

**CALCASIEU PARISH SHERIFF**  
Lake Charles, Louisiana

**Financial Report**  
For the Year Ended June 30, 2006

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 1-17-07

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## INDEPENDENT AUDITORS' REPORT

Calcasieu Parish Sheriff  
Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Sheriff as of June 30, 2006, and for the year then ended. These basic financial statements are the responsibility of the Calcasieu Parish Sheriff. Our responsibility is to express an opinion on these basic financial statements based on our audit.

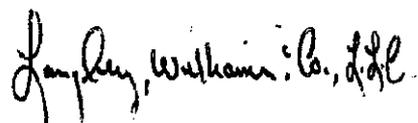
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Calcasieu Parish Sheriff as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 16, 2006, 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, grants, 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 read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the required supplemental information on pages 6 through 12 and page 37, respectively, are not a required part of the basic financial statements, but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of 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 supplementary information on pages 40 through 47 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Calcasieu Parish Sheriff. In addition, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "James W. Williams, CPA, CFE".

November 16, 2006

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 providing this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2006. The following information is provided by the current administration and is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Financial Highlights**

The Sheriff's assets exceeded its liabilities by \$45,453,525 (net assets) for the fiscal year reported.

Total revenues of \$46.3 million exceeded total expenditures of \$42.7 million, which resulted in current year excess revenue of \$3.6 million.

Total net assets are comprised of the following:

- (1) Capital assets of \$22,836,862 include property and equipment, net of accumulated depreciation, and land of \$723,962.
- (2) Unrestricted net assets of \$22,616,663.

The Sheriff's governmental funds reported total ending fund balance of \$23,959,417 this year. This compares to the prior year ending fund balance of \$21,515,350, reflecting an increase of \$2,444,067 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$21,833,289, or 50% of total General Fund expenditures and 47% of total General Fund revenues including transfers.

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

**Overview of the Financial Statements**

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

**Government-wide Financial 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 financial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

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

The government-wide financial statements are presented on pages 14 through 15 of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Sheriff uses governmental funds and fiduciary funds as follows:

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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

The basic governmental fund financial statements are presented on pages 18 through 22 of this report.

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

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

The basic agency fund financial statements are presented on pages 44 through 47 of this report.

*Notes to the basic financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on page 38 of this report.

As discussed, the Sheriff reports major funds in the basic financial statement. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 41.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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

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

The Sheriff's net assets at fiscal year-end are \$45,453,525. The following table provides a summary of the Sheriff's net assets:

	<u>2006</u>	<u>Percentage</u>	<u>2005</u>	<u>Percentage</u>
<b>Assets:</b>				
Current assets	\$ 24,572,665	52 %	\$ 21,679,526	50 %
Capital assets	<u>22,836,862</u>	<u>48</u>	<u>21,636,857</u>	<u>50</u>
<b>Total assets</b>	<u>47,409,527</u>	100 %	<u>43,316,383</u>	100 %
<b>Liabilities:</b>				
Current liabilities	787,806	40 %	334,454	23 %
Long-term liabilities	<u>1,168,196</u>	<u>60</u>	<u>1,139,554</u>	<u>77</u>
<b>Total liabilities</b>	<u>1,956,002</u>	100 %	<u>1,474,008</u>	100 %
<b>Net assets:</b>				
Investment in capital assets, net of debt	22,836,862		21,636,857	
Unrestricted	<u>22,616,663</u>		<u>20,205,518</u>	
<b>Total net assets</b>	<u>\$ 45,453,525</u>		<u>\$ 41,842,375</u>	

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 31.19 to 1 for the current year compared to 64.82 to 1 for the previous year.

Approximately 48.0% of the governmental activities' net assets are invested in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

Overall, the Sheriff's office reports net assets of \$45,453,525. This amount is \$3,611,150 more than last year. The Sheriff's office has \$22.8 million invested in capital assets. The Sheriff's overall financial position improved during fiscal year 2006.

