

**LAFAYETTE PARISH SHERIFF**

Lafayette, Louisiana

Financial Report

Year Ended June 30, 2018

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

1183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

11929 Bricksome Ave.  
Baton Rouge, LA 70816  
Phone (225) 293-8300

1428 Metro Dr.  
Alexandria, LA 71301  
Phone (318) 442-4421

450 E. Main St.  
New Iberia, LA 70560  
Phone (337) 387-9204

200 S. Main St.  
Abbeville, LA 70510  
Phone (337) 893-7944

1234 David Dr. Ste. 203  
Morgan City, LA 70380  
Phone (985) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70655  
Phone (337) 639-4737

\* A Professional Accounting Corporation

## INDEPENDENT AUDITOR'S REPORT

WWW.KCSRPCAS.COM

The Honorable Mark Garber  
Lafayette Parish Sheriff  
Lafayette, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff (hereinafter "Sheriff"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sheriff, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 24 to the basic financial statements, the Sheriff has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in net OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer pension contributions on pages 43 through 46, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Sheriff has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The other supplementary information on pages 49 through 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The comparative and combining statements on pages 49, 50, 54 through 55 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative and combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative amounts on the comparative and combining statements were derived from the Lafayette Parish Sheriff's 2017 financial statements, which were subjected to the auditing procedures applied by other auditors in the audit of the basic financial statements and, in their opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules and the affidavit on pages 49 through 52 and 56 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2018, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
December 11, 2018

**BASIC FINANCIAL STATEMENTS**

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

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Statement of Net Position  
June 30, 2018

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 16,056,587
Investments	136,501
Receivables	18,285
Due from other governmental agencies	3,093,778
Inventory	349,762
Prepaid items	<u>217,296</u>
Total current assets	19,872,209
Noncurrent assets:	
Capital assets, net	<u>31,603,351</u>
Total assets	<u>51,475,560</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	1,039,988
Deferred outflows related to pension	<u>7,967,610</u>
Total deferred outflows of resources	<u>9,007,598</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts and other payables	1,376,386
Due to other governmental agencies	627,919
Long-term liabilities due within one year	<u>4,023,497</u>
Total current liabilities	<u>6,027,802</u>
Noncurrent liabilities:	
Long-term liabilities due in more than one year	18,247,933
Postemployment benefit obligation payable	32,654,427
Net pension liability	<u>19,375,511</u>
Total noncurrent liabilities	<u>70,277,871</u>
Total liabilities	<u>76,305,673</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pension	<u>4,412,906</u>
<b>NET POSITION</b>	
Net investment in capital assets	14,421,921
Unrestricted (deficit)	<u>(34,657,342)</u>
Total net position (deficit)	<u>\$ (20,235,421)</u>

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



LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue And Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Public safety:					
Police	\$ 62,954,590	\$14,634,150	\$2,253,313	\$ -	\$ (46,067,127)
Interest on long-term debt	<u>490,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(490,713)</u>
	<u>\$ 63,445,303</u>	<u>\$14,634,150</u>	<u>\$2,253,313</u>	<u>\$ -</u>	<u>(46,557,840)</u>
Taxes:					
Property, levied for general purposes					37,656,269
Sales taxes					4,225,665
State sources:					
Revenue sharing					873,620
Supplemental pay					2,257,502
Interest and investment earnings					395,025
Non-employer pension contributions					1,776,134
Miscellaneous					<u>2,097,427</u>
Total general revenues					<u>49,281,642</u>
Change in net position					2,723,802
Net position (deficit) - July 1, 2017, as restated					<u>(22,959,223)</u>
Net position (deficit) - June 30, 2018					<u>\$ (20,235,421)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

# **FUND DESCRIPTIONS**

## **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.

## **Special Revenue Fund**

### **Inmate Welfare Fund**

The Inmate Welfare Fund is used to account for sales of commissary goods as well as the operations of the inmate industries program - LAPCORR. These funds are used to pay inmate work crews, to purchase recreation equipment to be used by inmates and to provide miscellaneous benefits for indigent inmates.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Balance Sheet - Governmental Funds  
June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund Non-Major</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 15,889,555	\$ 167,032	\$ 16,056,587
Investments	136,501	-	136,501
Receivables -			
Due from other governmental agencies	3,043,032	50,746	3,093,778
Other	17,785	500	18,285
Due from other funds	6,839	(6,839)	-
Inventory	258,653	91,109	349,762
Prepaid items	217,296	-	217,296
Total assets	<u>\$ 19,569,661</u>	<u>\$ 302,548</u>	<u>\$ 19,872,209</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,132,843	\$ 7,812	\$ 1,140,655
Due to other governmental agencies	627,919	-	627,919
Other accrued liabilities	719,290	87	719,377
Total liabilities	<u>2,480,052</u>	<u>7,899</u>	<u>2,487,951</u>
Fund balances:			
Nonspendable for inventory and prepaid items	475,949	91,109	567,058
Committed	-	203,540	203,540
Unassigned	16,613,660	-	16,613,660
Total fund balances	<u>17,089,609</u>	<u>294,649</u>	<u>17,384,258</u>
Total liabilities and fund balance	<u>\$ 19,569,661</u>	<u>\$ 302,548</u>	<u>\$ 19,872,209</u>

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

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2018

Total fund balances for governmental funds at June 30, 2018 \$ 17,384,258

Total net position reported for governmental activities in the statement of net position 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:

Construction in progress	\$ 8,577	
Buildings and improvements other than buildings, net of \$9,327,765 accumulated depreciation	27,290,903	
Vehicles, net of \$5,467,926 accumulated depreciation	2,407,978	
Equipment, net of \$6,298,680 accumulated depreciation	<u>1,895,893</u>	31,603,351

The deferred outflows of resources are not available, and therefore are not reported in the fund financial statements. The deferred outflows of resources are related to the following:

OPEB obligation	1,039,988	
Pension liability	<u>7,967,610</u>	9,007,598

Interest expense is accrued at year-end in the government-wide financial statements, but is recorded only if due and payable on the governmental fund financial statements (159,837)

Long-term liabilities at June 30, 2018:

Capital lease payable	(731,429)	
Compensated absences payable	(3,077,553)	
Claims payable	(1,135,314)	
Bonds payable	(16,683,651)	
Net OPEB obligation	(32,654,427)	
Net pension liability	<u>(19,375,511)</u>	(73,657,885)

The deferred inflows of contributions for the Sheriffs' Pension and Relief Fund are not available resources, and therefore, are not reported in the fund financial statements (4,412,906)

Net position at June 30, 2018 \$ (20,235,421)

