

**LAFAYETTE PARISH SHERIFF**

**FINANCIAL REPORT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2012**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Michael W. Neustrom  
Lafayette Parish Sheriff  
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of and for the year then ended June 30, 2012, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lafayette Parish Sheriff. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 28, 2012 on our consideration of the Lafayette Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding in progress of OPEB plan on pages 3 through 12, 49 and 50 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.

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

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

Lafayette, Louisiana  
November 28, 2012

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

Within this section of the Lafayette Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2012. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section:

**FINANCIAL HIGHLIGHTS**

The Sheriff's assets exceed its liabilities by \$4,739,910 (net assets) for the fiscal year reported.

The Sheriff's governmental funds reported total ending fund balance of \$41,048,707 this year. This compares to the prior year ending fund balance of \$22,472,802 showing an increase of \$18,575,905 during the current year. The increase from operations in the general fund and special revenue funds accounted for an increase of \$793,716, the remaining increase is attributable to proceeds from a bond issue in the amount of \$21,000,000 for the purpose of constructing a new public safety complex. Current year fund balance, without regard to the bond issue, would have been \$23,266,518.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,477,544, or 46% of total General Fund expenditures and 45% of total General Fund revenues. This represents an increase in General Fund unassigned fund balance of \$848,569.

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

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

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by sales and property taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 15 and 16 of this report.

**FUND FINANCIAL STATEMENTS**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff's operations are reported in two different types of funds.

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

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

The basic governmental fund financial statements are presented on pages 19 - 22 of this report.

The Sheriff is the trustee, or Fiduciary, for his employee's health insurance fund, as well as assets that are received and held in trust for other governmental agencies. The largest of these trust agreements is for the collecting and disbursing of ad valorem taxes. These assets are reported separate from other financial statements, as these funds are not available to the Sheriff to finance his operations.

The basic agency fund financial statement is presented on page 23 of this report in summary form for all agency funds. A more detailed breakdown of individual funds can be found in the section titled Other Supplementary Information beginning on page 55.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

*Notes to the basic financial statements:*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

*Other information:*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and the Inmate Welfare special revenue fund. These statements and schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found starting on page 48 of this report.

In addition, more detailed general fund budget information is presented as supplementary information and can be found on page 52 and 53 of this report.

**FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE**

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



Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

The Sheriff's net assets at fiscal year-end are \$4,739,910. The following table provides a summary of the Sheriff's net assets:

**Summary of Net Assets**

	2012	2011
<b>Assets</b>		
Current and Other Assets	\$ 44,419,959	\$ 24,685,075
Capital Assets Net of Accumulated Depreciation	6,719,767	8,301,547
Construction in Progress	5,044,083	-
Unamortized Debt Expense	56,733	-
Total Assets	\$ 56,240,542	\$ 32,986,622
<b>Liabilities</b>		
Current liabilities	\$ 4,241,423	\$ 2,212,273
Non-current liabilities	47,259,209	22,425,962
Total Liabilities	51,500,632	24,638,235
<b>Net Assets</b>		
Investment in Capital Assets Net of Related Debt	13,986,891	8,301,546
Restricted for Capital Projects	19,091,217	-
Unrestricted	(28,338,198)	46,841
Total Net Assets	4,739,910	8,348,387
Total Liabilities and Net Assets	\$ 56,240,542	\$ 32,986,622

The Sheriff continues to maintain a better than average current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 10 to 1.

The Sheriff reported positive balances in net assets for governmental activities. The general fund reported a increase in fund balance of \$857,565.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

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

**Summary of Changes in Net Assets  
From Governmental Activities**

Revenues	<u>2012</u>	<u>2011</u>
Program:		
Charges for Services	\$ 12,244,456	\$ 11,994,982
Operating Grants and Contributions	1,406,454	1,345,797
General:		
Property Taxes	27,546,698	27,177,254
Sales Taxes	5,987,707	5,267,003
State Revenue Sharing	829,860	813,187
State Supplemental Pay	2,103,443	2,143,734
Investment Earnings	123,874	120,766
Gain (Loss) on Sale of Assets	(11,981)	34,033
Other General Revenues	<u>537,715</u>	<u>644,673</u>
Total General Revenues	<u>50,768,226</u>	<u>49,541,429</u>
Program Expenses		
Public Safety	54,163,491	55,268,816
Interest on Long Term Debt	<u>213,212</u>	<u>-</u>
Total Expenses	<u>54,376,703</u>	<u>55,268,816</u>
Change in Net Assets	<u>(3,608,477)</u>	<u>(5,727,387)</u>
Beginning Net Assets	<u>8,348,387</u>	<u>14,075,774</u>
Ending Net Assets	<u>\$ 4,739,910</u>	<u>\$ 8,348,387</u>

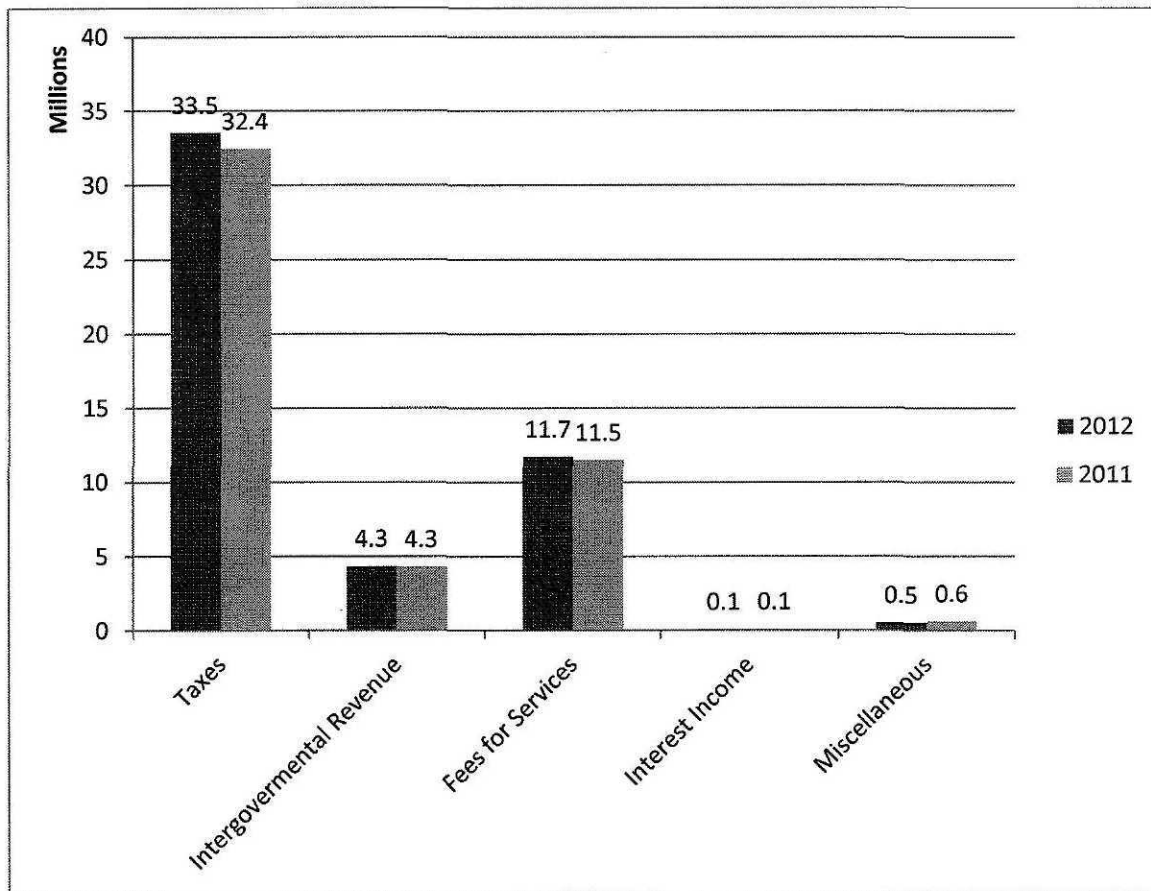
Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

*GOVERNMENTAL REVENUES*

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 54% of the Sheriff's total revenues. Because of the Sheriff's financial position, \$123,874 in interest was earned to help support governmental activities. Also, note that program revenues offset 27% of governmental operating expenses. Therefore, the Sheriff's other general revenue and taxes fund 73% of operations.