**CALCASIEU PARISH SHERIFF**  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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

	<u>2006</u>	<u>Percentage</u>	<u>2005</u>	<u>Percentage</u>
Revenues:				
Program:				
Charges for services/fines	\$ 11,761,407	26 %	\$ 11,020,594	28 %
Operating grants and contributions	4,426,018	10	2,079,820	5
General:				
Sales taxes	10,398,142	22	8,733,340	22
Property taxes	15,183,457	33	14,779,126	37
State supplemental pay	1,782,489	4	1,575,664	4
State revenue sharing	378,957	1	379,601	1
Unrestricted state grants	667,936	1	207,978	1
Interest	680,582	1	370,103	1
Miscellaneous	<u>1,052,772</u>	<u>2</u>	<u>1,449,577</u>	<u>1</u>
Total revenues	<u>46,331,760</u>	100 %	<u>40,595,803</u>	100 %
Program expenses:				
Public safety	<u>42,720,610</u>	100 %	<u>38,879,110</u>	100 %
Total expenses	<u>42,720,610</u>	100 %	<u>38,879,110</u>	100 %
Change in net assets	<u>3,611,150</u>		<u>1,716,693</u>	
Beginning net assets	<u>41,842,375</u>		<u>40,125,682</u>	
Ending net assets	<u>\$ 45,453,525</u>		<u>\$ 41,842,375</u>	

**Governmental Revenues**

The Sheriff is heavily reliant on property taxes to support its operation. Property taxes provided 33% of the Sheriff's total revenues. Also, program revenues covered 36% of governmental operating expenses. This means that the government 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. Of the total cost, depreciation on the equipment, vehicles and buildings was \$2,431,318 or 6% of total expenses.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

**FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS**

**Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending balance of \$23,959,417. Legally restricted fund balances (i.e., the reserved fund balances include: \$41,128 in inventories, \$750,000 reserved for capital assets and improvements and \$1,335,000 reserved for legal contingencies. As a result, the unreserved, undesignated fund balance is \$21,833,289.

The unreserved, undesignated fund balance increased by \$3,049,871 from the previous year.

**Major Governmental Funds**

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's balance increased by \$2,383,568. In fiscal year 2006, revenues increased \$5.8 million over the prior year, however operating expenditures increased by \$6.0 million with increases of \$3.9 million in public safety and \$2.1 million in capital outlay. The increase in Operating Grants and Contributions is due mainly to reimbursements through FEMA for Hurricane Rita expenses.

**Budgetary Highlights**

*The General Fund* – When the original budget was adopted, it was not anticipated that the total revenues and expenditures were going to be more than the previous fiscal year, which was mainly due to unanticipated increases in intergovernmental revenues, fees and other revenues and expenditures for capital outlay. Overall the actual revenues and expenditures exceeded the budgeted amounts as displayed on page 38.

**Capital Assets**

The Sheriff's investments in capital assets, net of accumulated depreciation as of June 30, 2006, were \$22,836,862. See Note 5 for additional information about changes in capital assets during the fiscal year and the end of the year. The following table provides a summary of capital asset activity:

**CALCASIEU PARISH SHERIFF**  
 Lake Charles, Louisiana

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

	<u>2006</u>	<u>2005</u>
Nondepreciable assets-land	\$ 723,962	\$ 698,962
Depreciable assets:		
Buildings and improvements	20,326,734	19,894,831
Equipment and furniture	11,869,058	9,783,755
Vehicles	<u>7,481,976</u>	<u>7,216,636</u>
Total depreciable assets	39,677,768	36,895,222
Less accumulated depreciation	<u>17,564,868</u>	<u>15,957,327</u>
Book value-depreciable assets	\$ <u>22,112,900</u>	\$ <u>20,937,895</u>
Percentage depreciated	44 %	43 %
Book value-all assets	\$ <u>22,836,862</u>	\$ <u>21,636,857</u>