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

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund Non-Major</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 37,656,269	\$ -	\$ 37,656,269
Sales taxes	4,225,665	-	4,225,665
<b>Intergovernmental revenues -</b>			
Federal grants	115,869	-	115,869
State grants - state revenue sharing (net)	873,620	-	873,620
State supplemental pay	2,257,502	-	2,257,502
State, city and parish grants	2,137,444	-	2,137,444
<b>Fees, charges, and commissions for services -</b>			
Civil and criminal fees	3,122,189	-	3,122,189
Court attendance	41,273	-	41,273
Feeding, keeping, and transporting prisoners	4,346,501	-	4,346,501
Commissary commissions and sales	-	523,889	523,889
Community corrections	2,364,893	-	2,364,893
Contractual agreements	4,235,405	-	4,235,405
Interest income	388,057	6,968	395,025
Miscellaneous	<u>2,058,024</u>	<u>39,403</u>	<u>2,097,427</u>
Total revenues	<u>63,822,711</u>	<u>570,260</u>	<u>64,392,971</u>
<b>Expenditures:</b>			
<b>Current -</b>			
<b>Public safety:</b>			
Personal services and related benefits	39,454,576	85,822	39,540,398
Operating services	10,250,897	90,274	10,341,171
Operations and maintenance	10,539,215	429,188	10,968,403
Travel and other charges	298,695	545	299,240
Capital outlay	2,167,116	14,675	2,181,791
Debt service	<u>1,336,313</u>	<u>-</u>	<u>1,336,313</u>
Total expenditures	<u>64,046,812</u>	<u>620,504</u>	<u>64,667,316</u>
Net change in fund balance	(224,101)	(50,244)	(274,345)
Fund balance, beginning	<u>17,313,710</u>	<u>344,893</u>	<u>17,658,603</u>
Fund balance, ending	<u>\$ 17,089,609</u>	<u>\$ 294,649</u>	<u>\$ 17,384,258</u>

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

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2018

Total net changes in fund balances for the year ended June 30, 2018 per  
statement of revenues, expenditures and changes in fund balances \$ (274,345)

The change in net position 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	\$2,184,711	
Depreciation expense for the year ended June 30, 2018	(2,667,115)	
Loss on disposition of assets	<u>(18,488)</u>	(500,892)

Differences between the amounts reported as expenses in the  
statement of activities and those reported as expenditures in the fund  
financial statements

Interest on long-term debt	5,600	
Principal payments- bonds and capital lease	1,144,107	
Compensated absences	235,016	
Claims payable	315,524	
Postemployment benefits	(373,939)	
Pension expense	<u>396,597</u>	1,722,905

Non-employer pension contributions to the Sheriffs' Pension and Relief Fund	<u>1,776,134</u>	
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Total changes in net position for the year ended June 30, 2018 per  
statement of activities \$ 2,723,802

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

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Statement of Assets and Liabilities - Fiduciary Funds  
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 449,082
Interest-bearing deposits	4,118,969
Due from inmates and others	<u>2,694</u>
Total assets	<u>\$ 4,570,745</u>
LIABILITIES	
Liabilities:	
Due to taxing bodies and others	4,320,665
Due to inmates	<u>250,080</u>
Total liabilities	<u>\$ 4,570,745</u>

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



LAFAYETTE PARISH SHERIFF  
Lafayette, 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 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 Lafayette 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.

LAFAYETTE PARISH SHERIFF  
Lafayette, 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 position 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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's 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, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Sheriff is considered to be a major fund. The funds of the Sheriff are described below:

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental Funds –

**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.

**Special Revenue Fund** – This fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects). These revenues are legally restricted or committed to expenditures for specified purposes.

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. 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. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs. Fiduciary funds are presented on an economic resource measurement focus and 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 the Sheriff's 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:

LAFAYETTE PARISH SHERIFF  
Lafayette, 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.

Sales taxes are considered as "measurable" when in the hands of the sales tax collector and are recognized as revenue at that time.

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.

Other Financing Sources

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

D. 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.

E. 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. In accordance with GASB Codification Section 150, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

F. Internal Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. These internal balances are eliminated for reporting in the statement of net position.

G. Inventories

Inventories consist of (1) office supplies, (2) ammunition and (3) raw materials and finished goods of the inmate industries program - LAPCORR. Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method.

H. Prepaid Expenditures

Payments made for insurance premiums that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenditures.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position 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 and improvements	20-30 years
Improvements other than buildings	10-15 years
Vehicles	3-5 years
Equipment and furniture	3-10 years

J. Compensated Absences

Employees of the Sheriff's office earn from ten to sixteen hours of annual compensated leave per month depending on total years of service. Annual compensated leave shall be granted in lieu of vacation, sick leave and family time. All accumulated annual leave, as of June 30th of each year, that exceeds the employee's annual earned allowance is converted to extended sick leave. Extended sick leave may be accumulated up to a maximum of 960 hours. Accumulated sick

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

leave is paid only to employees who retire from the Sheriff's Pension and Relief Fund upon termination of employment. At June 30, 2018, employees have accumulated and vested \$3,077,553 of benefits. This amount is included in the statement of net position.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

L. Equity Classifications

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a) Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b) Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

- c) Committed -- amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority.
- d) Assigned -- amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only the Sheriff may assign amounts for specified purposes.
- e) Unassigned -- all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, unless the Sheriff has provided otherwise in its commitment or assignment actions.

M. Interfund Transactions

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

N. Estimates

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

(2) 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 or November. 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 Lafayette 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, 2018, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.79 mills on property with assessed valuations (after homestead exemptions) totaling \$2,276,953,641. The 16.79 mills tax consists of an 8.76 mills tax for the purpose of providing funds for the Lafayette Parish Law Enforcement District approved by voters through the year 2019 and an 8.03 mills tax now authorized by L.R.S. 33.9003A.

Total law enforcement taxes levied during 2018 were \$38,230,061.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

(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, 2018, the Sheriff has cash and interest-bearing deposits (book balances) as follows:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Assets	Total
Noninterest-bearing deposits	\$ 2,300	\$ 449,082	\$ 451,382
Interest-bearing deposits	16,054,287	4,118,969	20,173,256
	\$ 16,056,587	\$ 4,568,051	\$ 20,624,638

Custodial credit risk is the risk that in the event of a bank failure of a depository financial institution, the Government's deposits may not be recovered or the collateral securities that are in the possession of the outside party will not be recovered. 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, 2018, are secured as follows:

Bank balances	\$ 21,342,776
Federal deposit insurance	250,000
Pledged securities	21,092,776
Total	\$ 21,342,776

Deposits in the amount of \$21,092,776 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities pledging institution's trust department or agent, but not in the Sheriff's name. The Sheriff does not have a policy for custodial credit risk.

(4) Investments

The Sheriff participates in Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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.



LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No.79. The following facts are relevant for investment pools:

- Credit risk: LAMP has a fund rating of AAAM issued by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: LAMP's pooled investments are excluded from the 5 percent disclosure requirements.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 85 days as of June 30, 2018

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At June 30, 2018, the Sheriff had investments in LAMP in the amount of \$136,501.

(5) Receivables and Due From Other Governmental Agencies

Receivables of \$18,285 at June 30, 2018 consist retiree health insurance premiums receivable and miscellaneous.