Revenues by Source



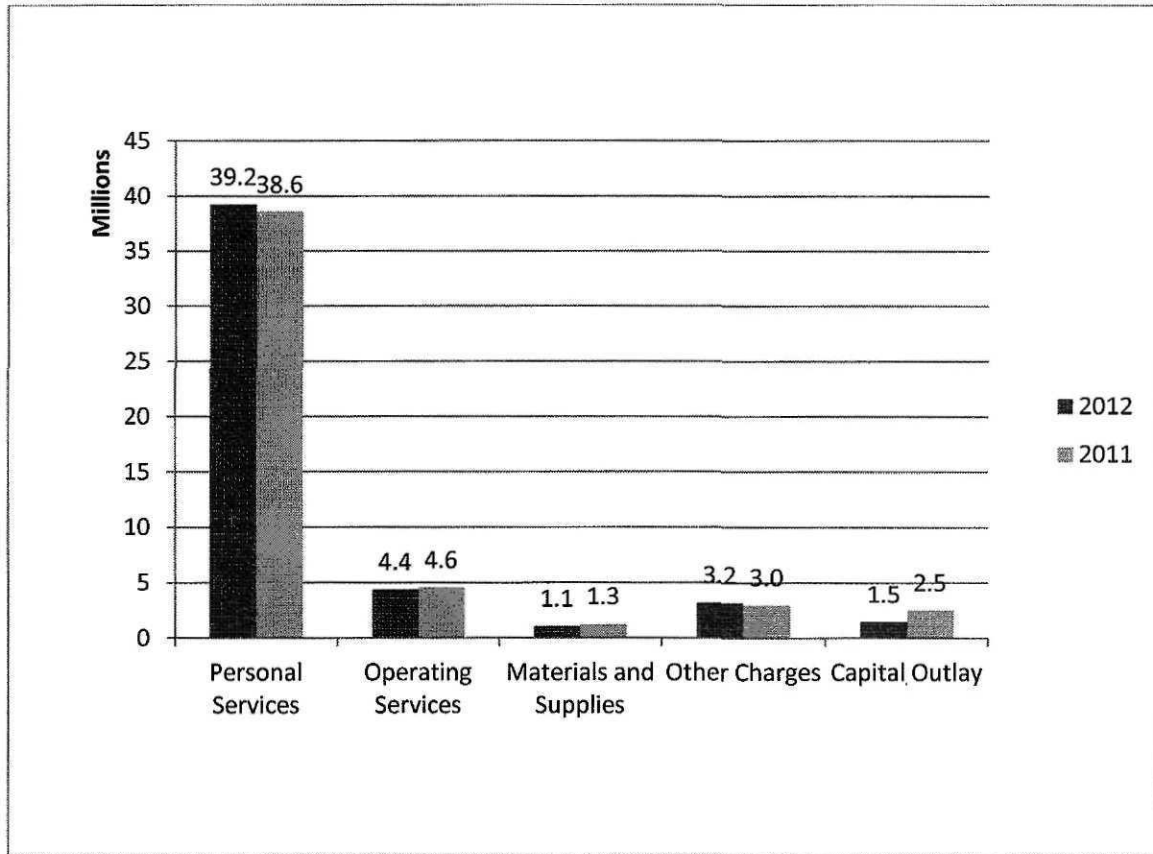
Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

*GOVERNMENTAL FUNCTIONAL EXPENSES*

The total function of the Sheriff's office is public safety activities. Of the total costs, depreciation on equipment and vehicles was \$1.5m.

Expenditures by Type



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

*Governmental Funds:*

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$41,048,707, an increase of \$18,575,905 from last year. Of this total, \$581,771 is restricted for inventory and prepaid expenses, \$17,782,189 is restricted for capital projects with the remainder available for continuing Sheriff's activities.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

**MAJOR GOVERNMENTAL FUNDS**

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$857,565 from the prior year. Of this total, \$793,716 was a result of operations.

Operating expenditures were approximately \$49.3m, a decrease of 1% from fiscal 2011. The vast majority of the decrease can be attributed to a reduction in capital expenditures of approximately \$1m.

**BUDGETARY HIGHLIGHTS**

*General Fund*

The General Fund final budgeted revenue exceeded the original budgeted amount by 1% or \$590k. Some revenue variances of note are:

- Sales tax revenue of \$1m greater than expected. Sales tax was budgeted conservatively, however economic conditions improved beyond expectations.
- Contractual Arrangements did not meet expectations and were down \$200k.
- An increase in fees generated through the Civil department of \$300k.

Some areas of note in expenditures are:

- Personal Services
  - Salaries and staffing levels remained rather constant as salary expense actually decreased from the prior year.
  - A substantial increase (13%) in the cost of providing hospitalization insurance was recognized in 2012. The Sheriff provides coverage to his employees through a self-funded health plan and the cost of this plan is driven by claims activity.
- Capital Outlay
  - Capital Outlay decreased in 2012. In 2011, design costs for the Sheriff's new facility were paid out of existing funds.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

The Sheriff's investment in capital assets, net of accumulated depreciation increased by \$3.4m in 2012. The increase was a result of an increase in Construction in Progress of \$3.9 all of which is attributable to the public safety complex currently under construction.

	Capital Assets	
	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Depreciable Assets		
Buildings and Improvements	\$ 8,181,722	\$ 8,050,650
Equipment and Furniture	6,622,458	9,395,235
Vehicles	5,472,782	4,966,541
Construction in Progress	<u>5,044,083</u>	<u>1,101,247</u>
 Total Depreciable Assets	 25,321,045	 23,513,673
 Less Accumulated Depreciation	 <u>13,557,195</u>	 <u>15,212,126</u>
 Book Value - depreciable assets	 <u>\$ 11,763,850</u>	 <u>\$ 8,301,547</u>
 Percentage depreciated	 <u>54%</u>	 <u>65%</u>

At June 30, 2012, the depreciable capital assets for governmental activities were 54% depreciated compared to 65% in 2011.

*Long-Term Debt*

At the end of the fiscal year, the Sheriff had debt in the form of Bonds Payable, Claims Payable, OPEB Liability(see below), and Compensated Absences. The total obligation for these liabilities is \$48.6m, of which \$1.6m represents the current portion.

Beginning with the fiscal year ended June 30, 2008, the Sheriff is recognizing his future OPEB (Other Post Employment Benefits) obligations as required by GASB Statement number 45. The actuarial unfunded liability at June 30, 2012 is \$24m. GASB 45 attempts to record future costs for post retirement benefits in the periods in which they are earned, as opposed to when actually paid. This represents an increase in OPEB liability of \$4.2m. As the unfunded actuarial accrued liability continues to be amortized along with current costs, the accumulated liability will eventually cause a negative balance in the government wide statement of net assets, if no changes are made to the benefits afforded to retirees of The Lafayette Parish Sheriff's Office. Plans are currently being discussed to limit the benefits afforded to future retirees, which will require a change to state law.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

In March 2012, the Sheriff issued \$21m of Tax Revenue Bonds for the purpose of constructing the Sheriff's Public Safety Complex. The bonds are to be repaid over 20 years and carry an interest rate of 2.75%. The bonds are secured by a state constitutionally mandated ad valorem tax of 8.03 mills which in 2012 generated \$13m. Annual debt service in fiscal 2013 will be \$1.25m. Over the life of the bonds, the annual debt service will increase slightly to a maximum in year 20 of \$1.5m inclusive of interest costs.