**Contacting the Sheriff's Financial Management**

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

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

STATEMENT OF NET ASSETS

June 30, 2006

<b>ASSETS</b>	
Cash and cash equivalents	\$ 20,322,414
Receivables	4,055,999
Prepaid items	153,124
Inventory	41,128
Capital assets:	
Land	723,962
Capital assets, net	<u>22,112,900</u>
Total assets	47,409,527
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	613,248
Long-term liabilities:	
Due within one year	174,558
Due after one year	<u>1,168,196</u>
Total liabilities	<u>1,956,002</u>
<b>NET ASSETS</b>	
Invested in capital assets	22,836,862
Unrestricted	<u>22,616,663</u>
Total net assets	<u>\$ 45,453,525</u>

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2006

	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
	Expenses	Operating Fees, Fines, And Charges for Services Contributions	Governmental Activities
Activities			
Governmental activities:			
Public safety	\$ 42,720,610	\$ 11,761,407	\$ (26,619,869)
	<u>42,720,610</u>	<u>11,761,407</u>	
Total Governmental Activities	\$ <u>42,720,610</u>	\$ <u>11,761,407</u>	(26,619,869)
General revenues:			
Taxes -			
Property taxes, levied for general purposes			15,183,457
Sales and use taxes, levied for general purposes			10,398,142
State supplemental pay			1,782,489
State revenue sharing			378,957
Grants and contributions not restricted to specific programs -			
State sources			667,936
Interest and investment earnings			680,582
Miscellaneous			1,139,456
Total general revenues			<u>30,231,019</u>
Change in net assets			3,611,150
Net assets - July 1, 2005			<u>41,842,375</u>
Net assets - June 30, 2006			<u>\$ 45,453,525</u>

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

FUND FINANCIAL STATEMENTS (FFS)

## FUND DESCRIPTIONS

### General Fund

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

### Other Governmental

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2006

	General	Other Governmental	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,454,124	\$ 868,290	\$ 20,322,414
Receivables	3,916,992	139,007	4,055,999
Prepaid items	153,026	98	153,124
Inventory	41,128	-	41,128
	<b>\$ 23,565,270</b>	<b>\$ 1,007,395</b>	<b>\$ 24,572,665</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 607,965	\$ 5,283	\$ 613,248
	607,965	5,283	613,248
<b>FUND BALANCES</b>			
Reserve for inventory	41,128	-	41,128
Reserve for capital improvements	750,000	-	750,000
Reserve for legal contingencies	1,335,000	-	1,335,000
Unreserved - undesignated	20,831,177	1,002,112	21,833,289
	22,957,305	1,002,112	23,959,417
Total liabilities and fund balances	<b>\$ 23,565,270</b>	<b>\$ 1,007,395</b>	<b>\$ 24,572,665</b>

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

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

June 30, 2006

Total fund balances for governmental funds at June 30, 2006	\$ 23,959,417
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	723,962
Capital assets, net of \$17,564,868 accumulated depreciation	<u>22,112,900</u>
	22,836,862
Long-term liabilities at June 30, 2006:	
Compensated absences payable	<u>(1,342,754)</u>
Total net assets of governmental activities at June 30, 2006	\$ <u><u>45,453,525</u></u>

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

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

For the Year Ended June 30, 2006

	<u>General</u>	<u>Other Governmental</u>	<u>Totals</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 15,183,457	\$ -	\$ 15,183,457
Intergovernmental	7,019,331	149,385	7,168,716
Commissions, fees and charges	11,261,878	499,529	11,761,407
Interest	648,960	31,622	680,582
Sales taxes	10,398,142	-	10,398,142
Other	1,051,477	7,079	1,058,556
Total revenues	<u>45,563,245</u>	<u>687,615</u>	<u>46,250,860</u>
<b>EXPENDITURES</b>			
Current			
Public safety	39,673,015	566,709	40,239,724
Capital outlay	3,506,662	60,407	3,567,069
Total expenditures	<u>43,179,677</u>	<u>627,116</u>	<u>43,806,793</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	2,383,568	60,499	2,444,067
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	150,000	-	150,000
Operating transfers (out)	(150,000)	-	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCE</b>	2,383,568	60,499	2,444,067
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>20,573,737</u>	<u>941,613</u>	<u>21,515,350</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 22,957,305</u>	<u>\$ 1,002,112</u>	<u>\$ 23,959,417</u>