Due from other governmental agencies in the amount of \$3,093,778 at June 30, 2018 consist of the following:

Sales tax revenue	\$ 905,818
Intergovernmental revenues:	
Federal grants	58,377
State, city, and local grants	585,685
Fees, charges, and commissions for services	1,033,713
Feeding and keeping prisoners	510,185
	<u>\$ 3,093,778</u>

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
Capital assets not being depreciated:				
Construction in progress	\$ 142,803	\$ 8,577	\$ 142,803	\$ 8,577
Other capital assets:				
Buildings and improvements	36,301,691	313,976	-	36,615,667
Vehicles	7,181,584	1,198,595	504,275	7,875,904
Equipment and furniture	<u>7,525,930</u>	<u>806,367</u>	<u>137,724</u>	<u>8,194,573</u>
Totals	<u>51,152,008</u>	<u>2,327,515</u>	<u>784,802</u>	<u>52,694,721</u>
Less: accumulated depreciation				
Buildings and improvements	8,123,521	1,201,243	-	9,324,764
Vehicles	5,281,335	690,866	504,275	5,467,926
Equipment and furniture	<u>5,642,909</u>	<u>775,006</u>	<u>119,235</u>	<u>6,298,680</u>
Total accumulated depreciation	<u>19,047,765</u>	<u>2,667,115</u>	<u>623,510</u>	<u>21,091,370</u>
Capital assets, net	<u>\$32,104,243</u>	<u>\$ (339,600)</u>	<u>\$ 161,292</u>	<u>\$31,603,351</u>

Depreciation expense in the amount of \$2,667,115 was charged to public safety.

(7) Accounts and Other Payables

Accounts and other payables at June 30, 2018 consist of the following:

Accounts payable	\$ 1,140,655
Accrued interest payable	159,838
Other accrued liabilities	<u>75,893</u>
	<u>\$ 1,376,386</u>

(8) Note Payable - Bank

The Sheriff issued \$4,000,000 of anticipation notes in order to fund operations. Under the terms of the bank line of credit agreement dated November 1, 2017, the Sheriff may borrow up to \$4,000,000 with interest, varying at 2.50% above LIBOR index rate, with the principal due at June 30, 2018.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

A summary of changes in short-term debt for the year ended June 30, 2018 follows:

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018
Revenue anticipation note	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -

(9) Long-term Liabilities

Long-term liabilities is comprised of the following:

- A. Limited Tax Revenue Bonds Series 2012 – The Sheriff issued bonds in March 2012 for the acquisition and construction of major capital facilities. The bonds are payable in annual installments of \$680,000 to \$1,525,000 due on March 1 of each year through March 2032. The bonds bear interest at 2.0 to 4.0 percent annually and are payable from ad valorem taxes.

- B. During the fiscal year ending June 30, 2018, the Sheriff entered into the following capital lease agreement for several vehicles totaling \$1,185,523:

Ford Motor Credit, \$1,185,523 Lease-Purchase Agreement, maturing November 2020, monthly payments of \$26,186 including interest of 3.02%, secured by vehicles with a book value of \$826,423 (net of accumulated depreciation of \$359,100), which is included in the vehicles capital asset class.

\$ 731,429

A summary of changes in long-term liabilities for the year ended June 30, 2018 follows:

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018	Due Within One Year
Bonds payable	\$ 17,290,000	\$ -	\$ 840,000	\$ 16,450,000	\$ 880,000
Claims payable	2,021,560	7,822,607	8,065,370	1,778,797	872,808
Compensated absences payable	3,312,569	1,739,454	1,974,470	3,077,553	1,974,470
Capital leases payable	1,018,847	-	287,418	731,429	296,219
	<u>\$ 23,642,976</u>	<u>\$ 9,562,061</u>	<u>\$ 11,167,258</u>	<u>22,037,779</u>	<u>\$ 4,023,497</u>
Unamortized premium on bonds				233,651	
				<u>\$ 22,271,430</u>	

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

The annual debt service requirements to maturity of all bonds outstanding follows:

Year Ending June 30,	Principal Payments	Interest Payments
2019	880,000	479,513
2020	915,000	461,913
2021	955,000	443,613
2022	1,000,000	422,125
2023	1,040,000	392,125
2024-2032	<u>11,660,000</u>	<u>1,935,931</u>
Total	<u>\$16,450,000</u>	<u>\$4,135,220</u>

Scheduled maturities of the capital lease are as follows:

Year Ending June 30,	Principal Payments	Interest Payments
2019	296,219	18,011
2020	305,289	8,941
2021	<u>129,921</u>	<u>1,008</u>
Total	<u>\$ 731,429</u>	<u>\$ 27,960</u>

(10) Post Retirement Health Care and Life Insurance Benefits

*Plan description* – The Lafayette Parish Sheriff’s Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Lafayette Parish Sheriff’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The plan does not issue a stand-alone report that is available to the public. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

*Benefits Provided* – Medical and life insurance benefits are provided to employees upon actual retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 15 years of service. Employees hired on and after July 1, 2014 must have twenty years of service with Lafayette Parish Sheriff’s Office to retire.

Life insurance coverage is continued to retirees and based on a blended rate for active employees and retirees. The employer pays for the first \$10,000 of retiree life insurance and the retiree pays the "cost" of the remainder but that "cost" is based on the blended active/retired rate and there is thus an additional implied subsidy. Since GASB 74/75 requires the use of "unblended" rates, we have used the valuation mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

Life amounts are reduced to 65% at age 70 and to 74/75% at age 75. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

*Employees covered by benefit terms* – At July 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	140
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>740</u>
Total	<u>880</u>

During the year ended June 30, 2018, the Sheriff adopted the requirements of GASB Statement No. 75, recognizing the cost of postemployment healthcare and life insurance benefits in the year when the employee services are received and recognizing the liability for OPEB obligations, known as the net OPEB liability, on the statement of net position. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

**Total OPEB Liability**

The Sheriff's total OPEB liability of \$32,654,427 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* -- The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases, including inflation	4.0%
Discount rate, net of OPEB plan investment expense, including inflation	3.5%
Healthcare cost trend rates, flat annually	5.5%

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

LAFAYETTE PARISH SHERIFF  
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Notes to Basic Financial Statements (Continued)

**Changes in the Total OPEB Liability**

Balance at June 30, 2017	<u>\$ 31,240,500</u>
Changes for the year:	
Service cost	593,001
Interest	1,069,792
Differences between expected and actual experience	1,101,164
Benefit payments and net transfers	<u>(1,350,030)</u>
Net changes	<u>1,413,927</u>
Balance at June 30, 2018	<u>\$ 32,654,427</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1.0% Decrease 2.5%	Current Discount Rate 3.5%	1.0% Increase 4.5%
Total OPEB liability	<u>\$ 37,027,181</u>	<u>\$ 32,654,427</u>	<u>\$ 29,104,370</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease 4.5%	Current Discount Rate 5.5%	1.0% Increase 6.5%
Total OPEB liability	<u>\$ 37,007,900</u>	<u>\$ 32,654,427</u>	<u>\$ 44,588,024</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Sheriff recognized OPEB expense of \$1,723,969. At June 30, 2018, the Sheriff reported deferred outflows of resources related to OPEB for the differences between expected and actual experience in the amount of \$1,039,988.

