

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Financial Report
For the Year Ended June 30, 2004

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

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CONTENTS

	PAGE
Independent Auditors' Report	3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Assets	6
Statement of Activities	7
FUND FINANCIAL STATEMENTS (FFS)	
Balance Sheet – Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	11
Statement of Revenues, Expenditures, and Changes in fund balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Fiduciary Assets and Liabilities	14
NOTES TO THE FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	31
Budgetary Comparison Schedule – Special Revenue Fund	32
OTHER SUPPLEMENTARY INFORMATION	
Agency Funds:	
Combining Balance Sheet	35
Combining Statement of Changes in Assets and Liabilities	36
COMPLIANCE AND INTERNAL CONTROL	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38
Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan	40



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INDEPENDENT AUDITORS' REPORT

Caldwell Parish Sheriff
Columbia, Louisiana

We have audited the accompanying basic financial statements of the Caldwell Parish Sheriff as of June 30, 2004, and for the year then ended. These basic financial statements are the responsibility of the Caldwell 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.

Caldwell Parish Sheriff has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Caldwell Parish Sheriff as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2004, on our consideration of the Caldwell Parish Sheriff's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The other required supplementary information on pages 31 through 32, are not a required part of the basic financial statements but are supplementary 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 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Caldwell Parish Sheriff. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

November 15, 2004

Langley, William B., C.P.A.

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

CAJLDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Net Assets
June 30, 2004

ASSETS	
Cash and cash equivalents	\$ 215,518
Receivables	312,646
Due from other funds	344,820
Restricted cash	206,889
Capital assets, net of accumulated depreciation	<u>2,620,175</u>
Total assets	<u>3,700,048</u>
LIABILITIES	
Accounts payable	69,420
Salaries and benefits payable	37,045
Accrued interest	22,594
Rent payable	315,700
Due to other funds	344,820
Long-term liabilities	
Due within one year	145,931
Due after one year	<u>1,685,339</u>
Total liabilities	<u>2,620,849</u>
NET ASSETS	
Invested in capital assets, net of related debt	
Restricted for debt covenants	766,311
Unreserved - undesignated	200,000
Total net assets	<u>112,888</u>
	<u>\$ 1,079,199</u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
Governmental activities:	Charges for Services	Fees, Fines and Grants and Contributions	Operating	Governmental Activities
Public safety	\$ 4,331,891	\$ 3,349,329	\$ 49,897	\$ (932,665)
Interest on long-term debt	106,902	-	-	(106,902)
Total Governmental Activities	\$ 4,438,793	\$ 3,349,329	\$ 49,897	(1,039,567)
General revenues				
Taxes -				
Property taxes				852,509
State revenue sharing				45,023
Grants and contributions not restricted to specific programs -				
State sources				20,796
Local sources				36,684
Interest and investment earnings				4,546
Miscellaneous				24,021
Total general revenues				983,579
Change in net assets				(55,988)
Net assets - July 1, 2003				1,135,187
Net assets - June 30, 2004				\$ 1,079,199

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.

Special Revenue Funds

To account for the revenues and expenditures of the facilities that house the prison's population.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Balance Sheet - Governmental Funds
June 30, 2004

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 118,035	\$ 97,483	\$ 215,518
Receivables	131,025	181,621	312,646
Due from other funds	344,820	-	344,820
Restricted cash	-	206,889	206,889
Total assets	\$ 593,880	\$ 485,993	\$ 1,079,873
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 23,844	\$ 45,576	\$ 69,420
Salaries and benefits payable	17,790	19,255	37,045
Rent payable	315,700	-	315,700
Due to other funds	-	344,820	344,820
Total liabilities	357,334	409,651	766,985
Fund balances:			
Restricted for debt covenants	-	200,000	200,000
Unreserved - undesignated	236,546	(123,658)	112,888
Total fund balances	236,546	76,342	312,888
Total liabilities and fund balances	\$ 593,880	\$ 485,993	\$ 1,079,873

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Reconciliation of the Government Funds Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balances for governmental funds at June 30, 2004	\$	312,888
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	\$	6,000
Buildings and improvements, net of \$604,266 accumulated depreciation		2,468,360
Furniture and fixtures, net of \$52,436 accumulated depreciation		48,225
Vehicles and other equipment, net of \$500,198 accumulated depreciation		<u>97,590</u>
		2,620,175
<i>Long-term liabilities at June 30, 2004:</i>		
Capital lease obligations		(79,083)
Revenue bonds payable		(1,752,187)
Accrued interest payable		<u>(22,594)</u>
		<u>(1,853,864)</u>
Total net assets of governmental activities at June 30, 2004	\$	<u><u>1,079,199</u></u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2004

