

**LAFAYETTE PARISH SHERIFF**

**FINANCIAL REPORT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2014**

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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, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the overall reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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 4 through 14, 52 and 53 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Sheriff's basic financial statements. 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 basic 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 basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2014 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* in considering the Sheriff's internal control over financial reporting and compliance.

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

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

Lafayette, Louisiana  
October 28, 2014

**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, 2014. 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 liabilities exceed its assets by \$2,756,477 (net position) for the fiscal year reported.

The Sheriff's governmental funds reported total ending fund balance of \$18,659,063 this year. This compares to the prior year ending fund balance of \$26,483,524 showing a decrease of \$7,824,461 during the current year. The decrease in fund balance is comprised of a deficit of \$4,922,677 from operations and the use of prior year proceeds of a bond issue in the amount of \$2,901,784 for the purpose of constructing the Sheriff's Public Safety complex.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,569,334, or 29% of total General Fund expenditures and 30% of total General Fund revenues. This represents a decrease in General Fund unassigned fund balance of \$5,146,435.

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's 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 Position. 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 position. Over time, increases or decreases in net position 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 position 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 17-19 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 22 - 24 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 26 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 58.



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 27 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 52 of this report.

In addition, more detailed general fund budget information is presented as supplementary information and can be found on page 55 and 56 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 position 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 position at fiscal year-end is \$(2,756,477). The following table provides a summary of the Sheriff's net assets:

<b>Summary of Net Position</b>		
	2014	2013
<b>Assets</b>		
Current and Other Assets	\$ 21,377,405	\$ 31,400,673
Capital Assets Net of Accumulated Depreciation	34,831,642	6,494,149
Construction in Progress	-	20,038,626
<b>Total Assets</b>	<b>\$ 56,209,047</b>	<b>\$ 57,933,448</b>
 <b>Liabilities</b>		
Current liabilities	\$ 3,639,246	\$ 5,812,787
Non-current liabilities	55,326,278	51,157,909
<b>Total Liabilities</b>	<b>58,965,524</b>	<b>56,970,696</b>
 <b>Net Position</b>		
Net Investment in Capital Assets	39,816,224	39,190,362
Restricted for Capital Projects	25,753	5,737,651
Restricted for Special Revenue	382,029	-
Unrestricted	(42,980,483)	(43,965,261)
<b>Total Net Position</b>	<b>(2,756,477)</b>	<b>962,752</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 56,209,047</b>	<b>\$ 57,933,448</b>

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 6 to 1, an increase from last year's current ratio of 5 to 1.

The Sheriff reported a negative balance in net position for governmental activities. The general fund reported a decrease in fund balance of \$4,967,115. This was a result of accumulated prior reserves being used to complete construction of the Public Safety Complex.

Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

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

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

Revenues	<u>2014</u>	<u>2013</u>
Program:		
Charges for Services	\$ 15,318,978	\$ 14,279,708
Operating Grants and Contributions	1,636,348	1,584,055
General:		
Property Taxes	31,343,770	29,649,200
Sales Taxes	6,560,065	6,110,111
State Revenue Sharing	842,051	833,484
State Supplemental Pay	2,072,604	1,996,865
Investment Earnings	107,231	139,950
Gain (Loss) on Sale of Assets	35,003	9,705
Other General Revenues	<u>1,037,940</u>	<u>586,266</u>
Total General Revenues	<u>58,953,990</u>	<u>55,189,344</u>
Program Expenses		
Public Safety	62,137,019	58,359,768
Interest on Long-Term Debt	<u>536,200</u>	<u>550,001</u>
Total Expenses	<u>62,673,219</u>	<u>58,909,769</u>
Change in Net Position	(3,719,229)	(3,720,425)
Prior Period Adjustment	<u>-</u>	<u>(56,733)</u>
Beginning Net Position	<u>962,752</u>	<u>4,739,910</u>
Ending Net Position	<u><u>\$ (2,756,477)</u></u>	<u><u>\$ 962,752</u></u>