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Notes to Basic Financial Statements (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2019	\$ 61,176
2020	61,176
2021	61,176
2022	61,176
2023	61,176
Thereafter	<u>734,108</u>
	<u>\$1,039,988</u>

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

At June 30, 2018, the Sheriff did not have any amounts owed to the OPEB plan.

(11) Pension Plan

Employees of the Sheriff are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriffs' Association and the Sheriff's Pension and Relief Fund's office. The Fund issues a publicly available financial report that may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriffs' Pension and Relief Fund (Fund) and additions to/deductions from the Fund's fiduciary net position have been determined on the accrual basis of accounting. Employer contributions are recognized in the period in which the employee is compensated for services performed. Investments are reported at fair value.

Plan Description:

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits: For members who become eligible for membership on or before December 31, 2011: Members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation.

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Notes to Basic Financial Statements (Continued)

Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the thirty-six-month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making him eligible for membership in the system began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making him eligible for membership in the system began on or after July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 115% of the preceding twelve-month period.

**Disability Benefits:** A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

**Survivor's Benefits:** Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%.



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Notes to Basic Financial Statements (Continued)

If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full-time student in good standing enrolled at a board approved or accredited school, college, or university.

**Deferred Retirement Benefits:** The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

**Back Deferred Retirement Option Plan (Back-DROP):** In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement.

At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

**Cost-of-Living Adjustments:** Cost of living provisions for the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

**Employer Contributions:** According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ended June 30, 2017, the Actual employer contribution rate was 13.25% with an additional 0% allocated from the Funding Deposit Account. Employer contributions for the year ended June 30, 2017 were \$4,105,658.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$1,776,134 and included in pension expense for the year ended June 30, 2017.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2018, the Sheriff reported a liability of \$19,375,511 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Sheriff's proportion was 4.474431%, which was a decrease of 0.155738% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$3,625,970 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$(2,790).

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.5%, net of investment expense
Discount Rate	7.4%
Projected Salary Increases	5.5% (2.775% inflation, 2.725% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries, RP-2000 Disabled Lives Mortality Table
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously grant cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on pension plan investments was determined using a building block method which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and adding expected inflation.

Estimates of arithmetic real rates of return for each major asset class based on the Fund's target allocation as of June 30, 2017 were as follows:

Asset Class	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	60%	7.4%	4.4%
Bonds	25	2.6	0.7
Alternative Investments	15	4.2	0.6
Totals	100%		5.7%
Inflation			2.6
Expected Arithmetic Nominal Return			8.3%

**Discount Rate:** The discount rate used to measure the total pension liability was 7.4%, which was a decrease of 0.1% from the prior year valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**LAFAYETTE PARISH SHERIFF**  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.4%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.4%) or one percentage-point higher (8.4%) than the current rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
	6.4%	7.4%	8.4%
Employer's proportionate share of the net pension liability	\$39,918,661	\$19,375,511	\$ 2,091,248

At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 3,372,827
Change of assumptions	3,409,222	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	535,821	761,982
Net differences between projected and actual earnings on plan investments	-	278,097
Contributions subsequent to the measurement date	<u>4,022,567</u>	<u>-</u>
Total	<u>\$ 7,967,610</u>	<u>\$ 4,412,906</u>

Deferred outflows of resources of \$4,022,567 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2019	(681,781)
2020	1,389,939
2021	332,948
2022	(1,540,153)
2023	61,068
Thereafter	<u>(29,884)</u>
	<u>\$ (467,863)</u>

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Contributions -- Proportionate Share: Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

At June 30, 2018, the Sheriff recorded an accrued liability to the pension plan for the contractually required contribution for the month of June 2018 in the amount of \$624,477.

(12) Deferred Compensation Plan

Certain employees of the Sheriff participate in the Lafayette Parish Sheriff's Office Deferred Compensation Plan adopted under the provisions of the 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.

(13) Operating Leases

The Sheriff has entered into a twenty-year operating lease for land dated February 15, 2010, with annual rental payments ranging from \$2,000 to \$2,662.

During 2018, the Sheriff entered into various operating leases for office equipment and vehicles ranging from 39 to 60 months and expiring at various dates from April 1, 2020 through January 1, 2022.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2019	\$ 416,600
2020	413,064
2021	401,822
2022	234,450
2023-2027	2,420
2028-2030	18,150
	<u>\$ 1,486,506</u>

Expenses related to the above operating leases for the year ended June 30, 2018 were \$189,202.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2018, include \$15,296 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.

(15) Ex-officio Tax Collector

The amount of cash on hand at year end was \$497,338. The unsettled balances of the Tax Collector Fund at June 30, 2018 consist of the following:

Collection of current and prior year taxes, not settled	\$ 89,989
Redemption and refunds to taxpayers	150,165
Protested Taxes	15,296
Occupational licenses	148,416
Interest	<u>93,471</u>
Total	<u>\$ 497,337</u>

The amount of taxes collected for the current year by taxing authority was as follows:

Lafayette Parish Consolidated Government	\$ 57,922,764
Lafayette Parish School Board	71,952,458
Teche-Vermillion Freshwater District	3,023,033
Louisiana Tax Commission	38,758
Lafayette Parish Sheriff	37,360,204
Lafayette Parish Regional Airport	3,387,509
Economic Development Authority	3,601,901
Lafayette Parish Assessor	3,204,210
Bayou Vermillion District	1,972,532
Downtown Development Commission	416,214
City of Carencro	276,873
City of Youngsville	1,629,475
City of Scott	247,513
Town of Duson	29,847
Other - retirement plans	<u>5,385,531</u>
Total	<u>\$ 190,448,822</u>

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

For the fiscal year ended June 30, 2018, the taxes assessed and uncollected as a result of Louisiana Tax Commission change orders, movable properties, and bankruptcies were as follows:

	Change Orders	Movables	Bankruptcies
Lafayette Parish Consolidated Government	\$1,106,530	\$ 328,789	\$ 1,093
Lafayette Parish School Board	1,375,568	407,716	1,224
Teche-Vermillion Freshwater District	57,794	17,130	51
Lafayette Parish Sheriff	688,195	203,979	612
Lafayette Parish Regional Airport	64,762	19,195	58
Economic Development Authority	68,861	20,410	-
Lafayette Parish Assessor	59,023	17,494	53
Bayou Vermillion District	37,708	11,177	33
Downtown Development Commission	2,072	3,455	-
City of Carencro	1,207	1,006	-
City of Youngsville	15,593	13,980	-
City of Scott	3,244	3,224	-
Town of Duson	126	320	-
Total	<u>\$3,480,683</u>	<u>\$ 1,047,875</u>	<u>\$ 3,124</u>

(16) Occupational Licenses

Collections settled during the year for occupational licenses are as follows:

	Collected	Settled	Unsettled
Lafayette City Parish Government	\$ 540,077	\$ 413,849	\$ 126,228
Lafayette Parish Sheriff	95,308	73,120	22,188
Total	<u>\$ 635,385</u>	<u>\$ 486,969</u>	<u>\$ 148,416</u>

(17) Risk Management

A. Commercial Insurance Coverage

The Sheriff is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; error and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorists, and collision; surety bond coverage; marine liability; and aviation liability. In addition to the above policies, the Sheriff maintains a public official's liability policy and a law enforcement policy. No claims were paid, which exceeded the policies' coverage amount, on any of the policies during the past three years. There have been no significant reductions in the insurance coverage since the prior year.