Once the facility is opened, it is projected to break even at such time that there are 215 state inmates housed in the facility. This does not include the cost of debt service. Projections also indicate that it will take 2 to 3 years before the inmate population reaches that total.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were taken into consideration when preparing the fiscal 2013 budget. Most revenues are expected to remain steady. A 3% increase is expected in property tax revenues as a result of the 2012 reassessment. As property taxes are the Sheriff's largest source of revenue, a 3% increase will result in approximately \$800k in additional tax revenue. Sales tax should remain steady in 2013. Also, the Sheriff has entered into an inter-governmental agreement with the Lafayette Consolidated Government (LCG) whereby the Sheriff will receive \$1m in Capital Funds annually in lieu of payment for booking and housing city arrestees. In the past, LCG paid \$285k annually which was not sufficient to cover the associated cost of the Sheriff providing this service.

As reported in previous years, the Sheriff began construction in March 2012 on the new public safety complex. This facility will replace the outdated and inefficient current location as well as provide housing for outside workers with the future added potential of housing federal inmates.

The majority of other revenues and expenditures are expected to remain fairly constant in fiscal year 2013 with the exception of capital expenditures. The public safety complex is expected to cost \$25m to construct with another \$1m to equip and furnish. The Sheriff decided to sell \$21m of tax revenue bonds and use another \$5m of accumulated reserves to complete the project. The 2013 budget reflects these additional funds.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Keith Sibille, CFO, Lafayette Parish Sheriff's Office, Post Office Box 3508, Lafayette, Louisiana 70502.

**BASIC FINANCIAL STATEMENTS**



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

LAFAYETTE PARISH SHERIFF

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 19,773,701
Restricted Cash	19,091,217
Investments	1,330,542
Other Receivables	9,664
Due From Other Governmental Units	3,633,064
Inventory	83,188
Prepays	<u>498,583</u>
Total Current Assets	<u>44,419,959</u>
Non-current Assets:	
Capital Assets, Net of Accumulated Depreciation	6,719,767
Construction In Progress	5,044,083
Unamortized Debt Expense	<u>56,733</u>
Total Non-Current Assets	<u>11,820,583</u>
TOTAL ASSETS	<u>\$ 56,240,542</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE PARISH SHERIFF

STATEMENT OF NET ASSETS

JUNE 30, 2012

GOVERNMENTAL  
ACTIVITIES

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 1,782,925
Accrued Expenses	339,642
Due to Other Governmental Units	505,137

Claims Payable - Current	822,319
Current Portion-Bonds Payable	680,000
Current Portion-Compensated Absences	111,400

Total Current Liabilities	<u>4,241,423</u>
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Non-current Liabilities:

Bonds Payable - Long Term	20,320,000
Bond Premium, Net	314,257
Other Post Employment Benefits	24,328,774
Accrued Compensated Absences	2,296,178

Total Noncurrent Liabilities	<u>47,259,209</u>
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TOTAL LIABILITIES	<u>51,500,632</u>
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**NET ASSETS**

Invested in Capital Assets, Net of Related

Debt	13,986,891
Restricted for Capital Projects	19,091,217
Unrestricted	<u>(28,338,198)</u>

TOTAL NET ASSETS	<u>4,739,910</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 56,240,542</u>
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The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

		Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Public Safety	\$ 54,163,491	\$ 12,244,456	\$ 1,406,454	\$ (40,512,581)
Interest on Long-Term Debt	<u>213,212</u>	<u>-</u>	<u>-</u>	<u>(213,212)</u>
 Total Governmental Activities	 <u>\$ 54,376,703</u>	 <u>\$ 12,244,456</u>	 <u>\$ 1,406,454</u>	 <u>(40,725,793)</u>
 General Revenues:				
Property Taxes				27,546,698
Sales Taxes				5,987,707
State Revenue Sharing				829,860
State Supplemental Pay				2,103,443
Investment Earnings				123,874
Loss on Sale of Assets				(11,981)
Other General Revenues				<u>537,715</u>
Total General Revenues				<u>37,117,316</u>
 Change in Net Assets				 (3,608,477)
Net Assets-Beginning				<u>8,348,387</u>
Net Assets-Ending				<u>\$ 4,739,910</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **GENERAL FUND**

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

### **SPECIAL REVENUE FUND**

#### **Inmate Welfare Fund**

The monies in this account are generated primarily from sales of commissary goods as well as the operations of the inmate industries program - LAPPCORR. These funds are used to pay inmate work crews, to purchase recreation equipment to be used by inmates and to provide miscellaneous benefits for the indigent inmates.

### **CAPITAL PROJECTS FUND**

This fund is used to account for the construction of the Public Safety Complex currently being built. The source of funds for this project come from the Limited Tax Revenue Bond Series 2012.

LAFAYETTE PARISH SHERIFF

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012

	General Fund	Special Revenue Fund Non-Major	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 142,837	\$ -	\$ -	\$ 142,837
Interest-Bearing Deposits	19,459,138	171,726	19,091,217	38,722,081
Investments	1,330,542	-	-	1,330,542
Prepaid Expenses	498,583	-	-	498,583
Inventory	-	83,188	-	83,188
Receivables:				
Due From Other Governmental Units	3,552,929	80,135	-	3,633,064
Due From Other Funds	5,671	30	-	5,701
Other	9,664	-	-	9,664
 Total Assets	 <u>\$ 24,999,364</u>	 <u>\$ 335,079</u>	 <u>\$ 19,091,217</u>	 <u>\$ 44,425,660</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 437,911	\$ 35,986	\$ 1,309,028	\$ 1,782,925
Due to Other Governmental Units	505,137	-	-	505,137
Due to Other Funds	30	5,671	-	5,701
Other Accrued Liabilities	1,080,159	3,031	-	1,083,190
Deferred Revenue	-	-	-	-
Total Liabilities	<u>2,023,237</u>	<u>44,688</u>	<u>1,309,028</u>	<u>3,376,953</u>
Fund Balances:				
Nonspendable	498,583	83,188	-	581,771
Restricted	-	207,203	17,782,189	17,989,392
Unassigned	22,477,544	-	-	22,477,544
Total Fund Balances	<u>22,976,127</u>	<u>290,391</u>	<u>17,782,189</u>	<u>41,048,707</u>
Total Liabilities and Fund Equity	<u>\$ 24,999,364</u>	<u>\$ 335,079</u>	<u>\$ 19,091,217</u>	<u>\$ 44,425,660</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE PARISH SHERIFF

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2012

Total Governmental Fund Balances	\$ 41,048,707
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,763,850
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(47,939,209)
To recognize interest accrual at year end.	(190,171)
Bond issuance costs are reported as expenditures in governmental funds. Total costs were \$85,100 and accumulated amortization of \$28,367.	<u>56,733</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 4,739,910</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.