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

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

For the Year Ended June 30, 2006

Total net changes in fund balances at June 30, 2006 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 2,444,067
The change in net assets reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	3,567,069
Depreciation expense for the year ended June 30, 2006	<u>(2,431,318)</u>
	1,135,751
Donated items	80,900
Disposal of net assets	(16,646)
Government funds do not report compensated absences as expenditures. However, this payable does appear in the Statement of Activities since the payable is reported on the Statement of Net Assets	<u>(32,922)</u>
Total changes in net assets at June 30, 2006 per Statement of Activities	<u>\$ 3,611,150</u>

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2006

ASSETS

Cash and cash equivalents

\$ 3,929,581

Total assets

\$ 3,929,581

LIABILITIES

Due to taxing bodies and others

\$ 3,929,581

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

INTRODUCTION

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

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

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

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

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 operation of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and receipt and disbursements of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Calcasieu Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

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

Fund Financial Statements (FFS)

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION (Continued)

The Sheriff reports the following major governmental fund:

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

Additionally, the Sheriff reports the following fund types:

Fiduciary Funds

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

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

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

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

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

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

Expenditures

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Other Financing Sources (Uses)

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

Deferred Revenues

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

D. BUDGET PRACTICES

1. The proposed budget for the general fund is submitted to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

E. CASH AND INTEREST-BEARING DEPOSITS

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

F. INVESTMENTS

Investments are reported at market value.

G. INVENTORY

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

H. CAPITAL ASSETS

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

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

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

I. LONG-TERM DEBT

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

J. VACATION AND SICK LEAVE

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

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

At June 30, 2006, employees of the Sheriff's office have accumulated \$1,342,754 in leave privileges, \$174,558 in current liabilities and \$1,168,196 in long-term liabilities.

K. EQUITY CLASSIFICATIONS

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

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

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

Notes to the Financial Statements

**L. FUND EQUITY**

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

**M. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**N. ESTIMATES**

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

**2. CASH AND INTEREST-BEARING DEPOSITS**

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, 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, 2006, the Sheriff has cash and cash equivalents (book balances) totaling \$24,251,995 as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Assets and Liabilities	Total
Demand deposits	\$ 12,611,159	\$ 3,571,883	\$ 16,183,042
Time deposits	7,711,255	357,698	8,068,953
Total	<u>\$ 20,322,414</u>	<u>\$ 3,929,581</u>	<u>\$ 24,251,995</u>

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

2. CASH AND INTEREST-BEARING DEPOSITS (Continued)

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

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

At June 30, 2006, the Sheriff has \$25,453,212 in deposits (collected bank balances). These deposits are secured from risk by \$490,066 of federal deposit insurance and \$24,963,146 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

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

3. AD VALOREM TAXES

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

Ad valorem taxes are budgeted and recorded in the year for which levied and billed. For the year ended June 30, 2006, law enforcement taxes applicable to the Sheriff's General Fund, were collected as follows:

	Levied Millage	Expiration Date	Amount Collected
Regular Law Enforcement District	8.25	Permanent	\$ 7,911,700
Special Law Enforcement District	7.58	2010	7,267,872
	15.83		\$ 15,179,572

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

4. RECEIVABLES

The receivables of \$4,055,999 at June 30, 2006, are as follows:

	<u>Governmental Activities</u>
Taxes - sales	\$ 976,029
Taxes - ad valorem	63,190
Intergovernmental	1,154,748
Feeding prisoners	953,793
Other	908,239
Total	<u>\$ 4,055,999</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 698,962	\$ 25,000	\$ -	\$ 723,962
Other capital assets:				
Buildings and improvements	19,894,831	431,903	-	20,326,734
Vehicles	7,216,636	853,638	(588,299)	7,481,975
Equipment and furniture	9,783,756	2,337,428	(252,125)	11,869,059
Total	<u>37,594,185</u>	<u>3,647,969</u>	<u>(840,424)</u>	<u>40,401,730</u>
Less accumulated depreciation	<u>(15,957,328)</u>	<u>(2,431,318)</u>	<u>823,778</u>	<u>(17,564,868)</u>
Net assets	<u>\$ 21,636,857</u>	<u>\$ 1,216,651</u>	<u>\$ (16,646)</u>	<u>\$ 22,836,862</u>

