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ST. JAMES PARISH SHERIFF
Convent, Louisiana

Financial Report

Year Ended June 30, 2008

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 11/12/08

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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, 2008, 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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2008, 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 do not 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
September 25, 2008

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 4,730,623
Investments	4,474,115
Receivables, net	3,564
Due from other governmental units	200,701
Capital assets, net	<u>2,471,830</u>
TOTAL ASSETS	<u>11,880,833</u>
LIABILITIES	
Accounts, salaries, and other payables	195,345
Noncurrent liabilities:	
Due within one year	185,000
Due in more than one year	<u>395,000</u>
TOTAL LIABILITIES	<u>775,345</u>
NET ASSETS	
Invested in capital assets	2,471,830
Unrestricted	<u>8,633,658</u>
TOTAL NET ASSETS	<u>\$11,105,488</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, 2008

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$4,730,623
Investments	4,474,115
Receivables -	
Due from other governmental agencies	117,360
Loan receivable - St. James Parish Council	83,341
Other	<u>3,564</u>
Total assets	<u>\$9,409,003</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 53,544
Accrued liabilities	<u>141,801</u>
Total liabilities	195,345
Fund balance:	
Unreserved and undesignated	<u>9,213,658</u>
Total liabilities and fund balance	<u>\$9,409,003</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, 2008

Total fund balance for governmental fund at June 30, 2008	\$ 9,213,658
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	\$ 81,465
Buildings and improvements other than buildings, net of \$66,426 accumulated depreciation	1,218,734
Vehicles, net of \$1,050,141 accumulated depreciation	645,057
Office furniture, net of \$448,785 accumulated depreciation	170,698
Equipment, net of \$461,207 accumulated depreciation	<u>355,876</u>
	2,471,830
Long-term liabilities at June 30, 2008:	
Certificates of indebtedness payable	<u>(580,000)</u>
Net assets at June 30, 2008	<u>\$11,105,488</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, 2008

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$6,853,534
Intergovernmental revenues -	
Federal grants	32,720
State grants - state revenue sharing (net)	151,280
State supplemental pay	313,510
Other state grants	26,368
Video poker commissions	462,283
Fees charges and commissions for services -	
Civil and criminal fees	348,954
Feeding, keeping, and transporting prisoners	296,121
Other Fees and Commissions	94,419
Interest income	302,083
Miscellaneous	<u>118,209</u>
Total revenues	<u>8,999,481</u>
 Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	5,855,798
Operating services	973,834
Operations and maintenance	1,114,019
Travel and other charges	16,261
Capital outlay	479,770
Debt service	<u>199,747</u>
Total expenditures	<u>8,639,429</u>
 Net change in fund balance	 360,052
 Fund balance, beginning	 <u>8,853,606</u>
 Fund balance, ending	 <u>\$9,213,658</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, 2008

Total net changes in fund balances for the year ended June 30, 2008 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ 360,052

The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 458,360	
Depreciation expense for the year ended June 30, 2008	(368,469)	
Current year dispositions of capital assets, net of accumulated depreciation	<u>(4,645)</u>	85,246

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

180,000

Revenues received and recorded in the funds during the current year for
deputy extra detail which were reversed in the statement of activities
because they were recognized in the prior year

(6,400)

Total changes in net assets for the year ended June 30, 2008 per
Statement of Activities

\$ 618,898

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, 2008

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 724,038</u>
LIABILITIES	
Liabilities:	
Due to other taxing bodies	\$ 721,515
Due to inmates	<u>2,523</u>
 Total liabilities	 <u>\$ 724,038</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 fund 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 of sick leave per year. Employees having served the Sheriff over nine consecutive years receive twenty-five (25) working days sick leave per year, which cannot be accrued. 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. Additional sick leave is allowed at the discretion of the Sheriff. At June 30, 2008, 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, 2008, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$5,454,661, as follows:

	Government -wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Noninterest-bearing deposits	\$ 9,081	\$ 9,034	\$ 9,034
Interest-bearing deposits	<u>4,721,542</u>	<u>715,004</u>	<u>715,004</u>
	<u>\$ 4,730,623</u>	<u>\$ 724,038</u>	<u>\$ 5,454,661</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, 2008, are secured as follows:

Bank balances	<u>\$5,601,981</u>
Federal deposit insurance	250,617
Pledged securities	<u>5,351,364</u>
Total	<u>\$5,601,981</u>

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, 2008, 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.