**LAFAYETTE PARISH SHERIFF**  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

**B. Workers' Compensation**

The Sheriff has established a limited risk management program for workers' compensation. The Sheriff purchases commercial insurance for individual claims in excess of \$750,000. Settled claims resulting from this risk have not exceeded commercial coverage in any of the past three fiscal years.

The liabilities for unpaid workers' compensation claims are represented by the outstanding claim reserves. These reserves are estimates of the ultimate potential payments to be made on each claim, considering the medical is in litigation; and, considering all expenses which may be required in the handling of the file such as cost of independent medical exams, legal fees and the like.

Workers' compensation claims are paid according to established payment schedules set by the Louisiana legislature and the Department of Labor. Wage benefits are calculated according to a set formula based on a fee schedule. Changes in the claims liabilities are as follows:

<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
\$1,110,485	\$ 1,366,260	\$1,570,756	\$ 905,989

**C. Group Self-Insurance Health Plan**

The Sheriff also established a limited risk management program for group hospitalization insurance. The Sheriff purchases commercial insurance for individual claims in excess of \$170,000.

The General Fund participates in the program. The claims liability in the amount of \$643,483 reported in the General Fund at June 30, 2018 is based on the loss that is probable to have been at the date of the financial statements and the amount of loss that can be reasonably estimated. The total claims liability is \$872,808. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. The Sheriff currently does not discount its claims liabilities. Changes in the claims liabilities are as follows:

<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
\$911,075	\$ 6,456,347	\$6,494,614	\$ 872,808



**LAFAYETTE PARISH SHERIFF**  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

(18) Litigation and Claims

At June 30, 2018, the Sheriff is party to several claims and litigations brought against entities that participate in the Self Insurance Program. These claims and litigations are at various stages of the legal process. Legal counsel has reviewed the lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Sheriff to arrive at an estimate, if any of the amount or range of potential loss. As a result of the review, various claims and litigations have been categorized into "reasonably possible," or "remote" as defined by the standards. As of June 30, 2018, the potential loss of uninsured claims with a reasonably possible likelihood of unfavorable outcome range from \$175,000 to \$250,000.

(19) Expenditures of the Sheriff's Office Paid by the Parish Government

The Sheriff's administrative office and jail are located in buildings owned by the Lafayette Parish Government. The cost of maintaining and operating these buildings, as required by statute, is paid by the Lafayette Parish Government. These expenditures are not included in the accompanying financial statements.

(20) Changes in Agency Fund Balances

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

	Sheriff's Civil Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Work Release Inmate Fund	Evidence Fund
Balances,							
June 30, 2017	\$ 561,459	\$ 460,295	\$10,604	\$1,985,709	\$ 243,902	\$ 127,731	\$281,153
Additions	14,049,016	203,343,009	10,733	3,573,198	2,016,345	1,374,972	238,237
Reductions	13,187,472	203,305,966	2,779	3,626,029	2,024,302	1,488,562	70,508
Balances,							
June 30, 2018	<u>\$ 1,423,003</u>	<u>\$ 497,338</u>	<u>\$18,558</u>	<u>\$1,932,878</u>	<u>\$ 235,945</u>	<u>\$ 14,141</u>	<u>\$448,882</u>

(21) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Sheriff's financial statements to record the exempt amounts. At June 30, 2018, the Sheriff's ad valorem revenues were reduced by \$913,392 for industrial exemptions issued related to these abatements.

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

(22) Joint Venture

The Sheriff is a participant with the City-Parish Government of Lafayette (LCG), in a joint venture to perform investigations and analytical studies of controlled substances, and when necessary under lawful rules, take into custody all persons accused of committing criminal violations with the emphasis on controlled substances. This joint venture also includes crime scene investigations and forensic analysis of crime scene evidence. These two agencies are referred to as Lafayette Metro Narcotics and Lafayette Metro Crime Scene, respectively.

Lafayette Metro Investigations was formed under a joint powers agreement entered into by the two governmental agencies listed above on July 12, 2012. The joint venture is governed by a four-member fiscal committee composed of two appointees from the Sheriff, and two appointees from LCG. At least 60 days prior to each year, the Sheriff and LCG will determine the amount necessary to fund the operations of each agency and contribute these amounts in equal portions. The Sheriff does not hold an equity interest in the agency at June 30, 2018. For the year ended December 31, 2017, Metro Investigations reported a change in fund balance of the General Fund of \$48,278 and an ending fund balance of \$213,545. Complete financial statements for the Agency can be obtained from the Lafayette Parish Sheriff's Office at 316 West Main Street, Lafayette, Louisiana.

For the year ended June 30, 2018, the Sheriff contributed \$80,000 to Lafayette Metro Investigations.

(23) Compensation, Benefits, and Other Payments to Agency Head

In accordance with Act 706 of the 2014 Regular Legislative Session – LA R.S. 24:513(A)(3), the schedule of compensation, benefits, and other payments to Mark Garber, Sheriff, for the year ended June 30, 2018 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 160,338
Benefits - insurance	7,176
Benefits - retirement	20,443
Per diem - meals	1,042
Travel	1,588
Registration fees	1,939
Conference travel	3,874
Other	218

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

(24) New Accounting Pronouncements

In June 2015, the Governmental Standards Accounting Board (GASB) approved Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 were implemented by the Sheriff during the year ended June 30, 2018. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

The Statement resulted in a restatement of net position as follows:

	<u>Governmental Activities</u>
Net position, June 30, 2017, as previously reported	\$ (37,259,128)
Change in accounting principle:	
Net effect of implementing GASB Statement No. 75	<u>14,299,905</u>
Net position, June 30, 2017, as restated	<u>\$ (22,959,223)</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Budgetary Comparison Schedule  
For the Year Ended June 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 38,546,821	\$ 37,488,764	\$ 37,656,269	\$ 167,505
Sales taxes	4,512,000	4,768,754	4,225,665	(543,089)
Intergovernmental revenues -				
Federal grants	127,589	270,548	115,869	(154,679)
State grants - state revenue sharing (net)	1,189,452	870,546	873,620	3,074
State supplemental pay	2,148,000	2,604,568	2,257,502	(347,066)
State, city and parish grants	1,520,602	2,249,603	2,137,444	(112,159)
Fees charges and commissions for services -				
Civil and criminal fees	2,435,981	2,987,456	3,122,189	134,733
Court attendance	37,580	37,589	41,273	3,684
Feeding, keeping, and transporting prisoners	4,121,202	4,849,850	4,346,501	(503,349)
Community corrections	1,589,682	2,379,686	2,364,893	(14,793)
Contractual agreements	4,756,923	4,556,874	4,235,405	(321,469)
Interest income	109,454	275,123	388,057	112,934
Miscellaneous	2,690,982	1,813,338	2,058,024	244,686
Total revenues	<u>63,786,268</u>	<u>65,152,699</u>	<u>63,822,711</u>	<u>(1,329,988)</u>
<b>Expenditures:</b>				
Current -				
Public safety:				
Personal services and related benefits	40,373,379	39,492,784	39,454,576	38,208
Operating services	7,864,856	11,074,385	10,250,897	823,488
Operations and maintenance	8,597,802	10,183,628	10,539,215	(355,587)
Travel and other charges	337,318	296,230	298,695	(2,465)
Capital outlay	2,234,568	2,293,587	2,167,116	126,471
Debt service	1,317,413	1,355,268	1,336,313	18,955
Total expenditures	<u>60,725,336</u>	<u>64,695,881</u>	<u>64,046,812</u>	<u>649,069</u>
Net change in fund balance	3,060,932	456,818	(224,101)	(680,919)
Fund balance, beginning	<u>17,313,710</u>	<u>17,313,710</u>	<u>17,313,710</u>	<u>-</u>
Fund balance, ending	<u>\$ 20,374,642</u>	<u>\$ 17,770,527</u>	<u>\$ 17,089,609</u>	<u>\$ (680,919)</u>

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2018

**Total OPEB Liability**

Service cost	\$ 593,001
Interest	1,069,792
Changes in benefit terms	-
Differences between expected and actual experience	1,101,164
Changes of assumptions	-
Benefit payments and net transfers	<u>(1,350,030)</u>
Net changes	1,413,927
Total OPEB liability - beginning	<u>31,240,500</u>
Total OPEB liability - ending	<u>\$ 32,654,427</u>
Covered employee payroll	\$ 28,015,988
Total OPEB liability as a percentage of covered-employee payroll	116.56%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2018\*

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	4.474431%	\$ 19,375,511	\$ 30,995,631	62.5%	88.49%
2017	4.630169%	29,387,196	31,621,833	92.9%	82.10%
2016	4.586863%	20,446,021	30,411,635	67.2%	86.61%
2015	4.623061%	18,307,346	29,741,886	61.6%	87.34%

\* The amounts presented have a measurement date of the previous fiscal year end.

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Schedule of Pension Employer Contributions  
For the Year Ended June 30, 2018

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$4,022,567	\$4,022,567	\$ -	\$ 31,549,546	12.75%
2017	4,106,921	4,106,921	-	30,995,631	13.25%
2016	4,348,002	4,348,002	-	31,621,833	13.75%
2015	4,333,658	4,333,658	-	30,411,635	14.25%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*



LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Notes to Required Supplementary Information

(1) Budgets and Budgetary Accounting

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

- a. 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.
- b. 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.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. 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.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. 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.

(2) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Other Postemployment Benefits

- a. Benefit Changes – There were no changes of benefit terms.
- b. Changes of Assumptions – There were no changes of assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Comparative Statement of Net Position  
June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 16,056,587	\$ 15,994,632
Investments	136,501	134,628
Due from other governmental agencies	3,093,778	3,038,742
Receivables	18,285	17,024
Inventory	349,762	305,335
Prepaid items	217,296	219,645
Total current assets	19,872,209	19,710,006
Noncurrent assets:		
Capital assets, net	31,603,351	32,104,243
Total assets	51,475,560	51,814,249
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to OPEB	1,039,988	-
Deferred outflows related to pension	7,967,610	14,622,678
Total deferred outflows of resources	9,007,598	14,622,678
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	1,376,386	1,042,820
Due to other governmental agencies	627,919	603,298
Long-term liabilities due within one year	4,023,497	3,702,141
Total current liabilities	6,027,802	5,348,259
Noncurrent liabilities:		
Long-term liabilities due in more than one year	18,247,933	20,191,175
Postemployment benefit obligation payable	32,654,427	45,540,405
Net pension liability	19,375,511	29,387,196
Total noncurrent liabilities	70,277,871	95,118,776
Total liabilities	76,305,673	100,467,035
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension	4,412,906	3,229,020
<b>NET POSITION</b>		
Invested in capital assets	14,421,921	13,795,396
Unrestricted (deficit)	(34,657,342)	(51,054,524)
Total net position (deficit)	\$ (20,235,421)	\$ (37,259,128)

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana  
General Fund

Comparative Balance Sheet  
June 30, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Cash and interest-bearing deposits	\$ 15,889,555	\$ 15,760,417
Investments	136,501	134,628
Receivables -		
Due from other governmental agencies	3,043,032	2,999,735
Other	17,785	15,629
Due from other funds	6,839	6,710
Inventory	258,653	168,286
Prepaid items	217,296	219,645
Total assets	\$ 19,569,661	\$ 19,305,050
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 1,132,843	\$ 775,215
Due to other governmental agencies	627,919	603,298
Other accrued liabilities	719,290	612,827
Total liabilities	2,480,052	1,991,340
Fund balances:		
Nonspendable for inventory and prepaid items	475,949	387,931
Unassigned	16,613,660	16,925,779
Total fund balances	17,089,609	17,313,710
Total liabilities and fund balances	\$ 19,569,661	\$ 19,305,050

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana  
General Fund

Budgetary Comparison Schedule -  
Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2018  
With Comparative Actual Balances for Year Ended June 30, 2017