	General Fund	Correction Center Fund	Detention Center Fund	Totals
Revenues:				
Ad valorem taxes	\$ 852,509	\$ -	\$ -	\$ 852,509
Intergovernmental revenues:				
Federal grants	1,090	-	-	1,090
State grants				
State supplemental pay	48,807	-	-	48,807
State revenue sharing (net)	45,023	-	-	45,023
Miscellaneous	20,796	-	-	20,796
Local grants	36,684	-	-	36,684
Fees, charges, and commissions for services				
Commissions on fines, bonds, licenses, and taxes	34,572	-	-	34,572
Civil and criminal fees	34,204	-	-	34,204
Feeding and keeping prisoners	-	2,171,779	728,295	2,900,074
Mowing contract	159,072	-	-	159,072
Other	119,363	102,044	-	221,407
Miscellaneous	24,972	550	3,045	28,567
Total revenues	<u>1,377,092</u>	<u>2,274,373</u>	<u>731,340</u>	<u>4,382,805</u>
Expenditures:				
Current -				
Public safety				
Personal services and related benefits	894,244	1,253,859	342,936	2,541,039
Operating services	361,665	426,958	304,403	1,093,026
Materials and supplies	121,585	346,112	101,328	569,025
Travel and other charges	6,474	6,611	-	13,085
Debt service -				
Principal	35,885	100,261	-	136,146
Interest	15,633	96,166	-	111,799
Capital outlay	45,594	45,046	-	90,640
Total expenditures	<u>1,481,080</u>	<u>2,275,013</u>	<u>798,667</u>	<u>4,554,760</u>
Excess (deficiency) of revenues over expenditures	(103,988)	(640)	(67,327)	(171,955)
Other financing sources (uses):				
Transfers in	82,000	-	-	82,000
Transfers out	-	(37,000)	(45,000)	(82,000)
Total other financing sources (uses)	<u>82,000</u>	<u>(37,000)</u>	<u>(45,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(21,988)	(37,640)	(112,327)	(171,955)
Fund balances (deficit), beginning	565,016	8,406	(88,579)	484,843
Residual transfer from discontinued Caldwell Detention Center Fund	(306,482)	105,576	200,906	-
Fund balances, ending	<u>\$ 236,546</u>	<u>\$ 76,342</u>	<u>\$ -</u>	<u>\$ 312,888</u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	(171,955)
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	\$	90,640
Depreciation expense for the year ended June 30, 2004		<u>(115,716)</u> (25,076)
Debt principal retirement considered as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balances		136,146
Difference between interest on long-term debt on the modified accrual basis versus interest on long-term debt on the accrual basis		<u>4,897</u>
Total changes in net assets at June 30, 2004 per Statement of Activities	\$	<u>(55,988)</u>

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Statement of Fiduciary Assets and Liabilities
June 30, 2004

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 299,305</u>
LIABILITIES	
Due to taxing bodies and others	<u>\$ 299,305</u>

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

CALDWELL PARISH SHERIFF
Columbia, 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 Caldwell Parish Sheriff conform to generally accepted accounting principles and applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governments.*

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.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION

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

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

B. BASIS OF PRESENTATION (Continued)

The Sheriff reports the following major governmental funds:

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

The Special Revenue Funds account for the revenues and expenditures of the operations of the facilities that house the prison population.

Additionally, the Sheriff reports the following fund types:

Fiduciary Funds

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

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The amounts reflected in the General and Special Revenue Funds 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 General Fund and Special Revenue 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.

CALDWELL PARISH SHERIFF
Columbia, 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.

CALDWELL PARISH SHERIFF
Columbia, 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 transfer is 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 and special revenue funds are 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.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

E. CASH AND INTEREST-BEARING DEPOSITS

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

F. CAPITAL ASSETS

Capital assets are capitalized at historical costs. The Sheriff maintains a threshold level of \$750 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	40
Office, equipment, and furniture	7-20
Vehicles	5

G. COMPENSATED ABSENCES

Vacation and sick leave are recorded when paid. This method approximates the accrual method since neither vacation nor sick leave is allowed to accumulate year to year ("use it or lose it"). Earned vacation is paid upon termination, however sick leave is not paid.

H. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets 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.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

I. FUND EQUITY

In the fund financial statement, governmental funds report reservations of fund balance for amount 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.

J. 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 reduction of expenditures in the fund that is reimbursed. All other interfund transaction are reported as transfers.

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 revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2004, the Sheriff has implemented GASB Statement No. 34, *Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the Sheriff’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Sheriff also implemented GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

2. CHANGES IN ACCOUNTING PRINCIPLES (Continued)

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of "net assets" as follows:

Total fund balances – Governmental Funds at June 30, 2003		\$ 484,843
Add: Cost of capital assets at June 30, 2003	\$ 3,686,434	
Less: Accumulated depreciation at June 30, 2003	<u>1,041,184</u>	2,645,250
Less: Bond principal at June 30, 2003	(1,963,321)	
Accrued interest payable at June 30, 2003	<u>(27,491)</u>	(1,990,812)
Net assets at June 30, 2003		<u>\$ 1,139,281</u>

3. CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Sheriff has cash and cash equivalents (book balances) totaling \$721,712 as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Demand deposits	\$ 215,518	\$ 299,305	\$ 514,823
Time deposits	206,889	-	206,889
Total	<u>\$ 422,407</u>	<u>\$ 299,305</u>	<u>\$ 721,712</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 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.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

3. CASH AND INTEREST-BEARING DEPOSITS (Continued)

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

At June 30, 2004, the Sheriff has \$747,948 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$689,098 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.

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 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 Caldwell 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, 2003, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 31.08 mills on property with assessed valuations totaling \$26,336,690

Total law enforcement taxes levied during 2003 were \$818,544.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

5. RECEIVABLES

The receivables of \$312,646 at June 30, 2004, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
State of Louisiana	\$ 79,536	\$ 176,411	\$ 255,947
Other	51,489	5,210	56,699
<i>Total</i>	<u>\$ 131,025</u>	<u>\$ 181,621</u>	<u>\$ 312,646</u>

6. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2004, are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 344,820	\$ -
Correction Center Fund	-	344,820
<i>Total</i>	<u>\$ 344,820</u>	<u>\$ 344,820</u>

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

7. CAPITAL ASSETS

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

	Balance, July 1, 2003	Additions	Deletions	Balance June 30, 2004
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Other capital assets:				
Buildings	3,027,580	45,046	-	3,072,626
Vehicles	270,653	31,675	-	302,328
Mowing equipment	74,696	-	-	74,696
Office furniture and equipment	98,572	2,089	-	100,661
Law enforcement weapons and equipment	208,934	11,830	-	220,764
Totals	<u>3,686,435</u>	<u>\$ 90,640</u>	<u>\$ -</u>	<u>3,777,075</u>
Less accumulated depreciation				
Buildings	529,200	75,066	-	604,266
Vehicles	243,426	17,283	-	260,709
Mowing equipment	41,462	4,101	-	45,563
Office furniture and equipment	46,958	6,478	-	53,436
Law enforcement weapons and equipment	180,138	12,788	-	192,926
Total accumulated depreciation	<u>1,041,184</u>	<u>\$115,716</u>	<u>\$ -</u>	<u>1,156,900</u>
Governmental activities, capital assets, net	<u>\$2,645,251</u>			<u>\$ 2,620,175</u>

Depreciation expense in the amount of \$115,716 was charged to public safety.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

8. PENSION PLAN

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

All Sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's 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 Caldwell Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 7.75% 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 Caldwell 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 Caldwell Parish Sheriff's contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$103,815 and \$85,569 and \$98,090, respectively, equal to the required contributions for each year.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

9. OTHER POSTEMPLOYMENT BENEFITS

The Caldwell 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 the Sheriff ("pay-as-you-go" basis). The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 2004, the amount of retiree benefits totaled \$16,277.