LAFAYETTE PARISH SHERIFF

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund Non-Major	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 27,546,698	\$ -	\$ -	\$ 27,546,698
Sales Tax Revenue	5,987,707	-	-	5,987,707
Intergovernmental Revenues -				
Federal Grants	159,870	-	-	159,870
State Revenue Sharing (Net)	829,860	-	-	829,860
State Supplemental Pay	2,103,443	-	-	2,103,443
State, City and Parish Grants	1,246,584	-	-	1,246,584
Fees, Charges, and Commissions for Services -				
Civil and Criminal Fees	2,774,961	-	-	2,774,961
Court Attendance	28,375	-	-	28,375
Feeding and Keeping Prisoners	3,880,019	-	-	3,880,019
Commissary Commission Income	-	293,964	-	293,964
Product Sales	-	226,025	-	226,025
Community Corrections	1,951,470	-	-	1,951,470
Interest Income	99,135	1,049	23,690	123,874
Contractual Arrangements	3,089,642	-	-	3,089,642
Miscellaneous	530,070	7,645	-	537,715
Total Revenues	<u>50,227,834</u>	<u>528,683</u>	<u>23,690</u>	<u>50,780,207</u>
<b>Expenditures:</b>				
Current -				
Public Safety:				
Personal Services and Related Benefits	39,247,191	59,126	-	39,306,317
Operating Services	4,383,254	170,617	54,861	4,608,732
Materials and Supplies	1,067,821	342,616	-	1,410,437
Other Charges	3,190,134	2,239	401	3,192,774
Capital Outlay	1,481,869	17,934	3,505,822	5,005,625
Total Expenditures	<u>49,370,269</u>	<u>592,532</u>	<u>3,561,084</u>	<u>53,523,885</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>857,565</u>	<u>(63,849)</u>	<u>(3,537,394)</u>	<u>(2,743,678)</u>
Other Financing Sources (Uses):				
Proceeds from Bond Issuance	-	-	21,000,000	21,000,000
Premium on Bond Issuance	-	-	319,583	319,583
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>21,319,583</u>	<u>21,319,583</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>857,565</u>	<u>(63,849)</u>	<u>17,782,189</u>	<u>18,575,905</u>
Fund Balances, Beginning	<u>22,118,562</u>	<u>354,240</u>	<u>-</u>	<u>22,472,802</u>
Fund Balances, Ending	<u>\$ 22,976,127</u>	<u>\$ 290,391</u>	<u>\$ 17,782,189</u>	<u>\$ 41,048,707</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Net Change in Fund Balances - Total Governmental Funds \$18,575,905

*Amounts reported for governmental activities in the  
Statement of Activities are 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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 3,474,284

Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (4,332,428)

In the statement of activities, long term bonds are reported as a liabilities, whereas in the governmental funds, the proceeds from the bonds increase financial resources. Thus, the change in net assets differs from the change in fund balance by the difference, net of bond premium amortization of \$5,326. (21,314,257)

In the statement of activities, only the gain (loss) on sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the difference. (11,981)

*Change in Net Assets of Governmental Activities* \$ (3,608,477)

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE PARISH SHERIFF

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2012

	<u>Total Agency Funds</u>
Assets:	
Cash and Interest Bearing Deposits	\$ 2,914,627
Total Assets	<u>\$ 2,914,627</u>
Liabilities:	
Due to Taxing Bodies and Others	\$ 2,551,756
Due to Prisoners	<u>362,871</u>
Total Liabilities	<u>\$ 2,914,627</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Lafayette Parish Sheriff (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, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, 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 accompanying financial statements of the Lafayette Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Lafayette Parish Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

1. Financial 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 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 government, 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**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

2. Basis of Presentation

*Government-Wide Financial Statements (GWFS)*

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff, except the fiduciary funds. The Sheriff has no business-type activities.

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

Fiduciary funds are also excluded from the government-wide financial statements.

*Fund Financial Statements (FFS)*

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Sheriff (with the exception of the fiduciary funds) are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Governmental Funds:

*General Fund*

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include state revenue sharing, sales tax revenue, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund. This fund is considered to be a major fund.

*Special Revenue Fund*

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

*Capital Projects Fund*

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds -

*Agency Funds*

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, inmate monies, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, deputies, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

3. Basis of Accounting/Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Measurement Focus –**

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting –**

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. 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 (including capital outlay) are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

4. Budget and Budgetary Accounting

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

- a. The chief financial officer prepares a proposed budget 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 is 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 a 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 included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

5. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits are stated at cost, which approximates market. Cash includes amounts in demand deposits as well as time deposits with an original maturity date within three months of the date acquired by the government.

6. Investments

Under State law, the Sheriff may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost. 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. At June 30, 2012, the Sheriff's investments in LAMP, which are stated at fair value based on quoted market rates, amounted to \$1,330,542.



LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

7. Interfund Transactions

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

8. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated cost if historical cost is not available. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	30 years
Building improvements	20 years
Vehicles	3 years
Office Furniture	10 years
Computer Equipment	3 years
Other Machinery and Equipment	5 years

9. Compensated Absences

Full-time 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 30<sup>th</sup> 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 leave is paid only to employees who retire from the Sheriff's Pension and Relief Fund upon termination of employment with the Lafayette Parish Sheriff's Office. The amount of sick leave paid is prorated on a sliding scale based upon years of service to Lafayette Parish. At June 30, 2012, the Sheriff has accrued vested leave benefits as required to be reported in accordance with GASB statement No. 16, "Accounting for Compensated Absences."

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

10. Post-Employment Health Care and Life Insurance Benefits

The Sheriff has established a policy regarding health and life insurance for retired employees. During the 2000 regular session of the Louisiana State Legislature, L.R.S. 33:1448(G) was enacted requiring the Sheriff to pay certain premium costs of health and life insurance benefits based on age and service requirements. The Sheriff's policy follows these guidelines in determining retiree eligibility to receive benefits at the Sheriff's expense. All expenses related to these benefits are recorded in the financial statements. Should an officer become disabled in the line of duty, the Sheriff will waive one-half of the cost of the officer's health insurance. At June 30, 2012, three officers are receiving waivers due to disability incurred in the line of duty. The cost of health insurance paid for these officers during the year ended June 30, 2012 was \$7,251.

11. Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use 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. The Sheriff has \$19,091,217 restricted for capital projects at June 30, 2012.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. The Sheriff elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

- a. Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as non-spendable at June 30, 2012, by the Sheriff are non-spendable in form. The Sheriff has not reported any amounts that are legally or contractually required to be maintained intact.
- b. Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation. The Capital Projects Fund has Restricted Funds of \$17,782,189, consisting of unspent bond proceeds.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

11. Equity Classifications - continued

- c. Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Sheriff who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the Sheriff.
- d. Assigned – includes amounts that the Sheriff intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Sheriff or his designee may assign amounts to this classification.
- e. Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The Sheriff reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for 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, as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

12. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

13. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2012 are recorded as prepaid items.

14. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires 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 amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$47,939,209 are as follows:

Compensated Absences	\$ (2,296,178)
Other Post Employment Benefits	(24,328,774)
Bonds Payable	(21,000,000)
Bond Premiums, net of \$5,326 Amortization	<u>(314,257)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Assets of Governmental Activities	\$ <u>(47,939,209)</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this difference are as follows:

Capital Outlay	\$ 5,005,625
Depreciation	<u>(1,531,341)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u>3,474,284</u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - continued**

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(4,332,428) difference are as follows:

Compensated Absences Decrease	\$ 75,927
Other Post Employment Benefits Increase	(4,274,917)
Bond Issuance Costs, Net of \$28,367 Amortization	56,733
Accrued Interest on Bonds Payable	<u>(190,171)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Net Changes in Net Assets of Governmental Activities	<u>\$ (4,332,428)</u>

**C. 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, 2012, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$41,779,545 of which \$2,914,627 is attributable to fiduciary funds, which are not presented in the statement of net assets.

*Custodial Credit Risk Relating to Deposits*

Custodial credit risk is the risk that, in the event of bank failure, the Sheriff's deposits might not be recovered. The Sheriff does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2012, \$42,521,130 of the Sheriff's bank balances of \$42,921,130 was exposed to custodial credit risk as follows:

Bank Balances	\$ <u>42,921,130</u>
Federal Deposit Insurance	\$ 500,000
Pledged Securities (Category 3)	<u>42,421,130</u>
Total	<u>\$ 42,921,130</u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**C. CASH AND INTEREST-BEARING DEPOSITS - continued**

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

**D. INVESTMENTS**

The Sheriff can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The Sheriff's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Sheriff or its agent in the Sheriff's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Sheriff's name.