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Ad valorem taxes	\$ 38,546,821	\$ 37,488,764	\$ 37,656,269	\$ 167,505	\$ 37,347,174
Sales taxes	4,512,000	4,768,754	4,225,665	(543,089)	4,673,914
Intergovernmental revenues -					
Federal grants	127,589	270,548	115,869	(154,679)	263,122
State grants - state revenue sharing (net)	1,189,452	870,546	873,620	3,074	867,748
State supplemental pay	2,148,000	2,604,568	2,257,502	(347,066)	2,104,517
State, city and parish grants	1,520,602	2,249,603	2,137,444	(112,159)	1,786,546
Fees charges and commissions for services -					
Civil and criminal fees	2,435,981	2,987,456	3,122,189	134,733	2,989,749
Court attendance	37,580	37,589	41,273	3,684	41,993
Feeding and keeping prisoners	4,121,202	4,849,850	4,346,501	(503,349)	4,749,940
Community corrections	1,589,682	2,379,686	2,364,893	(14,793)	2,279,686
Contractual arrangements	4,756,923	4,556,874	4,235,405	(321,469)	3,979,310
Interest income	109,454	275,123	388,057	112,934	186,917
Miscellaneous	2,690,982	1,813,338	2,058,024	244,686	2,182,659
Total revenues	<u>63,786,268</u>	<u>65,152,699</u>	<u>63,822,711</u>	<u>(1,329,988)</u>	<u>63,453,275</u>
<b>Expenditures:</b>					
Current -					
Public safety:					
Personal services and related benefits	40,373,379	39,492,784	39,454,576	38,208	39,283,682
Operating services	7,864,856	11,074,385	10,250,897	823,488	9,574,714
Operations and maintenance	8,597,802	10,183,628	10,539,215	(355,587)	10,159,075
Travel and other charges	337,318	296,230	298,695	(2,465)	294,882
Capital outlay	2,234,568	2,293,587	2,167,116	126,471	2,917,213
Debt service	1,317,413	1,355,268	1,336,313	18,955	1,317,413
Total expenditures	<u>60,725,336</u>	<u>64,695,881</u>	<u>64,046,812</u>	<u>649,069</u>	<u>63,546,979</u>
Deficiency of revenues over expenditures	<u>3,060,932</u>	<u>456,818</u>	<u>(224,101)</u>	<u>(680,919)</u>	<u>(93,704)</u>
<b>Other financing sources:</b>					
Proceeds from capital lease	-	-	-	-	1,185,523
Appropriation from Lafayette Metro Investigations	-	-	-	-	470,546
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,656,069</u>
Net change in fund balance	3,060,932	456,818	(224,101)	(680,919)	1,562,365
Fund balance, beginning	<u>17,313,710</u>	<u>17,313,710</u>	<u>17,313,710</u>	-	<u>15,751,345</u>
Fund balance, ending	<u>\$ 20,374,642</u>	<u>\$ 17,770,527</u>	<u>\$ 17,089,609</u>	<u>\$ (680,919)</u>	<u>\$ 17,313,710</u>

## LAFAYETTE PARISH SHERIFF

Lafayette, Louisiana

General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2018  
With Comparative Actual Balances for Year Ended June 30, 2017

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Current:					
Public safety -					
Personal services and related benefits:					
Sheriff's salary	\$ 164,256	\$ 145,761	\$ 145,761	\$ -	\$ 145,347
Deputies salaries	35,567,704	34,568,742	34,506,903	61,839	34,181,678
Pension and payroll taxes	4,493,837	4,618,384	4,635,342	(16,958)	4,732,497
Sheriff's expense allowance	-	14,101	14,576	(475)	14,193
Other employee expenses	147,582	145,796	151,994	(6,198)	209,967
Total personal services and related benefits	<u>40,373,379</u>	<u>39,492,784</u>	<u>39,454,576</u>	<u>38,208</u>	<u>39,283,682</u>
Operating services:					
Hospitalization insurance	5,876,525	8,485,736	7,570,467	915,269	7,458,284
Auto insurance	318,133	334,184	423,122	(88,938)	322,963
Deputy insurance	357,900	475,957	476,062	(105)	448,324
Other liability insurance	1,312,298	1,778,508	1,781,246	(2,738)	1,345,143
Total operating services	<u>7,864,856</u>	<u>11,074,385</u>	<u>10,250,897</u>	<u>823,488</u>	<u>9,574,714</u>
Operations and maintenance:					
Auto fuel and oil	565,234	670,265	688,234	(17,969)	614,306
Auto maintenance	270,464	348,182	322,764	25,418	349,495
Deputy uniforms, supplies, etc.	702,426	519,166	508,508	10,658	811,366
Lease expense	255,983	658,629	764,048	(105,419)	455,768
Maintenance contracts and rentals	731,254	941,380	892,815	48,565	802,144
Office supplies and expenses	1,048,883	1,081,145	1,264,046	(182,901)	1,050,097
Prisoner feeding and maintenance	3,779,876	3,880,228	3,952,989	(72,761)	3,939,438
Professional fees	358,029	499,562	518,215	(18,653)	523,644
Telephone and utilities	519,954	1,243,196	1,241,441	1,755	1,243,191
Appropriations to other agencies	76,639	65,213	46,239	18,974	57,352
Criminal investigation expense	9,168	8,462	9,023	(561)	9,595
Other	279,892	268,200	330,893	(62,693)	302,679
Total operations and maintenance	<u>8,597,802</u>	<u>10,183,628</u>	<u>10,539,215</u>	<u>(355,587)</u>	<u>10,159,075</u>
Travel and other charges	<u>337,318</u>	<u>296,230</u>	<u>298,695</u>	<u>(2,465)</u>	<u>294,882</u>
Capital outlay:					
Buildings	134,074	180,515	130,678	49,837	523,837
Vehicles	1,229,012	1,238,294	1,185,993	52,301	1,860,759
Equipment	871,482	874,778	850,445	24,333	532,617
Total capital outlay	<u>2,234,568</u>	<u>2,293,587</u>	<u>2,167,116</u>	<u>126,471</u>	<u>2,917,213</u>
Debt service:					
Principal	805,000	840,000	840,000	-	805,000
Interest	512,413	515,268	496,313	18,955	512,413
Total debt service	<u>1,317,413</u>	<u>1,355,268</u>	<u>1,336,313</u>	<u>18,955</u>	<u>1,317,413</u>
Total expenditures	<u>\$ 60,725,336</u>	<u>\$ 64,695,881</u>	<u>\$ 64,046,812</u>	<u>\$ 649,069</u>	<u>\$ 63,546,979</u>

## AGENCY FUNDS

### **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.

### **Deputy Fund -**

To account for the receipts and disbursements of commissions received from vending machine sales, donations and fees of other deputy activities.

### **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.

### **Work Release Trust Fund -**

To account for the receipts and disbursements made in the inmate work release program.

### **Evidence Fund -**

To account for funds seized during arrest for which final resolution of distribution has not been determined.