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Investments

Investments held at June 30, 2008 consist of \$4,474,115 in the Louisiana Asset Management Pool (LAMP). In accordance with GASB Codification Section I50.128, 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, 2008, 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 \$313,599,827.

Total law enforcement taxes levied during 2008 were \$6,573,064.

(5) Receivables and Due From Other Governmental Units

Receivables and amounts due from other governmental units at June 30, 2008 consist of the following:

	<u>Receivables</u>	<u>Due from Other Governments</u>
Fees, charges, and commissions for services	\$ -	\$ 106,678
Grants	-	8,861
Loan for equipment for Adult Detention Center	-	83,341
Miscellaneous receivables	3,564	1,821
	<u>\$ 3,564</u>	<u>\$ 200,701</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, 2008 was as follows:

	Balance 01/01/07	Additions	Deletions	Balance 06/30/08
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 81,465	\$ -	\$ -	\$ 81,465
Other capital assets:				
Buildings	1,263,749	-	-	1,263,749
Improvements other than buildings	21,411	-	-	21,411
Vehicles	1,560,324	328,795	193,921	1,695,198
Office furniture	572,377	51,779	4,673	619,483
Equipment	793,856	77,786	54,559	817,083
Totals	4,293,182	458,360	253,153	4,498,389
Less: accumulated depreciation				
Buildings	31,594	31,594	-	63,188
Improvements other than buildings	1,619	1,619	-	3,238
Vehicles	1,041,656	197,937	189,452	1,050,141
Office furniture	397,941	63,924	13,080	448,785
Equipment	390,967	73,395	3,155	461,207
Total accumulated depreciation	1,863,777	368,469	205,687	2,026,559
Governmental activities, capital assets, net	\$2,429,405	\$ 89,891	\$ 47,466	\$ 2,471,830

Depreciation expense in the amount of \$368,469 was charged to public safety.

(7) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2008:

Accounts payable	\$ 53,544
Salaries	128,475
Payroll withholdings	13,326
Total	\$ 195,345

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, 2008:

	Governmental Activities
Long-term certificates payable, July 1, 2007	\$ 760,000
Long-term certificates issued	-
Long-term certificates retired	<u>(180,000)</u>
Long-term certificates payable, June 30, 2008	<u>\$ 580,000</u>

Long-term debt payable at June 30, 2008 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.	<u>\$ 580,000</u>
--	-------------------

The certificates are due as follows:

Year ending <u>June 30,</u>	Governmental Activities	
	Principal payments	Interest payments
2009	\$ 185,000	\$ 7,366
2010	195,000	10,033
2011	<u>200,000</u>	<u>5,080</u>
Total	<u>\$ 580,000</u>	<u>\$ 22,479</u>

(9) Pension Plan

Plan Description. Substantially all employees of the Sheriff 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 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, 2008, 2007, and 2006 were \$1,023,567, \$949,900, and \$937,693, 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, 2007	\$ 33,167	\$ 2,300,005	\$ 365,230	\$ 7,672
Additions	549,279	39,669,506	948,305	73,713
Reductions	(510,621)	(41,761,567)	(877,850)	(72,801)
Balances, June 30, 2008	<u>\$ 71,825</u>	<u>\$ 207,944</u>	<u>\$ 435,685</u>	<u>\$ 8,584</u>

(12) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2008, include \$35,857 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, 2008, 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, 2008, the amount of retiree benefits totaled \$81,302 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, 2008

