maintenance:				
Auto fuel and oil	288,000	275,000	254,017	20,983
Auto maintenance	75,250	135,640	129,278	6,362
Deputy uniforms, supplies, etc.	75,500	142,775	84,002	58,773
Office supplies and expenses	80,000	111,500	121,224	(9,724)
Telephone	52,000	61,500	67,416	(5,916)
Maintenance of contracts and rentals	65,100	79,000	118,068	(39,068)
Prisoner feeding and maintenance	127,500	165,900	159,067	6,833
Professional fees	72,500	81,760	83,278	(1,518)
Criminal investigation expense	36,000	56,000	49,501	6,499
Other	<u>44,000</u>	<u>55,338</u>	<u>57,008</u>	<u>(1,670)</u>
Total operations and maintenance	<u>915,850</u>	<u>1,164,413</u>	<u>1,122,859</u>	<u>41,554</u>
Travel and other charges	<u>4,000</u>	<u>10,000</u>	<u>12,613</u>	<u>(2,613)</u>
Capital outlay:				
Vehicles	220,000	300,000	260,672	39,328
Buildings	-	-	3,465	(3,465)
Equipment	20,500	20,000	100,960	(80,960)
Computers	10,000	50,000	68,186	(18,186)
Radios	<u>-</u>	<u>24,000</u>	<u>13,878</u>	<u>10,122</u>
Total capital outlay	<u>250,500</u>	<u>394,000</u>	<u>447,161</u>	<u>(53,161)</u>
Debt service:				
Principal	170,000	170,000	170,000	-
Interest	<u>23,622</u>	<u>23,622</u>	<u>21,463</u>	<u>2,159</u>
Total debt service	<u>193,622</u>	<u>193,622</u>	<u>191,463</u>	<u>2,159</u>
Total expenditures	<u>\$7,556,772</u>	<u>\$8,229,710</u>	<u>\$8,158,293</u>	<u>\$ 71,417</u>

## AGENCY FUNDS

### **Sheriff's Fund -**

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

### **Tax Collector Fund -**

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

### **Bond Fund -**

To account for the collection of cash bonds and payment of these collections to the eligible recipients in accordance with applicable laws.

### **Prison Inmate Fund -**

To account for the receipts and disbursements made to the individual prison inmate accounts.

### **Commissary Fund -**

To account for the sale of commissary merchandise and supplies.

ST. JAMES PARISH SHERIFF  
 Convent, Louisiana  
 Agency Funds

Combining Balance Sheet  
 June 30, 2007

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total
<b>ASSETS</b>					
Cash	\$ -	\$ 100	\$ 350	\$ 7,672	\$ 8,122
Interest-bearing deposits	<u>33,167</u>	<u>2,299,905</u>	<u>364,880</u>	-	<u>2,697,952</u>
Total assets	<u>\$ 33,167</u>	<u>\$ 2,300,005</u>	<u>\$ 365,230</u>	<u>\$ 7,672</u>	<u>\$ 2,706,074</u>
<b>LIABILITIES</b>					
Due to taxing bodies and others	\$ 33,167	\$ 2,300,005	\$ 365,230	\$ 5,156	\$ 2,703,558
Due to inmates	-	-	-	<u>2,516</u>	<u>2,516</u>
Total liabilities	<u>\$ 33,167</u>	<u>\$ 2,300,005</u>	<u>\$ 365,230</u>	<u>\$ 7,672</u>	<u>\$ 2,706,074</u>

ST. JAMES PARISH SHERIFF  
 Convent, Louisiana  
 Agency Funds

Combining Statement of Changes in Assets and Liabilities  
 Year Ended June 30, 2007

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total
Balances, beginning of year	\$ 31,084	\$ 1,047,105	\$ 348,454	\$ 6,259	\$ 1,432,902
Additions:					
Deposits -					
Sheriff's sales	79,388	-	-	-	79,388
Bonds	-	-	144,112	-	144,112
Fines and costs	-	-	694,105	-	694,105
Garnishments	150,736	-	-	-	150,736
Restitutions	69,745	-	-	-	69,745
Inmates	-	-	-	78,575	78,575
Taxes, fees, etc. paid to tax collector	-	35,875,586	-	-	35,875,586
Interest on investments	-	-	3,476	-	3,476
Total additions	299,869	35,875,586	841,693	78,575	37,095,723
Total	330,953	36,922,691	1,190,147	84,834	38,528,625
Reductions:					
Taxes, fees, etc. distributed to taxing bodies and others	-	34,622,686	-	-	34,622,686
Deposits settled to -					
Sheriff's General Fund	46,520	-	-	-	46,520
Clerk of court	9,475	-	-	-	9,475
Inmates	-	-	-	25,307	25,307
Litigants	221,620	-	-	-	221,620
Attorneys, appraisers, etc.	4,200	-	-	-	4,200
Settlements	-	-	824,917	-	824,917
Other reductions	15,971	-	-	51,855	67,826
Total reductions	297,786	34,622,686	824,917	77,162	35,822,551
Balances, end of year	\$ 33,167	\$ 2,300,005	\$ 365,230	\$ 7,672	\$ 2,706,074

**INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The Honorable Willy J. Martin, Jr.  
St. James Parish Sheriff  
Convent, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2007, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 5, 2007. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Sheriff's internal control. We consider the deficiencies identified as items 2007-01 and 2007-02 and described in the accompanying schedule of audit results and findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the deficiencies described above to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Sheriff's responses to the findings identified in our audit are described in the accompanying Summary Schedule of Current Year Audit Findings and Corrective Plan. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 5, 2007

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Summary Schedule of Audit Results  
Year Ended June 30, 2007

Part I. Summary of Auditor's Results:

An unqualified opinion was issued on the financial statements.

Significant deficiencies in internal control were disclosed by the audit of the financial statements and the conditions are considered material weaknesses.

The audit did not disclose any instances of noncompliance which are material to the financial statements.

A management letter was not issued.

Part II. Findings reported in accordance with *Governmental Auditing Standards*:

2007-01 Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

*“Internal control is a process – effected by an entity’s board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.*

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.



ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Summary Schedule of Audit Results (continued)  
Year Ended June 30, 2007

2007-02 Receivable Follow-up

**CONDITION:** Amounts billed and reported as receivables were not periodically reviewed to insure timely collection.

**CRITERIA:** SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

*“Internal control is a process – effected by an entity’s board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.*

**CAUSE:** The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to insure the collection of recorded receivables.

**EFFECT:** Failure to follow-up on billed receivables increases the risk that recorded balances may become uncollectible.

**RECOMMENDATION:** The Sheriff should develop polices and/or procedures to insure the timely collection of billed receivables.

Part III. Findings and questioned costs reported in accordance with Office of Management and Budget Circular A-133:

not applicable

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2007

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
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Section I - Internal control and compliance material to the financial statements.

Internal Control

2006-01	Unknown	Inadequate segregation of functions exists within the accounting system.	No	See corrective action plan for current year findings
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Compliance

No items were reported in this section

Section II - Management letter

No items were reported in this section

ST. JAMES PARISH SHERIFF  
Convent, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2007

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
Section I - Internal control and compliance material to the financial statements.				
<u>Internal Control</u>				
2007-01	Inadequate segregation of functions exists within the accounting system.	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A
2007-02	Billed receivables were not periodically reviewed to insure timely collection.			
<u>Compliance</u>				
No items are applicable to this section.				
Section II - Management letter				
No items are applicable to this section.				