In accordance with GASB Codification Section I50.165, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair 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 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.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**D. INVESTMENTS - continued**

At June 30, 2012, the Sheriff's investments totaled \$1,330,542 as follows:

Description	Category	Interest Rate	Carrying Amount/ Amortized Cost	Approximate Fair Market Value
Louisiana Asset Management Pool (LAMP)	N/A	variable	\$ 1,330,542	\$ 1,330,542

**E. 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 the 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, 2012, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.79 mills on property with assessed valuations totaling \$1,994,635,544. 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 2011 were \$27,598,416.

**F. INVENTORY**

Inventory is valued at average cost which approximates market. Inventory in the Special Revenue Fund consists of the raw materials necessary to make bags for resale to include the boxes for packaging. Inventory at year end consists of the following:

Raw Material	\$ 54,549
Finished Goods	<u>28,639</u>
Total	<u>\$ 83,188</u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**G. DUE FROM OTHER GOVERNMENTAL UNITS**

A summary of due from other governmental units of \$3,633,064 at June 30, 2012 follows:

Sales Tax Revenue	\$	1,153,864
Ad Valorem Tax Revenue		86,661
Intergovernmental Revenues -		
Federal Grants		11,636
State Supplemental Pay		1,361
State, City, and Parish Grants		454,476
Food Service Contracts		9,483
Fees, Charges and Commissions for Services -		
Civil and Criminal Fees		1,295
Court Attendance		4,850
Licenses		76,328
Telephone		26,328
Transporting Prisoners		15,891
Product Sales		80,135
Feeding and Keeping Prisoners -		
Parish Government		444,577
State Government		843,303
Other Contracts		55,788
Miscellaneous		<u>367,088</u>
 Total	 \$	 <u><u>3,633,064</u></u>

**H. INTERFUND TRANSACTIONS**

Purpose	Receivable Fund	Payable Fund	Amount
Due to/From:			
Repayment of Commissions	General	Special Revenue	\$ <u>5,671</u>
Repayment of Credit Card Receipts	Special Revenue	General	\$ <u>30</u>



**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**I. RETIREMENT COMMITMENTS**

All employees are members of one of the following retirement systems:

- Federal Social Security System
- Louisiana Sheriffs' Pension and Relief Fund

Pertinent information relative to each plan follows:

1. Federal Social Security System

All employees who are not eligible to participate in the Louisiana Sheriffs' Pension and Relief Fund are members of the Federal Social Security System. The Sheriff and its employees contribute a percentage of each employee's compensation to the System (7.65% contributed by the Sheriff; 7.65% by the employee). The Sheriff's contributions during the years ended June 30, 2012 and 2011 amounted to \$423,601 and \$427,214, respectively.

2. Louisiana Sheriffs' Pension and Relief Fund

Plan Description-

The Lafayette Parish Sheriff contributes to the Sheriffs' Pension and Relief Fund (Retirement System), a cost-sharing multiple employer defined benefit pension plan administered by the Sheriffs' Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriffs' Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136.

Funding Policy-

Plan members are required to contribute 10% of their annual covered salary and the Lafayette Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12% of annual covered payroll. The contribution requirements of plan members and the Lafayette Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. Beginning in July 2006, the Sheriff elected, as an additional benefit to employees, to begin paying one-half of the plan members' required contribution which is five percent. The Lafayette Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2012, 2011, and 2010 were \$4,677,138, \$4,553,970, and \$4,073,803, respectively.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012

J. OTHER POST EMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the Sheriff recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

Plan Description

Employees who retire under the Sheriff's Pension and Relief Fund are eligible to elect to continue coverage upon retirement. The Sheriff absorbs the full cost of premiums for health, dental, vision and \$10,000 of life insurance coverage for any deputy who, upon retirement, has attained the age of 55 with at least 15 years experience or has retired with 30 years of service at any age. Retirees may choose to continue coverage for his/her spouse at his/her own expense.

Benefits are administered by CIGNA Health Care as the third party administration for the health plan. No separate financial statements are issued.

The number of participants as of July 1, 2011, follows. There have been no significant changes in the number covered or the types of coverage since that date.

Active Employees	696
Retired Employees	109
Spouses of Retired Employees	<u>35</u>
Total	<u>840</u>

Funding Policy

The Sheriff currently pays for postemployment healthcare benefits on a pay-as-you-go basis. Although the Sheriff is studying the establishment of trusts to accumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume the pay-as-you-go funding will continue.

Annual Other Postemployment Benefit Cost

For the fiscal year ended June 30, 2012, the Sheriff's annual OPEB cost (i.e., expense) of \$5,152,302 is equal to the Annual Required Contributions. Considering the Sheriff's annual OPEB cost as well as the payment of current health insurance premiums, which totaled \$877,385 for retirees and their beneficiaries, the result was an increase in the Net OPEB Obligation of \$4,274,917 for the year ended June 30, 2012.

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2012**

**J. OTHER POST EMPLOYMENT BENEFITS - continued**

**Benefit Obligations and Normal Costs**

Actuarial Accrued Liability (AAL)	
Retired Employees	\$ 15,068,815
Active Employees	<u>27,731,492</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 42,800,307</u>
Normal Cost at Beginning of Year	\$ 28,514,388
Amortization Factor based on 30 years	16.6221
Annual Covered Payroll	27,565,327
UAAL as % of Covered Payroll	155.27%

**Level Dollar Amortization**

**Calculation of ARC under Projected Unit Credit Method**

ARC Normal Cost with Interest to End of Year	\$ 2,926,964
Amortization of UAAL with Interest to End of Year	<u>2,677,900</u>
Annual Required Contribution (ARC)	5,604,864
Interest on Net OPEB Obligation	802,154
Adjustment to ARC	<u>(1,254,716)</u>
Annual OPEB Cost (Expense)	5,152,302
Contribution for the Fiscal Year	<u>(877,385)</u>
Increase in Net OPEB Obligation	4,274,917
Net OPEB Obligation - Beginning of Year	<u>20,053,857</u>
Net OPEB Obligation - End of Year	<u>\$ 24,328,774</u>
Percent of Annual OPEB Cost Contributed	<u>17.0%</u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**J. OTHER POST EMPLOYMENT BENEFITS - continued**

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2012 and the preceding two years were as follows:

Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
6/30/2012	\$ 5,152,302	17.0%	\$ 24,328,774
6/30/2011	\$ 6,720,211	15.9%	\$ 20,053,857
6/30/2010	\$ 5,920,461	14.7%	\$ 14,403,875

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar open basis.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the liabilities were computed using the projected unit credit method and level dollar amortization. The actuarial assumptions utilized a 4% discount rate. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 4% rate. The valuation assumes a 12.13% healthcare cost trend increase (including 5.53% dental) for fiscal year 2012-13, reduced by varying decrements in each subsequent year.

**K. DEFERRED COMPENSATION PLAN**

The Sheriff has adopted Governmental Accounting Standards Board (GASB) Statement 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The Sheriff offers a deferred compensation plan to its employees. Under GASB-32, the Sheriff does not report the deferred compensation plan in the general purpose financial statements. During the fiscal year ended June 30, 2008, the Sheriff began matching the employees' deferred compensation amounts at a rate of 50 cents for every dollar contributed by the employee not to exceed two percent of annual gross pay. The total amount contributed for the years ended June 30, 2012 and 2011 was \$48,399 and \$48,771, respectively.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**L. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Governmental Activities:</b>				
Building and Improvements	\$ 8,050,650	\$ 131,072	\$ -	\$ 8,181,722
Equipment and Furniture	9,395,230	425,478	3,198,250	6,622,458
Vehicles	4,966,543	506,239	-	5,472,782
Construction in Progress	1,101,247	3,942,836	-	5,044,083
Total	<u>23,513,670</u>	<u>5,005,625</u>	<u>3,198,250</u>	<u>25,321,045</u>
<b>Less: Accumulated Depreciation</b>				
Building and Improvements	3,609,078	271,312	-	3,880,390
Equipment and Furniture	7,448,914	694,240	3,186,269	4,956,885
Vehicles	4,154,131	565,789	-	4,719,920
Total	<u>15,212,123</u>	<u>1,531,341</u>	<u>3,186,269</u>	<u>13,557,195</u>
<b>Net Capital Assets</b>	<u>\$ 8,301,547</u>	<u>\$ 3,474,284</u>	<u>\$ 11,981</u>	<u>\$ 11,763,850</u>

Depreciation expense for the year ended June 30, 2012 was \$1,531,341 and is charged to the public safety function.