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$6,200,000	\$6,445,000	\$6,853,534	\$408,534
Intergovernmental revenues -				
Federal grants	100,000	30,000	32,720	2,720
State grants - state revenue sharing (net)	140,500	151,285	151,280	(5)
State supplemental pay	368,000	313,000	313,510	510
Other state grants	100,000	25,000	26,368	1,368
Video poker commissions	400,000	460,000	462,283	2,283
Fees charges and commissions for services -				
Civil and criminal fees	352,850	324,842	348,954	24,112
Feeding, keeping, and transporting prisoners	270,100	273,250	296,121	22,871
Other Fees and Commissions	100,000	58,000	94,419	36,419
Interest income	376,000	382,500	302,083	(80,417)
Miscellaneous	84,000	108,525	118,209	9,684
Total revenues	<u>8,491,450</u>	<u>8,571,402</u>	<u>8,999,481</u>	<u>428,079</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	5,633,400	5,661,506	5,855,798	(194,292)
Operating services	996,000	1,083,650	973,834	109,816
Operations and maintenance	1,104,435	1,133,980	1,114,019	19,961
Travel and other charges	12,000	12,000	16,261	(4,261)
Capital outlay	360,000	430,000	479,770	(49,770)
Debt service	198,000	197,652	199,747	(2,095)
Total expenditures	<u>8,303,835</u>	<u>8,518,788</u>	<u>8,639,429</u>	<u>(120,641)</u>
Excess (deficiency) of revenues over expenditures	187,615	52,614	360,052	307,438
Fund balance, beginning	<u>8,853,606</u>	<u>8,853,606</u>	<u>8,853,606</u>	-
Fund balance, ending	<u>\$9,041,221</u>	<u>\$8,906,220</u>	<u>\$9,213,658</u>	<u>\$307,438</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

Comparative Statement of Net Assets
June 30, 2008 and 2007

	Governmental Activities	
	2008	2007
ASSETS		
Cash and interest-bearing deposits	\$ 4,730,623	\$ 4,437,337
Investments	4,474,115	4,302,569
Receivables, net	3,564	76,723
Due from other governmental units	200,701	270,279
Capital assets, net	2,471,830	2,429,405
TOTAL ASSETS	11,880,833	11,516,313
LIABILITIES		
Accounts, salaries, and other payables	195,345	269,723
Noncurrent liabilities:		
Due within one year	185,000	180,000
Due in more than one year	395,000	580,000
TOTAL LIABILITIES	775,345	1,029,723
NET ASSETS		
Invested in capital assets	2,471,830	2,429,405
Unrestricted	8,633,658	8,057,185
TOTAL NET ASSETS	\$ 11,105,488	\$ 10,486,590

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Comparative Balance Sheet
June 20, 2008 and 2007

	2008	2007
ASSETS		
Cash and interest-bearing deposits	\$4,730,623	\$4,437,337
Investments	4,474,115	4,302,569
Receivables -		
Accrued interest	-	52,669
Due from other governmental agencies	117,360	159,157
Loan receivable - St. James Parish Council	83,341	111,122
Other	3,564	24,054
Total assets	\$9,409,003	\$9,086,908
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 53,544	\$ 44,971
Accrued liabilities	141,801	181,931
Deferred revenues	-	6,400
Total liabilities	195,345	233,302
Fund balances:		
Unreserved and undesignated	9,213,658	8,853,606
Total liabilities and fund balances	\$9,409,003	\$9,086,908

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2008
With Comparative Actual Balances for Year Ended June 30, 2007

	2008			Variance with Final Budget Positive (Negative)	2007 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Ad valorem taxes	\$6,200,000	\$6,445,000	\$6,853,534	\$408,534	\$6,156,789
Intergovernmental revenues -					
Federal grants	100,000	30,000	32,720	2,720	8,392
State grants - state revenue sharing (net)	140,500	151,285	151,280	(5)	141,370
State supplemental pay	368,000	313,000	313,510	510	220,385
Other state grants	100,000	25,000	26,368	1,368	108,917
Video poker commissions	400,000	460,000	462,283	2,283	482,608
Fees charges and commissions for services -					
Civil and criminal fees	352,850	324,842	348,954	24,112	392,260
Feeding, keeping, and transporting prisoners	270,100	273,250	296,121	22,871	263,925
Other fees and commissions	100,000	58,000	94,419	36,419	112,138
Interest income	376,000	382,500	302,083	(80,417)	374,254
Miscellaneous	84,000	108,525	118,209	9,684	144,276
Total revenues	<u>8,491,450</u>	<u>8,571,402</u>	<u>8,999,481</u>	<u>428,079</u>	<u>8,405,314</u>
Expenditures:					
Current -					
Public safety:					
Personal services and related benefits	5,633,400	5,661,506	5,855,798	(194,292)	5,484,233
Operating services	996,000	1,083,650	973,834	109,816	899,964
Operations and maintenance	1,104,435	1,133,980	1,114,019	19,961	1,122,859
Travel and other charges	12,000	12,000	16,261	(4,261)	12,613
Capital outlay	360,000	430,000	479,770	(49,770)	447,161
Debt service	198,000	197,652	199,747	(2,095)	191,463
Total expenditures	<u>8,303,835</u>	<u>8,518,788</u>	<u>8,639,429</u>	<u>(120,641)</u>	<u>8,158,293</u>
Excess of revenues over expenditures	187,615	52,614	360,052	307,438	247,021
Fund balance, beginning	<u>8,853,606</u>	<u>8,853,606</u>	<u>8,853,606</u>	-	<u>8,606,585</u>
Fund balance, ending	<u>\$9,041,221</u>	<u>\$8,906,220</u>	<u>\$9,213,658</u>	<u>\$307,438</u>	<u>\$8,853,606</u>