Depreciation expense in the amount of \$2,431,318 was charged to public safety.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

6. RETIREMENT COMMITMENTS

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

All Sheriffs and all deputies who are found to be physically fit, who earn at least \$800 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 3.33% no matter how many years of service the employee has completed. In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

*Funding Policy.* Plan members are required by state statute to contribute 9.8% of their annual covered salary and the Calcasieu Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 10%, this changed in October 2004, before that 9.75% was the rate of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Calcasieu Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The payroll for the Sheriff's employees covered by the system for the year ended June 30, 2006 was \$21,818,536, the Sheriff's total payroll was \$24,689,884. The Sheriff contributed \$3,782,622 to the plan and the employees contributed \$643,114.

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

6. RETIREMENT COMMITMENTS (Continued)

*Deferred Compensation Plan.* Certain employees of The Calcasieu Parish Sheriff's Department participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. In accordance, with provisions of GASB Statement No. 32, plan balances and activities are not reflected in the Calcasieu Parish Sheriff's Department or its political subdivisions' financial statements. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

7. OTHER POSTEMPLOYMENT BENEFITS

The Calcasieu Parish Sheriff provides certain healthcare and life insurance benefits for retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by employees and the Sheriff ("pay-as-you-go" basis). The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 2006, the amount of retiree benefits totaled \$230,339 for 89 participants.

8. RISK MANAGEMENT

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

9. CONTINGENCIES AND COMMITMENTS

The Sheriff is a defendant in a number of lawsuits that 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 judgments 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.

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

Notes to the Financial Statements

10. CHANGES IN AGENCY FUND BALANCES

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

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Cash Appearance Bond	\$ 378,865	\$ 736,213	\$ (647,858)	\$ 467,220
Fines and Costs	163,741	1,749,514	(1,793,126)	120,129
Civil Suits	51,333	2,709,643	(2,724,894)	36,082
Work Release Programs	113,405	263,927	(178,922)	198,410
Inmate Deposits	160,616	1,897,033	(1,813,934)	243,715
Tax Collector	1,896,466	127,482,753	(126,515,194)	2,864,025
Total	<u>\$ 2,764,426</u>	<u>\$ 134,839,083</u>	<u>\$ (133,673,928)</u>	<u>\$ 3,929,581</u>

The beginning balance of the Fines and Costs Fund has been decreased by \$103,128 due to an accounting error. Also, the Deferred Compensation Fund is no longer presented in the fiduciary funds, which decreases the beginning balance by \$956,678 from the prior year presentation.

11. ON-BEHALF PAYMENTS

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

Notes to the Financial Statements

12. SUBSEQUENT EVENT

On July 15, 2006, the voters of Calcasieu Parish approved a new 1/2% sales tax increase for the Law Enforcement District of Calcasieu Parish. Collection of the sales tax is to begin October 1, 2006.

The new sales tax is to provide for a new salary schedule for deputies; the funding of an increase in the Patrol and Corrections Divisions and related law enforcement functions; capital improvements expenditures not to exceed nine million dollars and the creation of an Emergency Fund Balance or Reserve to be utilized in the event of an emergency and to provide continuity in operations.

In accordance with the covenant agreement recorded with the Calcasieu Parish Clerk of Court, once the above criteria are met, the Calcasieu Parish Law Enforcement District millage numbers 1 and 2 shall be rolled back (reduced) in an amount to equal approximately nine million dollars. After the roll back, increases in the Law Enforcement District millage numbers 1 and 2 shall be limited to a maximum increase of one mill per year per district, up to the maximum millages authorized by law. These millage increases shall not begin for a period of five years from the date of the first collection of the new sales tax, and only after a public hearing held for the purpose of receiving public participation.