**M. TAXES PAID UNDER PROTEST**

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2012, include \$432,401 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.

**N. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The Sheriff's long-term debt is attributable to governmental activities and includes bonds payable, compensated absences, claims payable and other post employment benefits. This debt will be liquidated by the general fund.

Included in long-term debt are Limited Tax Revenue Bonds Series 2012 which were issued in March 2012. 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.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**N. CHANGES IN GENERAL LONG-TERM OBLIGATIONS -continued**

The following is a summary of the long-term obligations transactions of the Lafayette Parish Sheriff for the year ended June 30, 2012:

	Balance at June 30, 2011	Additions	Deductions	Balance at June 30, 2012
Bonds Payable	\$ -	\$ 21,000,000	\$ -	\$ 21,000,000
Claims Payable	708,761	113,558	-	822,319
Post Employment Benefits Payable	20,053,857	4,274,917	-	24,328,774
Compensated Absences Payable	<u>2,464,832</u>	<u>-</u>	<u>57,254</u>	<u>2,407,578</u>
 Total Long-Term Obligations Payable	 <u>\$ 23,227,450</u>	 <u>\$ 25,388,475</u>	 <u>\$ 57,254</u>	 <u>\$ 48,558,671</u>
 Current Portion				 <u>\$ 1,613,719</u>

The bonds are due as follows:

Year ending June 30,	Principal Payments	Interest Payments
2013	\$ 680,000	\$ 570,513
2014	710,000	556,912
2015	740,000	542,713
2016	775,000	527,912
2017	805,000	512,412
2018-2022	4,590,000	2,303,475
2023-2027	5,675,000	1,651,719
2028-2032	<u>7,025,000</u>	<u>676,338</u>
Total	<u>\$ 21,000,000</u>	<u>\$ 7,341,994</u>

**O. LITIGATION, CLAIMS AND COMMITMENTS**

At June 30, 2012, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. The Sheriff's legal counsel has reviewed the Sheriff's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if any, of the amount or range of potential loss to the Sheriff. As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board. The claims and lawsuits that have been classified as "probable" have been accrued into these financial statements in the amount of \$53,461. Those classified as "reasonably possible" are estimated not to exceed \$73,624.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**O. LITIGATION, CLAIMS AND COMMITMENTS**

At June 30, 2012, the Sheriff has an uncompleted construction contract in the Capital Projects Fund relating to the new Public Safety Complex. The remaining commitment on this contract is approximately \$20,774,478.

**P. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH GOVERNMENT**

The Sheriff's administrative office and jail is 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.

**Q. RISK MANAGEMENT**

1. Commercial Insurance Coverage

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

2. Group Self-Insurance

During fiscal year ending June 30, 1993, the Sheriff established a Group Self-Insurance Plan. The cost of health insurance is accounted for in the General Fund. The Plan is being administered by CIGNA Life and Annuity Company, Inc. (CIGNA). The plan provided coverage for specific claims for up to a maximum of \$150,000 for each employee or employee dependent and aggregate claims up to a maximum of \$5,993,530 and \$5,308,948 for the fiscal years ended June 30, 2012 and 2011, respectively. The Sheriff purchased commercial insurance for claims in excess of coverage provided by the Fund. The Plan operates on a calendar year.

The claims liability of \$822,319 reported in the General Fund at June 30, 2012 is based on Governmental Accounting Standards Board Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the loss can be reasonably estimated.

Changes in the fund's claims liability amount in fiscal years 2012 and 2011 were:

Year Ended	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
June 30, 2012	\$ 708,761	\$ 6,107,088	\$ 5,993,530	\$ 822,319
June 30, 2011	\$ 629,985	\$ 5,387,724	\$ 5,308,948	\$ 708,761

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**R. JOINT VENTURE**

The Sheriff is a participant with the City-Parish Government of Lafayette, 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.

The Lafayette Metro Narcotics Task Force (the Task Force) was formed under a joint powers agreement entered into by the two government units listed above on October 5, 2000. The Task Force is governed by a four-member board composed of two appointees from the Sheriff, and two appointees from the City-Parish of Lafayette. The Sheriff and the City-Parish of Lafayette have agreed to provide, for each calendar year, a minimum of Sixty-Five Thousand Dollars each, for the operation of the Task Force. The Sheriff and the City-Parish may mutually agree to provide a lesser amount. The Sheriff does not hold an equity interest in the Task Force at June 30, 2012. For the year ended December 31, 2011, the Task Force reported an excess of revenues over expenditures in its General Fund of \$35,116, and an ending fund balance of \$466,902. Complete financial statements for the Task Force can be obtained from the Lafayette Parish Sheriff's Department at 316 West Main Street, Lafayette, Louisiana.

For the year ended June 30, 2012, the Sheriff paid \$45,000 to the Lafayette Metro Narcotics Task Force.

**S. OPERATING LEASES**

The Sheriff has entered into various operating leases for facilities and equipment. These leases are as follows:

- Lease of land for twenty years dated February 15, 2010. Annual rental payments of \$2,000 for years one through five, \$2,200 for years six through ten, \$2,420 for years 11 through 15 and \$2,662 for years 16-20.
- Lease of facility for three years commencing August 1, 2008 with rental payments of \$2,200 per month. This lease was renewed on August 1, 2011 for an additional three (3) years.

Future minimum lease payments related to these leases are as follows:

June 30,	
2013	\$28,400
2014	28,400
2015	4,400
2016	2,200
2017	2,200
2018-2022	11,600
2023-2027	12,786
2028-2029	<u>5,324</u>
Total	<u>\$95,310</u>

Rental payments included in these financial statements relating to these leases totaled \$28,400.



**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2012**

**T. EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand in the tax collector accounts at June 30, 2012 consists of:

Interest and other taxes	\$	231,779
Ad valorem taxes paid under protest		
These funds are held pending resolution of the protest.		<u>432,401</u>
Cash on hand at June 30, 2012	\$	<u>664,180</u>

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

Lafayette Parish Consolidated Government	\$	3,180,159
Lafayette Parish Courthouse and Jail		3,799,862
Lafayette Parish Roads/Highways/Bridges		11,643,156
Lafayette Parish Library		10,587,641
Lafayette Parish Health Unit		1,607,646
Lafayette Parish Detention and Correctional Facility		3,345,175
Lafayette Parish Juvenile and Rehab		1,899,935
Lafayette Parish Mosquito Abatement and Control		2,435,965
Lafayette Parish Airport Regional		2,776,829
Lafayette Parish Economic Development Authority		3,117,827
Lafayette Parish Assessment District		2,533,231
Lafayette Parish Law Enforcement District		27,264,772
Lafayette Parish Bayou Vermilion District		1,380,429
Lafayette Parish School Board		54,497,118
Lafayette Parish Drainage District		5,423,730
Lafayette Parish Teche-Vermilion Freshwater District		2,435,965
Lafayette Parish Downtown Development Commission		344,519
Other Municipalities		<u>1,222,547</u>
Total	\$	<u>139,496,506</u>

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2012**

**T. EX-OFFICIO TAX COLLECTOR - continued**

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

Lafayette Parish Consolidated Government	\$	44,509
Lafayette Parish Courthouse and Jail		49,121
Lafayette Parish Roads/Highways/Bridges		150,510
Lafayette Parish Library		136,866
Lafayette Parish Health Unit		20,781
Lafayette Parish Detention and Correctional Facility		43,243
Lafayette Parish Juvenile and Rehab		24,560
Lafayette Parish Mosquito Abatement and Control		31,489
Lafayette Parish Airport Regional		35,896
Lafayette Parish Economic Development Authority		40,304
Lafayette Parish Assessment District		32,747
Lafayette Parish Law Enforcement District		352,452
Lafayette Parish Bayou Vermilion District		17,844
Lafayette Parish School Board		353,919
Lafayette Parish Drainage District		70,113
Lafayette Parish Teche-Vermilion Freshwater District		31,489
Lafayette Parish Downtown Development Commission		3,503
Other Municipalities		17,144
Total	\$	<u>1,456,490</u>

These taxes were adjudications and reductions to the tax rolls.