LAFAYETTE PARISH SHERIFF

Lafayette, Louisiana

Agency Funds

Combining Balance Sheet

June 30, 2018

With Comparative Totals for June 30, 2017

	Sheriff's Civil Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Work Release Inmate Fund	Evidence Fund	Total	
								2018	2017
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$448,882	\$ 449,082	\$ 297,668
Interest-bearing deposits	1,423,003	497,338	17,864	1,930,678	235,945	14,141	-	4,118,969	3,431,355
Due from inmates and others	-	-	694	2,000	-	-	-	2,694	511
<b>Total assets</b>	<b>\$ 1,423,003</b>	<b>\$ 497,338</b>	<b>\$18,558</b>	<b>\$1,932,878</b>	<b>\$ 235,945</b>	<b>\$ 14,141</b>	<b>\$448,882</b>	<b>\$ 4,570,745</b>	<b>\$ 3,729,534</b>
<b>LIABILITIES</b>									
Due to taxing bodies and others	\$ 1,423,003	\$ 497,338	\$18,558	\$1,932,878	\$ -	\$ 6	\$448,882	\$ 4,320,665	\$ 3,435,964
Due to inmates	-	-	-	-	235,945	14,135	-	250,080	293,570
<b>Total liabilities</b>	<b>\$ 1,423,003</b>	<b>\$ 497,338</b>	<b>\$18,558</b>	<b>\$1,932,878</b>	<b>\$ 235,945</b>	<b>\$ 14,141</b>	<b>\$448,882</b>	<b>\$ 4,570,745</b>	<b>\$ 3,729,534</b>



LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2018

	Sheriff's Civil Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Work Release Inmate Fund	Evidence Fund	Total
Balances, beginning of year	<u>\$ 561,459</u>	<u>\$ 460,295</u>	<u>\$ 10,604</u>	<u>\$ 1,985,709</u>	<u>\$ 243,902</u>	<u>\$ 127,731</u>	<u>\$ 281,153</u>	<u>\$ 3,670,853</u>
Additions:								
Deposits -								
Sheriff's sales	12,371,149	-	-	-	-	-	-	12,371,149
Bonds, fines and costs	-	-	-	3,573,198	-	-	-	3,573,198
Garnishments	1,677,867	-	-	-	-	-	-	1,677,867
Other deposits	-	-	-	-	1,929,657	1,374,972	238,237	1,929,657
Taxes, fees, etc. paid to tax collector.	-	203,343,009	-	-	-	-	-	203,343,009
Other additions	-	-	10,733	-	86,688	-	-	97,421
Total additions	<u>14,049,016</u>	<u>203,343,009</u>	<u>10,733</u>	<u>3,573,198</u>	<u>2,016,345</u>	<u>1,374,972</u>	<u>238,237</u>	<u>222,992,301</u>
Total	<u>14,610,475</u>	<u>203,803,304</u>	<u>21,337</u>	<u>5,558,907</u>	<u>2,260,247</u>	<u>1,502,703</u>	<u>519,390</u>	<u>226,663,154</u>
Reductions:								
Taxes, fees, etc. distributed to taxing bodies and others	-	203,305,966	-	-	-	-	-	203,305,966
Deposits settled to -								
Sheriff's General Fund	3,815,241	-	-	442,079	-	892,222	-	4,257,320
Clerk of court	404,204	-	-	226,537	-	-	-	630,741
Inmates	-	-	-	-	561,483	138,984	-	561,483
Litigants	7,941,248	-	-	-	-	-	-	7,941,248
Attorneys, appraisers, etc.	102,580	-	-	1,026,835	-	-	-	1,129,415
Settlements	-	-	-	1,533,670	-	-	-	1,533,670
Other reductions	924,199	-	2,779	396,908	1,462,819	457,356	70,508	2,786,705
Total reductions	<u>13,187,472</u>	<u>203,305,966</u>	<u>2,779</u>	<u>3,626,029</u>	<u>2,024,302</u>	<u>1,488,562</u>	<u>70,508</u>	<u>222,146,548</u>
Balances, end of year	<u>\$ 1,423,003</u>	<u>\$ 497,338</u>	<u>\$ 18,558</u>	<u>\$ 1,932,878</u>	<u>\$ 235,945</u>	<u>\$ 14,141</u>	<u>\$ 448,882</u>	<u>\$ 4,570,745</u>

STATE OF LOUISIANA, PARISH OF LAFAYETTE

AFFIDAVIT

Mark Garber, Sheriff of Lafayette Parish

BEFORE ME, the undersigned authority, personally came and appeared, Mark Garber, the Sheriff of Lafayette Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$497,338 is the amount of cash on hand in the tax collector account on June 30, 2018;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2017, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

Mark Garber  
Sheriff of Lafayette Parish

SWORN to and subscribed before me, Notary, this 15th day of October 2018, in my office in Lafayette, Louisiana.

[Signature] (Signature)  
Grayson J LaCombe (Print), # 147216  
Notary Public  
life (Commission)

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

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

11929 Bricksome Ave.  
Baton Rouge, LA 70816  
Phone (225) 293-8300

1428 Metro Dr.  
Alexandria, LA 71301  
Phone (318) 442-4421

450 E. Main St.  
New Iberia, LA 70560  
Phone (337) 367-9204

200 S. Main St.  
Abbeville, LA 70510  
Phone (337) 893-7944

1234 David Dr. Ste. 203  
Morgan City, LA 70380  
Phone (985) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70655  
Phone (337) 639-4737

\* A Professional Accounting Corporation

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## INDEPENDENT AUDITOR'S 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 Mark Garber  
Lafayette Parish Sheriff  
Lafayette, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lafayette Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated December 11, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

## **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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 11, 2018

LAFAYETTE PARISH SHERIFF  
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
Year Ended June 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Contact Person	Anticipated Completion Date
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CURRENT YEAR (6/30/18) --

Internal Control:

There were no internal control findings.

Compliance:

There were no compliance findings.

PRIOR YEAR (6/30/17) --

Internal Control:

There were no internal control findings.

Compliance:

There were no compliance findings.

**LAFAYETTE PARISH SHERIFF**

Lafayette, Louisiana

**Agreed-Upon Procedures Report**

Year Ended June 30, 2018

# KOLDER, SLAVEN & COMPANY, LLC

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C. Burton Kolder, CPA\*  
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183 S. Beadle Rd.  
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Phone (337) 893-7944

1234 David Dr. Ste. 203  
Morgan City, LA 70380  
Phone (885) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70655  
Phone (337) 639-4737

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

\* A Professional Accounting Corporation

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The Honorable Mark Garber  
Lafayette Parish Sheriff and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Lafayette Parish Sheriff (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.



- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

### ***Board or Finance Committee***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds
  - c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

### ***Bank Reconciliations***

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 5 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

## Collections

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
  - a) We observed that receipts are sequentially pre-numbered.
  - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) We traced the deposit slip total to the actual deposit per the bank statement.
  - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) We traced the actual deposit per the bank statement to the general ledger.

## Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) We observed that the disbursement matched the related original invoice/billing statement.
  - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

#### Credit Cards/Debit Cards/Fuel Cards/P-Cards

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder
  - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

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15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment.
  - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

***Payroll and Personnel***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### ***Ethics***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### ***Debt Service***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenant

***Other***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Exceptions:**

No exceptions were found as a result of applying the procedures listed above except:

**Written Policies and Procedures:**

1. The entity does not have written policies and procedures addressing requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

***Management's response:*** The entity will update their written policies and procedures to include requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Collections:**

2. Of the 5 deposits tested, 3 were not made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

***Management's response:*** The entity will ascertain that all collections of \$100 or more will be deposited within one business day of receipt.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

3. Of the 5 credit cards tested, one did not have written documentation of the business/public purpose.

***Management's response:*** The entity will ascertain that all credit card's purchases will have written documentation of the business/public purpose.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Lafayette Parish Sheriff and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana  
December 11, 2018