REQUIRED SUPPLEMENTARY  
INFORMATION

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended June 30, 2006

	GENERAL FUND			
	BUDGET		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 15,013,192	\$ 14,800,000	\$ 15,183,457	\$ 383,457
Intergovernmental	2,394,526	4,500,370	7,019,331	2,518,961
Commissions, fees and charges	9,833,272	9,233,673	11,261,878	2,028,205
Interest	200,000	447,600	648,960	201,360
Sales taxes	8,600,000	10,000,000	10,398,142	398,142
Other	2,000,426	5,132,172	1,051,477	(4,080,695)
<b>Total revenues</b>	<u>38,041,416</u>	<u>44,113,815</u>	<u>45,563,245</u>	<u>1,449,430</u>
<b>EXPENDITURES</b>				
Current				
Public safety	37,398,214	41,613,867	39,673,015	1,940,852
Capital outlay	753,630	2,449,500	3,506,662	(1,057,162)
<b>Total expenditures</b>	<u>38,151,844</u>	<u>44,063,367</u>	<u>43,179,677</u>	<u>883,690</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(110,428)	50,448	2,383,568	2,333,120
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	125,000	150,000	150,000	-
Operating transfers (out)	-	-	(150,000)	(150,000)
<b>Total other financing sources (uses)</b>	<u>125,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
<b>NET CHANGES IN FUND BALANCE</b>	14,572	200,448	2,383,568	2,183,120
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>20,573,737</u>	<u>20,573,737</u>	<u>20,573,737</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 20,588,309</u>	<u>\$ 20,774,185</u>	<u>\$ 22,957,305</u>	<u>\$ 2,183,120</u>

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

OTHER SUPPLEMENTAL INFORMATION

## NONMAJOR FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS

### REGIONAL LAW ENFORCEMENT TRAINING ACADEMY FUND

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

### SOUTHWEST LOUISIANA CRIMINALISTIC LABORATORY FUND

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

June 30, 2006

	<u>Regional Law Enforcement Training Academy</u>	<u>Southwest Louisiana Criminalistic Laboratory</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 114,558	\$ 753,732	\$ 868,290
Receivables	33,015	105,992	139,007
Prepays	<u>98</u>	<u>-</u>	<u>98</u>
 Total assets	 <u>\$ 147,671</u>	 <u>\$ 859,724</u>	 <u>\$ 1,007,395</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$ 784	\$ 4,499	\$ 5,283
Total liabilities	<u>784</u>	<u>4,499</u>	<u>5,283</u>
Fund equity:			
Fund balances:			
Unreserved-undesignated	<u>146,887</u>	<u>855,225</u>	<u>1,002,112</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 147,671</u>	 <u>\$ 859,724</u>	 <u>\$ 1,007,395</u>

**CALCASIEU PARISH SHERIFF**  
Lake Charles, Louisiana

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

For the Year Ended June 30, 2006

	Regional Law Enforcement Training Academy	Southwest Louisiana Criminalistic Laboratory	Total
<b>REVENUES</b>			
Training fees	\$ 57,000	\$ -	\$ 57,000
Crime laboratory fees	-	430,418	430,418
Interest earnings	4,740	26,882	31,622
Grants	32,980	116,405	149,385
Bonding fees	-	12,111	12,111
Other	4,663	2,416	7,079
Total revenues	<u>99,383</u>	<u>588,232</u>	<u>687,615</u>
<b>EXPENDITURES</b>			
Current			
Public safety	54,082	512,592	566,674
Capital outlay	34,206	26,201	60,407
Other	35	-	35
Total expenditures	<u>88,323</u>	<u>538,793</u>	<u>627,116</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	11,060	49,439	60,499
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>135,827</u>	<u>805,786</u>	<u>941,613</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 146,887</u>	<u>\$ 855,225</u>	<u>\$ 1,002,112</u>

## FIDUCIARY FUND TYPE - AGENCY FUNDS

### CASH APPEARANCE BOND FUND

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

### FINES AND COSTS FUND

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

### WORK RELEASE PROGRAMS FUND

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

### INMATE DEPOSIT FUND

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

### TAX COLLECTOR FUND

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

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2006

	<u>Cash Appearance Bond</u>	<u>Fines and Costs</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 467,220	\$ 120,129
Total assets	<u>\$ 467,220</u>	<u>\$ 120,129</u>
<b>LIABILITIES</b>		
Due to taxing bodies and others	<u>\$ 467,220</u>	<u>\$ 120,129</u>