**U. DISTRIBUTION OF STATE REVENUE SHARING FUNDS**

State revenue sharing funds provided by Act 956 of 1991 to the Tax Collector Agency Fund were distributed as follows:

Lafayette Parish:		
Council	\$	1,088,345
School Board		2,021,671
Airport District		46,988
Teche-Vermilion Fresh Water District		50,602
Economic Development Authority		115,661
Bayou Vermilion District		45,184
Sheriff		829,860
Special Assessment District		93,975
Pension Funds		57,168
Total	\$	<u>4,349,454</u>

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2012**

**V. SUBSEQUENT EVENT**

The Sheriff has evaluated subsequent events through November 28, 2012, the date which these financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL (GAAP BASIS)  
 YEAR ENDED JUNE 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	\$ 44,550,343	\$ 44,011,745	\$ 45,258,872	\$ 1,247,127
Federal, State and Parish Appropriations	4,555,007	4,335,971	4,339,757	3,786
Other Revenues	664,924	590,695	629,205	38,510
Total Revenues	<u>49,770,274</u>	<u>48,938,411</u>	<u>50,227,834</u>	<u>1,289,423</u>
Expenditures:				
Current -				
Public Safety:				
Personal Services and Related Benefits	38,946,605	38,576,273	39,247,191	(670,918)
Operating Services	4,563,022	4,303,641	4,383,254	(79,613)
Materials and Supplies	947,724	1,001,985	1,067,821	(65,836)
Other Charges	2,858,605	2,909,227	3,190,134	(280,907)
Capital Outlay	1,142,343	1,602,733	1,481,869	120,864
Total Expenditures	<u>48,458,299</u>	<u>48,393,859</u>	<u>49,370,269</u>	<u>(976,410)</u>
Excess of Revenues Over Expenditures	<u>1,311,975</u>	<u>544,552</u>	<u>857,565</u>	<u>313,013</u>
Fund Balance, Beginning	<u>22,118,562</u>	<u>22,118,562</u>	<u>22,118,562</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 23,430,537</u>	<u>\$ 22,663,114</u>	<u>\$ 22,976,127</u>	<u>\$ 313,013</u>

**LAFAYETTE PARISH SHERIFF**

**SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN-  
FOR THE YEAR ENDED JUNE 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Accrued Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
7/1/2009	\$ -	\$ 48,653,685	\$ 48,653,685	-	\$ 26,647,062	182.59%
7/1/2010	\$ -	\$ 56,900,971	\$ 56,900,971	-	\$ 27,728,133	205.21%
7/1/2011	\$ -	\$ 42,800,307	\$ 42,800,307	-	\$ 27,565,327	155.27%

**OTHER SUPPLEMENTARY  
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)  
YEAR ENDED JUNE 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes:				
Ad Valorem Taxes	\$ 27,928,163	\$ 27,215,721	\$ 27,546,698	\$ 330,977
Sales Tax Revenue	4,869,890	5,613,913	5,987,707	373,794
Civil and Criminal Fees	2,695,473	2,690,886	2,774,961	84,075
Court Attendance	17,950	27,100	28,375	1,275
Feeding and Keeping Prisoners	3,510,845	3,435,490	3,880,019	444,529
Community Corrections	2,198,451	1,788,005	1,951,470	163,465
Contractual Arrangements	3,329,571	3,240,630	3,089,642	(150,988)
Total Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	<u>44,550,343</u>	<u>44,011,745</u>	<u>45,258,872</u>	<u>1,247,127</u>
Federal, State and Parish Appropriations:				
Federal Grants	359,290	154,551	159,870	5,319
State Revenue Sharing (Net)	811,063	829,860	829,860	-
State Supplemental Pay	2,166,025	2,112,634	2,103,443	(9,191)
State, City and Parish Grants	1,218,629	1,238,926	1,246,584	7,658
Total Federal, State and Parish Appropriations	<u>4,555,007</u>	<u>4,335,971</u>	<u>4,339,757</u>	<u>3,786</u>
Other Revenues:				
Interest Income	82,417	77,180	99,135	21,955
Miscellaneous	582,507	513,515	530,070	16,555
Total Other Revenues	<u>664,924</u>	<u>590,695</u>	<u>629,205</u>	<u>38,510</u>
Total Revenues	<u>\$ 49,770,274</u>	<u>\$ 48,938,411</u>	<u>\$ 50,227,834</u>	<u>\$ 1,289,423</u>



LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
YEAR ENDED JUNE 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
Public Safety -				
Personal Services and Related Benefits:				
Sheriff Salary	\$ 133,150	\$ 128,544	\$ 128,544	\$ -
Deputies Salaries	27,729,434	27,388,826	27,436,783	(47,957)
Pension and Payroll Taxes	5,106,092	5,135,847	5,163,193	(27,346)
Sheriff's Expense Allowance	11,726	11,426	12,855	(1,429)
Hospitalization Insurance	5,858,333	5,829,666	6,394,352	(564,686)
Other Employee Expenses	107,870	81,964	111,464	(29,500)
Total Personal Services and Related Benefits	<u>38,946,605</u>	<u>38,576,273</u>	<u>39,247,191</u>	<u>(670,918)</u>
Operating Services:				
Auto and Liability Insurance	1,876,240	1,461,483	1,504,970	(43,487)
Leases	189,699	233,266	244,941	(11,675)
Telephone and Utilities	434,829	445,187	463,425	(18,238)
Fuel and Oil	749,354	921,663	987,212	(65,549)
Maintenance and Repairs	867,261	815,804	776,708	39,096
Legal and Professional Fees	445,639	426,238	405,998	20,240
Total Operating Services	<u>4,563,022</u>	<u>4,303,641</u>	<u>4,383,254</u>	<u>(79,613)</u>
Materials and Supplies:				
Uniforms	152,374	200,870	214,394	(13,524)
Small Equipment and Supplies	419,424	434,991	504,563	(69,572)
Ordinance	53,000	1,306	4,691	(3,385)
Office Expense	302,905	317,800	284,370	33,430
Publications	20,021	47,018	59,803	(12,785)
Total Materials and Supplies	<u>947,724</u>	<u>1,001,985</u>	<u>1,067,821</u>	<u>(65,836)</u>
Other Charges:				
Prisoner Feeding and Maintenance	2,236,499	2,337,228	2,611,562	(274,334)
Criminal Investigation Expense	188,406	142,015	160,402	(18,387)
Training, Travel and Conventions	253,203	250,736	271,526	(20,790)
Dues	85,622	98,886	81,993	16,893
Juvenile Programs	1,875	867	1,100	(233)
Canine	18,000	19,495	18,551	944
Appropriation to Parish Government -				
Metro Narcotics	75,000	60,000	45,000	15,000
Total Other Charges	<u>2,858,605</u>	<u>2,909,227</u>	<u>3,190,134</u>	<u>(280,907)</u>
Capital Outlay	<u>1,142,343</u>	<u>1,602,733</u>	<u>1,481,869</u>	<u>120,864</u>
Total Expenditures	<u>\$48,458,299</u>	<u>\$48,393,859</u>	<u>\$49,370,269</u>	<u>\$ (976,410)</u>