10. LEASES

The Sheriff records assets acquired through capital leases as an asset and an obligation in the accompanying financial statements. The Sheriff has entered into lease-purchase agreements for mowing equipment, police equipment, and an automobile. The leases amounted to \$167,825 with \$16,200 as down payments and the remaining amount of \$151,625 payable in yearly installments of \$14,727 each February 13 through February 13, 2006 and \$1,472 payable semiannually each February and August 15th and \$24,376 payable each March 15th. The effective interest rates range from 5.012% to 7.641%. The remaining principal at June 30, 2004 of \$79,083 is payable as follows: For the year ending June 30, 2005, \$37,815; June 30, 2006, \$39,849; June 30, 2007, \$1,419.

The Sheriff also leases other equipment considered to be operating leases for patrol cars and certain other office and prison equipment. Rent expense for these other operating leases amounted to \$76,144 for the year ended June 30, 2004.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

11. 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
Sheriff's Fund	\$ 38,417	\$ 55,510	\$ (70,641)	\$ 23,286
Tax Collector Fund	194,488	3,622,519	(3,634,762)	182,245
Fines Fund	40,895	122,091	(130,787)	32,199
Work Release Fund	16,714	162,342	(151,736)	27,320
Correction Center:				
Commissary Fund	3,389	136,652	(122,782)	17,259
Inmate Fund	15,107	223,263	(221,374)	16,996
Detention Center:				
Commissary Fund	4,802	51,510	(56,312)	-
Inmate Fund	9,584	53,066	(62,650)	-
Total	<u>\$ 323,396</u>	<u>\$ 4,426,953</u>	<u>\$ (4,451,044)</u>	<u>\$ 299,305</u>

12. GENERAL LONG-TERM DEBT

The Sheriff's long-term debt is attributable to governmental activities. The following is a summary of the long-term debt transactions for the year ended June 30, 2004.

\$825,000 financed through the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds, Series 2002. The \$825,000 bonds provide for yearly payments of \$120,871 including interest of 5.75% each February 15, beginning 2004 through 2012. Current maturities for the remaining balance of \$ 757,873 at June 30, 2004 are as follows: 2005, \$77,282; 2006, \$81,726; 2007, \$86,425; 2008, \$91,394; 2009, \$97,186; and thereafter, \$323,860.

\$1,035,000 Special Corrections Facility Revenue Refunding Bonds, series 2002. The bonds carry an annual interest rate of 5.75% and are due in monthly installments of \$7,266 through January 2022. The remaining balance of \$994,314 at June 30, 2004 matures as follows: 2005, \$30,834; 2006, \$32,715; 2007, \$34,582; 2008, \$36,624; 2009, \$38,787; and thereafter, \$820,772.

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Notes to the Financial Statements

13. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2004, includes \$108,921 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.

14. LITIGATION AND CLAIMS

At June 30, 2004, the Sheriff is involved in numerous lawsuits (and is aware of additional threatened litigation claims), which are not covered by insurance due to nonpayment of premiums by the former Sheriff from November 1999 through June 2000. The total amount of damages requested by the plaintiffs is material to the financial statements. The Sheriff's attorney has advised that at this stage in the proceedings he cannot offer an opinion as to the probable outcome of these lawsuits and claims.

15. ON-BEHALF PAYMENTS

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by R.S. 33:4715, is paid by the Caldwell Parish Police Jury.

16. ADDITIONAL INFORMATION

The Sheriff entered into an agreement with the owners of the Caldwell Detention Center whereby the owners will take responsibility for the day-to-day management of the facility, effective December 29, 2003. For his fee, the Sheriff will receive the equivalent of revenue generated by 14 beds (approximately \$9,400 per month) and will no longer be responsible for the operating expenditures of the facility. The initial term of the agreement is 42 months.