ST. JAMES PARISH SHERIFF
Convent, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2008
With Comparative Actual Balances for Year Ended June 30, 2007

	Budget		Actual	Variance with Final Budget	2007 Actual
	Original	Final		Positive (Negative)	
Current:					
Public safety -					
Personal services and related benefits:					
Sheriff's salary	\$ 114,000	\$ 112,916	\$ 118,607	\$ (5,691)	\$ 106,506
Deputies salaries	4,270,000	4,343,654	4,498,794	(155,140)	4,206,759
Other salaries	34,000	25,500	22,079	3,421	25,414
Pension and payroll taxes	1,204,000	1,168,144	1,204,457	(36,313)	1,134,903
Sheriff's expense allowance	11,400	11,292	11,861	(569)	10,651
Total personal services and related benefits	<u>5,633,400</u>	<u>5,661,506</u>	<u>5,855,798</u>	<u>(194,292)</u>	<u>5,484,233</u>
Operating services:					
Hospitalization insurance	588,000	678,000	623,588	54,412	551,745
Dental and vision insurance	35,500	38,650	30,752	7,898	30,776
Auto insurance	240,000	220,000	161,928	58,072	178,331
Other liability insurance	132,500	147,000	157,566	(10,566)	139,112
Total operating services	<u>996,000</u>	<u>1,083,650</u>	<u>973,834</u>	<u>109,816</u>	<u>899,964</u>
Operations and maintenance:					
Auto fuel and oil	280,000	275,000	288,621	(13,621)	254,017
Auto maintenance	135,000	125,000	116,908	8,092	129,278
Deputy uniforms, supplies, etc.	90,000	75,500	74,456	1,044	84,002
Office supplies and expenses	100,000	127,500	140,584	(13,084)	121,224
Telephone	60,000	84,000	74,113	9,887	67,416
Maintenance of contracts and rentals	85,000	90,000	69,350	20,650	118,068
Prisoner feeding and maintenance	167,000	170,200	169,104	1,096	159,067
Professional fees	93,500	94,020	81,829	12,191	83,278
Criminal investigation expense	35,000	47,000	47,957	(957)	49,501
Other	58,935	45,760	51,097	(5,337)	57,008
Total operations and maintenance	<u>1,104,435</u>	<u>1,133,980</u>	<u>1,114,019</u>	<u>19,961</u>	<u>1,122,859</u>
Travel and other charges	<u>12,000</u>	<u>12,000</u>	<u>16,261</u>	<u>(4,261)</u>	<u>12,613</u>
Capital outlay:					
Vehicles	300,000	300,000	328,795	(28,795)	260,672
Buildings	-	-	-	-	3,465
Equipment	35,000	90,000	99,196	(9,196)	100,960
Computers	25,000	40,000	51,779	(11,779)	68,186
Radios	-	-	-	-	13,878
Total capital outlay	<u>360,000</u>	<u>430,000</u>	<u>479,770</u>	<u>(49,770)</u>	<u>447,161</u>
Debt service:					
Principal	180,000	180,000	180,000	-	170,000
Interest	18,000	17,652	19,747	(2,095)	21,463
Total debt service	<u>198,000</u>	<u>197,652</u>	<u>199,747</u>	<u>(2,095)</u>	<u>191,463</u>
Total expenditures	<u>\$ 8,303,835</u>	<u>\$ 8,518,788</u>	<u>\$ 8,639,429</u>	<u>\$ (120,641)</u>	<u>\$ 8,158,293</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.