**LAFAYETTE PARISH SHERIFF**

**SPECIAL REVENUE FUND  
INMATE WELFARE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2012**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self Generated Commissions and Sales	\$ 445,681	\$ 442,159	\$ 519,989	\$ 77,830
Other	<u>3,219</u>	<u>8,211</u>	<u>8,694</u>	<u>483</u>
Total Revenues	<u>448,900</u>	<u>450,370</u>	<u>528,683</u>	<u>78,313</u>
Expenditures:				
Current -				
Personal Services and Related Benefits	42,222	49,804	59,126	(9,322)
Operating Services	152,487	167,397	170,617	(3,220)
Materials and Supplies	304,231	334,989	342,616	(7,627)
Prisoner Maintenance and Other Charges	3,975	7,658	2,239	5,419
Capital Outlay	-	-	17,934	(17,934)
Total Expenditures	<u>502,915</u>	<u>559,848</u>	<u>592,532</u>	<u>(32,684)</u>
Excess (Deficiency) of Revenues over Expenditures	(54,015)	(109,478)	(63,849)	45,629
Fund Balance, Beginning	<u>354,240</u>	<u>354,240</u>	<u>354,240</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 300,225</u>	<u>\$ 244,762</u>	<u>\$ 290,391</u>	<u>\$ 45,629</u>

## **FIDUCIARY FUND TYPE - 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 receipt and subsequent disbursement of commissions received from vending machine sales, fees received for a benefit golf tournament and other deputy activities.

### **Bond Fund**

To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

### **Prison Inmate Fund**

To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

### **Evidence Fund**

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

### **State Background Check Fund**

To account for collections and disbursements of fees collected to perform state background checks.

**LAFAYETTE PARISH SHERIFF**  
**FIDUCIARY FUND TYPE - AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2012**

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Deputy Fund</u>	<u>Bond Fund</u>	<u>Prison Inmate Fund</u>	<u>Evidence Fund</u>	<u>Background Check Fund</u>	<u>Total</u>
<b>ASSETS</b>								
Cash	\$ -	\$ -	\$ -	\$ 1,800	\$ 200	\$ 246,419	\$ -	\$ 248,419
Interest-Bearing Deposits	486,278	664,180	9,789	1,121,136	384,774	-	51	2,666,208
Total Assets	<u>\$ 486,278</u>	<u>\$ 664,180</u>	<u>\$ 9,789</u>	<u>\$ 1,122,936</u>	<u>\$ 384,974</u>	<u>\$ 246,419</u>	<u>\$ 51</u>	<u>\$2,914,627</u>
<b>LIABILITIES</b>								
Due to Taxing Bodies and Others	\$ 486,278	\$ 664,180	\$ 9,789	\$ 1,122,936	\$ 22,103	\$ 246,419	\$ 51	\$2,551,756
Due to Prisoners	-	-	-	-	362,871	-	-	362,871
Total Liabilities	<u>\$ 486,278</u>	<u>\$ 664,180</u>	<u>\$ 9,789</u>	<u>\$ 1,122,936</u>	<u>\$ 384,974</u>	<u>\$ 246,419</u>	<u>\$ 51</u>	<u>\$2,914,627</u>

**STATE OF LOUISIANA, PARISH OF LAFAYETTE**

**AFFIDAVIT**

**Michael W. Neustrom, Sheriff of Lafayette Parish**

**BEFORE ME**, the undersigned authority, personally came and appeared, Michael W. Neustrom, the sheriff of Lafayette Parish, State of Louisiana, who after being duly sworn, deposed and said:

**The following information is true and correct:**

**\$664,180 is the amount of cash on hand in the tax collector accounts on June 30, 2012;**

He further deposed and said:

**All itemized statements of the amounts of taxes collected for the tax year 2011, by taxing authority, are true and correct.**

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



**Sheriff of Lafayette**

**SWORN** to and subscribed before me, Notary, this 28<sup>th</sup> day of November 2012, in my office in the City of Lafayette, Louisiana.

 (Signature)

**KEITH J SIBILLE** (Print), #83142  
**Notary Public**

\_\_\_\_\_  
(Commission)

**COMPLIANCE  
AND  
INTERNAL CONTROL**

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

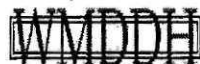
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\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA \* +  
MICHAEL G. DEHART, CPA, CVA, MBA \* +  
JOE D. HUTCHINSON, CPA \* +

+RETIRED



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BRIDGET B. TILLEY, CPA, MT  
TINA B. VIATOR, CPA

## 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 Michael W. Neustrom  
Lafayette Parish Sheriff  
Lafayette, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff as of and for the year ended June 30, 2012, which collectively comprise the Lafayette Parish Sheriff's basic financial statements and have issued our report thereon dated November 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Parish 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, an instance of noncompliance with Louisiana Revised Statutes was noted and is described in the accompanying schedule of findings and questioned costs as item 2012-1.

The Sheriff's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Lafayette Parish Sheriff's response and accordingly, we express no opinion on it.

This report is intended for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

Lafayette, Louisiana  
November 28, 2012



LAFAYETTE PARISH SHERIFF

SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012

We have audited the financial statements of the Lafayette Parish Sheriff as of and for the year ended June 30, 2012, and have issued our report thereon dated November 28, 2012. 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 Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Our audit of the financial statements of June 30, 2012 resulted in an unqualified opinion.

**Section I - Summary of Auditors' Reports**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses        \_\_\_ Yes                     X  No  
Significant Deficiencies    \_\_\_ Yes                     X  No

Compliance

Compliance Material to Financial Statements    \_\_\_ Yes             X  No

**Section II - Financial Statement Findings**

2012-1 Budget Amendments

*Statement of Condition:*

Management did not properly amend the budgets for the General Fund and Special Revenue Fund to insure compliance with the applicable laws.

*Criteria:*

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General and Special Revenue funds and that amendments be made and properly adopted when variance to budget amounts are in excess of five (5) percent. The Sheriff failed to adequately amend the budgeted expenditures for the General and Special Revenue Fund.

*Effect of Condition:*

The condition has no effect on the financial statements of the Lafayette Parish Sheriff.

*Cause of Condition:*

Management did not properly project expenditures when preparing the amendments to the budget thus causing a budget variance of greater than five (5) percent.

*Recommendation:*

We recommend that management implement procedures to monitor budget to actual comparisons and amend budgets as necessary to comply with the Louisiana Local Government Budget Act.

*Management's Response:*

Management has implemented procedures to monitor expenditures more closely to ensure that budgets are properly amended to remain in compliance with the Louisiana Local Government Budget Act.

**Section III - Federal Award Findings and Questioned Costs**

This section is not applicable for the current year.

**LAFAYETTE PARISH SHERIFF**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

***Section II - Financial Statement Findings***

2011-1 Budget Amendments

*Statement of Condition:*

Management did not properly amend the budgets for the General Fund and Special Revenue Fund to insure compliance with the applicable laws.

*Follow-up:*

Unresolved – See current year finding 2012-1



# Lafayette Parish Sheriff's Office

Michael W. Neustrom, Sheriff

"Serving the community with courtesy, professionalism and respect"

[www.lafayettesheriff.com](http://www.lafayettesheriff.com)



## CORRECTIVE ACTION PLAN

JUNE 30, 2012

### Louisiana Legislative Auditor

The Lafayette Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 2012.

#### Finding No. 2012-1

*Recommendation:* The Sheriff's Office should continue to monitor the budget to actual comparisons for the General Fund and Special Revenue Fund and amend the budgets as necessary.

*Action Taken:* Management has implemented procedures to monitor expenditures more closely to insure that budgets are properly amended to remain in compliance with all applicable state statutes. During the current year, budget to actual analysis will be performed on an ongoing basis with budgets being amended as necessary.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Keith Sibille, Chief Financial Officer of the Lafayette Parish Sheriff at (337) 232-9211.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael W. Neustrom".

Michael Neustrom, Sheriff  
Lafayette Parish