REQUIRED SUPPLEMENTARY
INFORMATION

-

CALDWELL PARISH SHERIFF
Columbia, Louisiana

General Fund
Budget Comparison Schedule
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 750,000	\$ 826,364	\$ 852,509	\$ 26,145
Intergovernmental revenues:				
Federal grants	2,500	1,000	1,090	90
State grants:				
State supplemental pay	40,000	48,607	48,807	200
State revenue sharing (net)	45,000	45,008	45,023	15
Miscellaneous	15,000	12,049	20,796	8,747
Local grants	1,000	38,987	36,684	(2,303)
Fees, charges, and commissions for services:				
Commissions on fines, bonds, licenses, and taxes	60,000	68,882	34,572	(34,310)
Civil and criminal fees	50,000	54,759	34,204	(20,555)
Feeding and keeping prisoners	-	-	-	-
Mowing contract	160,000	159,536	159,072	(464)
Other	20,000	55,709	119,363	63,654
Miscellaneous	2,000	27,116	24,972	(2,144)
Total revenues	1,145,500	1,338,017	1,377,092	39,075
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	700,000	866,706	894,244	(27,538)
Operating services	300,000	337,428	361,665	(24,237)
Materials and supplies	100,000	153,422	121,585	31,837
Travel and other charges	3,000	21,940	6,474	15,466
Debt service -				
Principal	17,250	38,281	35,885	2,396
Interest	7,750	17,198	15,633	1,565
Capital outlay	25,000	37,384	45,594	(8,210)
Total expenditures	1,153,000	1,472,359	1,481,080	(8,721)
Excess (deficiency) of revenues over expenditures	(7,500)	(134,342)	(103,988)	30,354
Other financing sources (uses):				
Transfers in	100,000	82,000	82,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	100,000	82,000	82,000	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	92,500	(52,342)	(21,988)	30,354
Fund balances, beginning	565,016	565,016	565,016	-
Residual transfer from discontinued Caldwell Detention Center Fund	-	(306,482)	(306,482)	-
Fund balances, ending	\$ 657,516	\$ 206,192	\$ 236,546	\$ 30,354

The accompanying notes are an integral part of this statement

CALDWELL PARISH SHERIFF
Columbia, Louisiana

Special Revenue Funds
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues:				
Federal grants	-	-	-	-
State grants:				
State supplemental pay	-	-	-	-
State revenue sharing (net)	-	-	-	-
Miscellaneous	-	-	-	-
Local grants	-	-	-	-
Fees, charges, and commissions for services:				
Commissions on fines, bonds, licenses, and taxes	-	-	-	-
Civil and criminal fees	-	-	-	-
Feeding and keeping prisoners	3,640,000	2,893,445	2,900,074	6,629
Mowing contract	-	-	-	-
Other	5,000	111,448	102,044	(9,404)
Miscellaneous	-	550	3,595	3,045
Total revenues	<u>3,645,000</u>	<u>3,005,443</u>	<u>3,005,713</u>	<u>270</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	1,700,000	1,671,920	1,646,795	25,125
Operating services	1,400,000	755,266	731,361	23,905
Materials and supplies	115,000	425,738	447,440	(21,702)
Travel and other charges	10,500	7,057	6,611	446
Debt service -				
Principal	25,000	106,218	100,261	5,957
Interest	65,000	102,052	96,166	5,886
Capital outlay	20,000	49,624	45,046	4,578
Total expenditures	<u>3,335,500</u>	<u>3,117,875</u>	<u>3,073,680</u>	<u>44,195</u>
Excess (deficiency) of revenues over expenditures	309,500	(112,432)	(67,967)	44,465
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(100,000)	(82,000)	(82,000)	-
Total other financing sources (uses)	<u>(100,000)</u>	<u>(82,000)</u>	<u>(82,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	209,500	(194,432)	(149,967)	44,465
Fund balances (deficit), beginning	(80,173)	(80,173)	(80,173)	-
Residual transfer from discontinued Caldwell Detention Center Fund	-	306,482	306,482	-
Fund balances, ending	<u>\$ 129,327</u>	<u>\$ 31,877</u>	<u>\$ 76,342</u>	<u>\$ 44,465</u>

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND TYPE - AGENCY FUNDS

SHERIFF'S FUND

The Sheriff's Fund accounts for funds held in civil suits, sheriff's sales, and garnishments and payments of these collections to 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 accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

FINES FUND

The Fines Fund accounts for partial payments on court fines. Funds are transferred to the Tax Collector Fund for settlement when full payment is received.

WORK RELEASE FUND

The Work Release Fund accounts for inmate funds earned while working outside the detention center during their prison terms.

INMATE FUNDS

The Inmate Funds account for individual prisoner account balances. Funds are deposited in the name of the prisoner and are payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentences.

COMMISSARY FUNDS

The Commissary Funds account for the purchase and resale of personal items to the inmates at the detention and correction centers.