<u>Civil Suits</u>	<u>Work Release DOC</u>	<u>Work Release CCC</u>	<u>Inmate Deposit</u>	<u>Tax Collector</u>	<u>TOTAL</u>
<u>\$ 36,082</u>	<u>\$ 174,754</u>	<u>\$ 23,656</u>	<u>\$ 243,715</u>	<u>\$ 2,864,025</u>	<u>\$ 3,929,581</u>
<u>\$ 36,082</u>	<u>\$ 174,754</u>	<u>\$ 23,656</u>	<u>\$ 243,715</u>	<u>\$ 2,864,025</u>	<u>\$ 3,929,581</u>
<u>\$ 36,082</u>	<u>\$ 174,754</u>	<u>\$ 23,656</u>	<u>\$ 243,715</u>	<u>\$ 2,864,025</u>	<u>\$ 3,929,581</u>

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
For the Year Ended June 30, 2006

	Cash Appearance Bond	Fines and Costs	Civil Suits
BALANCES AT BEGINNING OF YEAR	\$ 378,865	\$ 163,741	\$ 51,333
ADDITIONS			
Appearance bonds	736,213	-	-
Suits, sales, seizures, etc.	-	-	2,709,643
Fines and costs	-	1,736,254	-
Taxes, fees, etc., paid to tax collector	-	-	-
Inmate receipts	-	-	-
Other additions	-	13,260	-
Total additions	736,213	1,749,514	2,709,643
REDUCTIONS			
Taxes, fees, etc., distributed to taxing bodies and others	-	-	-
District Attorney's General Fund	103,727	309,048	-
Sheriff's General Fund	103,727	146,860	-
Calcasieu Parish Police Jury	-	561,976	-
Indigent Defender Fund	103,727	298,282	-
Clerk of Court	-	67,368	-
Southwest Louisiana Regional Crime Lab	-	98,551	-
Judicial Expense Fund	103,727	36,071	-
Crime Victims Reparation	-	36,306	-
Calcasieu Parish Coroner's Office	-	31,067	-
Louisiana Commission on Law Enforcement	-	17,398	-
Bond refunds	232,950	-	-
Remittance of civil suits:			
General Fund	-	-	805,339
Clerk of Court	-	-	142,911
Other sheriffs and clerks	-	-	7,380
Litigants	-	-	1,533,899
Attorneys, appraisers, and other costs	-	-	235,365
Inmate disbursements	-	-	-
Other settlements	-	190,199	-
Total reductions	647,858	1,793,126	2,724,894
BALANCES AT END OF YEAR	<u>\$ 467,220</u>	<u>\$ 120,129</u>	<u>\$ 36,082</u>

Work Release DOC	Work Release CCC	Inmate Deposit	Tax Collector	TOTAL
\$ 100,580	\$ 12,825	\$ 160,616	\$ 1,896,466	\$ 2,764,426
-	-	-	-	736,213
-	-	-	-	2,709,643
-	-	-	-	1,736,254
-	-	-	127,482,753	127,482,753
211,167	52,760	1,897,033	-	2,160,960
-	-	-	-	13,260
211,167	52,760	1,897,033	127,482,753	134,839,083
-	-	-	126,515,194	126,515,194
-	-	-	-	412,775
-	-	-	-	250,587
-	-	-	-	561,976
-	-	-	-	402,009
-	-	-	-	67,368
-	-	-	-	98,551
-	-	-	-	139,798
-	-	-	-	36,306
-	-	-	-	31,067
-	-	-	-	17,398
-	-	-	-	232,950
-	-	-	-	805,339
-	-	-	-	142,911
-	-	-	-	7,380
-	-	-	-	1,533,899
-	-	-	-	235,365
136,993	41,929	1,741,256	-	1,920,178
-	-	72,678	-	262,877
136,993	41,929	1,813,934	126,515,194	133,673,928
\$ 174,754	\$ 23,656	\$ 243,715	\$ 2,864,025	\$ 3,929,581