ST. JAMES PARISH SHERIFF
 Convent, Louisiana
 Agency Funds

Combining Balance Sheet

June 30, 2008

With Comparative Totals for June 30, 2007

	Sheriffs Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total
					2008 2007
ASSETS					
Cash	\$ -	\$ 100	\$ 350	\$ 8,584	\$ 9,034 \$ 8,122
Interest-bearing deposits	<u>71,825</u>	<u>207,844</u>	<u>435,335</u>	-	<u>715,004</u> <u>2,697,952</u>
Total assets	<u>\$ 71,825</u>	<u>\$ 207,944</u>	<u>\$ 435,685</u>	<u>\$ 8,584</u>	<u>\$ 724,038</u> <u>\$ 2,706,074</u>
LIABILITIES					
Due to taxing bodies and others	\$ 71,825	\$ 207,944	\$ 435,685	\$ 6,061	\$ 721,515 \$ 2,703,558
Due to inmates	-	-	-	<u>2,523</u>	<u>2,523</u> <u>2,516</u>
Total liabilities	<u>\$ 71,825</u>	<u>\$ 207,944</u>	<u>\$ 435,685</u>	<u>\$ 8,584</u>	<u>\$ 724,038</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, 2008
With Comparative Totals for Year Ended June 30, 2007

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Prison Inmate Fund	Total
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
Balances, beginning of year	<u>\$33,167</u>	<u>\$2,300,005</u>	<u>\$ 365,230</u>	<u>\$7,672</u>	<u>\$1,432,902</u>
Additions:					
Deposits -					
Sheriff's sales	167,185	-	-	-	79,388
Bonds	-	-	153,732	-	144,112
Fines and costs	-	-	790,840	-	694,105
Garnishments	334,645	-	-	-	150,736
Restitutions	47,449	-	-	-	69,745
Inmates	-	-	-	73,713	78,575
Taxes, fees, etc. paid to tax collector	-	39,669,506	-	-	35,875,586
Interest on investments	-	-	3,733	-	3,476
Total additions	<u>549,279</u>	<u>39,669,506</u>	<u>948,305</u>	<u>73,713</u>	<u>37,095,723</u>
Total	<u>582,446</u>	<u>41,969,511</u>	<u>1,313,535</u>	<u>81,385</u>	<u>38,528,625</u>
Reductions:					
Taxes, fees, etc. distributed to taxing bodies and others	-	41,761,567	-	-	34,622,686
Deposits settled to -					
Sheriff's General Fund	115,137	-	-	-	46,520
Clerk of court	20,137	-	-	-	9,475
Inmates	-	-	-	21,395	25,307
Litigants	336,973	-	-	-	221,620
Attorneys, appraisers, etc.	5,450	-	-	-	4,200
Settlements	-	-	877,850	-	824,917
Other reductions	32,924	-	-	51,406	67,826
Total reductions	<u>510,621</u>	<u>41,761,567</u>	<u>877,850</u>	<u>72,801</u>	<u>35,822,551</u>
Balances, end of year	<u>\$71,825</u>	<u>\$ 207,944</u>	<u>\$ 435,685</u>	<u>\$8,584</u>	<u>\$ 724,038</u>

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

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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, 2008, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated September 25, 2008. 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.

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 2008-01 and 2008-02 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
September 25, 2008

ST. JAMES PARISH SHERIFF
Convent, Louisiana

Summary Schedule of Audit Results
Year Ended June 30, 2008

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*:

2008-01 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, 2008

2008-02 Lack of qualifications to apply Generally Accepted Accounting Principles (GAAP)

CONDITION: Accounting personnel do not have the qualifications and training to apply Generally Accepted Accounting Principles (GAAP) in preparing their financial statements, including the related notes.

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 accounting personnel have the qualification and training necessary to apply GAAP.

EFFECT: Failure to have qualified personnel increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Establishing internal controls over the preparation of financial statements in accordance with GAAP would not be cost effective; this task should be outsourced to independent auditors with careful review of draft financial statements and notes prior to accepting responsibility for their contents.

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 Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2008

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/08) --						
<u>Internal Control:</u>						
08-01	Unknown	Inadequate segregation of functions within the accounting system.	N/A	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
08-02	2008	The St. James Parish Sheriff does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.	N/A	The St. James Parish Sheriff has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Wayne Ockmond, Finance Manager	N/A
PRIOR YEAR (6/30/07) --						
<u>Internal Control:</u>						
07-01	Unknown	Inadequate segregation of functions within the accounting system.	N/A	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