CALDWELL PARISH SHERIFF
 Columbia, Louisiana
 Fiduciary Fund Type - Agency Funds

Combining Balance Sheet
 June 30, 2004

	SHERIFFS FUND	TAX COLLECTOR FUND	FINES FUND	WORK RELEASE FUND	CORRECTION CENTER		TOTAL
					COMMISSARY FUND	INMATE FUND	
ASSETS							
Cash and cash equivalents	\$ 23,286	\$ 182,245	\$ 32,199	\$ 27,320	\$ 17,259	\$ 16,996	\$ 299,305
LIABILITIES							
Due to taxing bodies and others	\$ 23,286	\$ 182,245	\$ 32,199	\$ 27,320	\$ 17,259	\$ 16,996	\$ 299,305

CALDWELL PARISH SHERIFF
Columbia, Louisiana
Fiduciary Fund Type - Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2004

	SHERIFF'S FUND	TAX COLLECTOR FUND	FINES FUND	WORK RELEASE FUND	CORRECTION CENTER		DETENTION CENTER		TOTAL
					COMMISSARY FUND	INMATE FUND	COMMISSARY FUND	INMATE FUND	
BALANCES AT BEGINNING OF YEAR	\$ 38,417	\$ 194,488	\$ 40,895	\$ 16,714	\$ 3,389	\$ 15,107	\$ 4,802	\$ 9,584	\$ 323,396
ADDITIONS									
Garnishments	-	-	33,199	-	-	-	-	-	33,199
Sheriff's sales	-	-	87,716	-	-	-	-	-	87,716
Taxes, fees, etc., paid to tax collector	-	3,622,519	-	-	-	-	-	-	3,622,519
Commissary sales	-	-	-	-	131,782	-	51,510	-	183,292
Inmate receipts	-	-	-	-	-	223,263	-	53,066	276,329
Other additions	55,510	-	1,176	162,342	4,870	-	-	-	223,898
Total additions	55,510	3,622,519	122,091	162,342	136,652	223,263	51,510	53,066	4,426,953
REDUCTIONS									
Litigants	-	-	83,414	-	-	-	-	-	83,414
Taxes, fees, etc., distributed to taxing bodies and others	-	3,634,762	47,373	-	-	-	-	-	3,682,135
Commissary supplies	-	-	-	-	113,740	-	42,184	-	155,924
Inmate disbursements	-	-	-	-	6,042	221,374	4,128	51,125	282,669
Other settlements	70,641	-	-	151,736	3,000	-	10,000	11,525	246,902
Total reductions	70,641	3,634,762	130,787	151,736	122,782	221,374	56,312	62,650	4,451,044
BALANCES AT END OF YEAR	\$ 23,286	\$ 182,215	\$ 32,199	\$ 27,320	\$ 17,259	\$ 16,996	\$ -	\$ -	\$ 299,305

COMPLIANCE
AND
INTERNAL CONTROL



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

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

Caldwell Parish Sheriff
Columbia, Louisiana

We have audited the basic financial statements of the Caldwell Parish Sheriff as of and for the year ended June 30, 2004, and have issued our report thereon dated November 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Caldwell Parish Sheriff's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 01 - 04 (C).

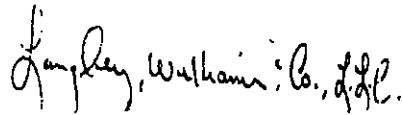
Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caldwell Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may

Caldwell Parish Sheriff
Page 2

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.

This report is intended solely for the information and use of the Caldwell 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.

A handwritten signature in cursive script that reads "Langley, Waltham & Co., P.C.".

Lake Charles, Louisiana
November 15, 2004

CALDWELL, PARISII SHERIFF
Columbia, Louisiana

Summary Schedule of Current and Prior Audit Year Findings
and Corrective Action Plan
For the Year Ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current year (06/30/04)						
Internal Control: There were no matters involving the internal control over financial reporting to be reported.						
Compliance: 01 - 04 (C)	2004	As of June 30, 2004 the amount of funds on deposit with a local depository were not properly secured.	Yes		Debbie Dollar	
Prior year (06/30/03)						
Internal Control: There were no matters involving the internal control over financial reporting to be reported.						
Compliance: 01 - 03 (C)	2003	State law requires that the budgets be monitored and amended prior to the end of the year if necessary.	Yes		"	
02 - 03 (C)	2003	The Sheriff's special revenue funds have a deficit.	Yes		"	
03 - 03 (C)	2003	Funds with a local depository were not properly secured. This is the same as the current year finding 01 - 04 (C).	Yes		"	