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2006

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Expenditures</u>
U.S. Department of Justice			
COPS	16.710	N/A	\$ 651,996
Local Law Enforcement Block Grant	16.592	N/A	4,563
Edward Byrne Memorial Justice Grant	16.738	N/A	297,184
Bulletproof Vest Partnership Program	16.607	N/A	9,369
Discretionary Drug and Criminal Assistance	16.580	N/A	56,566
Passed through Louisiana Commission on Law Enforcement			
Domestic Violence Investigation	16.588	N/A	61,441
Community Policing	16.579	N/A	67,404
U.S. Department of Homeland Security			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
	97.036	N/A	2,472,855
Passed through Louisiana Commission on Law Enforcement			
State Domestic Preparedness			
Equipment Support Program	97.004	N/A	<u>723,740</u>
TOTAL FEDERAL AWARDS			<u>\$ 4,345,118</u>

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Calcasieu Parish Sheriff and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

COMPLIANCE  
AND  
INTERNAL CONTROL



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

**CERTIFIED PUBLIC ACCOUNTANTS**  
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OF PUBLIC ACCOUNTANCY  
PUBLIC COMPANY  
ACCOUNTING OVERSIGHT BOARD  
CENTER FOR PUBLIC  
COMPANY AUDIT FIRMS

LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
MICHAEL F. CALLOURA  
PHILLIP D. ABSHIRE, JR.  
DAPHNE B. CLARK  
J. AARON COOPER

## INDEPENDENT AUDITORS' 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*

Calcasieu Parish Sheriff  
Lake Charles, Louisiana

We have audited the accompanying financial statements of the Calcasieu Parish Sheriff as of and for the year ended June 30, 2006, and have issued our report thereon dated November 16, 2006. 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 Calcasieu Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

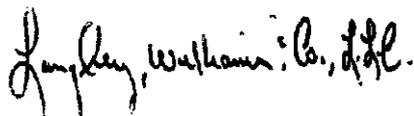
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calcasieu Parish Sheriff's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

Calcasieu Parish Sheriff

Page 2

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

Handwritten signature in cursive script, appearing to read "William B. Hill".

Lake Charles, Louisiana

November 16, 2006



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

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

Calcasieu Parish Sheriff  
Lake Charles, Louisiana

### Compliance

We have audited the compliance of the Calcasieu Parish Sheriff with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2006. The Calcasieu Parish Sheriff's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Calcasieu Parish Sheriff's management. Our responsibility is to express an opinion on the Calcasieu Parish Sheriff's compliance based on our audit.

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

In our opinion the Calcasieu Parish Sheriff complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

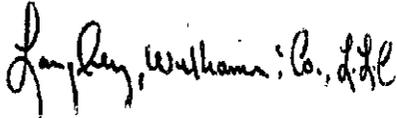
### Internal Control Over Compliance

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

Calcasieu Parish Sheriff  
November 16, 2006  
Page 2

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 reportable 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 caused by error or fraud 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.



November 16, 2006

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?                     Yes                     No

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

Noncompliance material to financial statements  
noted?                     Yes                     No

Federal Awards

Internal control over major programs:

Material weaknesses identified?                     Yes                     No

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.306	FEMA
16.710	COPS
97.004	Equipment Support

Dollar threshold used to distinguish between  
Type A and Type B programs:                    \$500,000

Auditee qualified as low-risk auditee?                     Yes                     No

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended June 30, 2006

SECTION II – FINANCIAL STATEMENT FINDINGS

Prior Year

None Noted

Current Year

None Noted

SECTION III – FEDERAL AWARD FINDINGS

Prior Year

Item 2005-1:

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

Corrective Action Taken: None Needed. Upon further clarification of reimbursement procedures from the Department of Justice, the way the Calcasieu Parish Sheriff was asking for reimbursement was within the guidelines and is no longer considered a finding.

Current Year

None Noted

Contact Person: Sharon Cutrera, CFO

CALCASIEU PARISH SHERIFF  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended June 30, 2006

SECTION IV – MANAGEMENT LETTER

No separate management letter was issued.