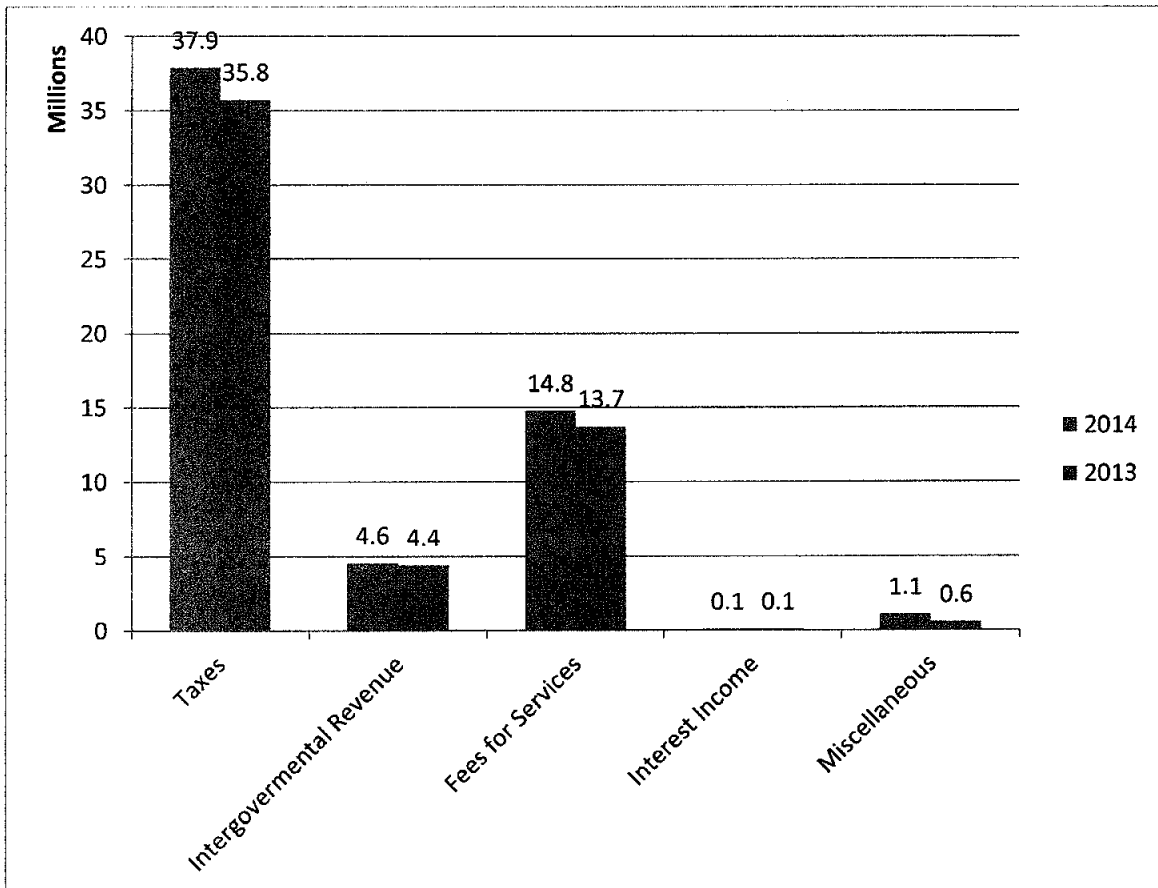
Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

*GOVERNMENTAL REVENUES*

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 65% of the Sheriff's total revenues. Because of the Sheriff's financial position, \$99,956 in interest was earned to help support governmental activities. An additional \$7,275 in interest was earned on yet to be expended bond funds; however those are dedicated to the Public Safety Complex. Also, note that program revenues offset 28% of governmental operating expenses. Therefore, the Sheriff's other general revenue and taxes fund 72% of operations.

Revenues by Source



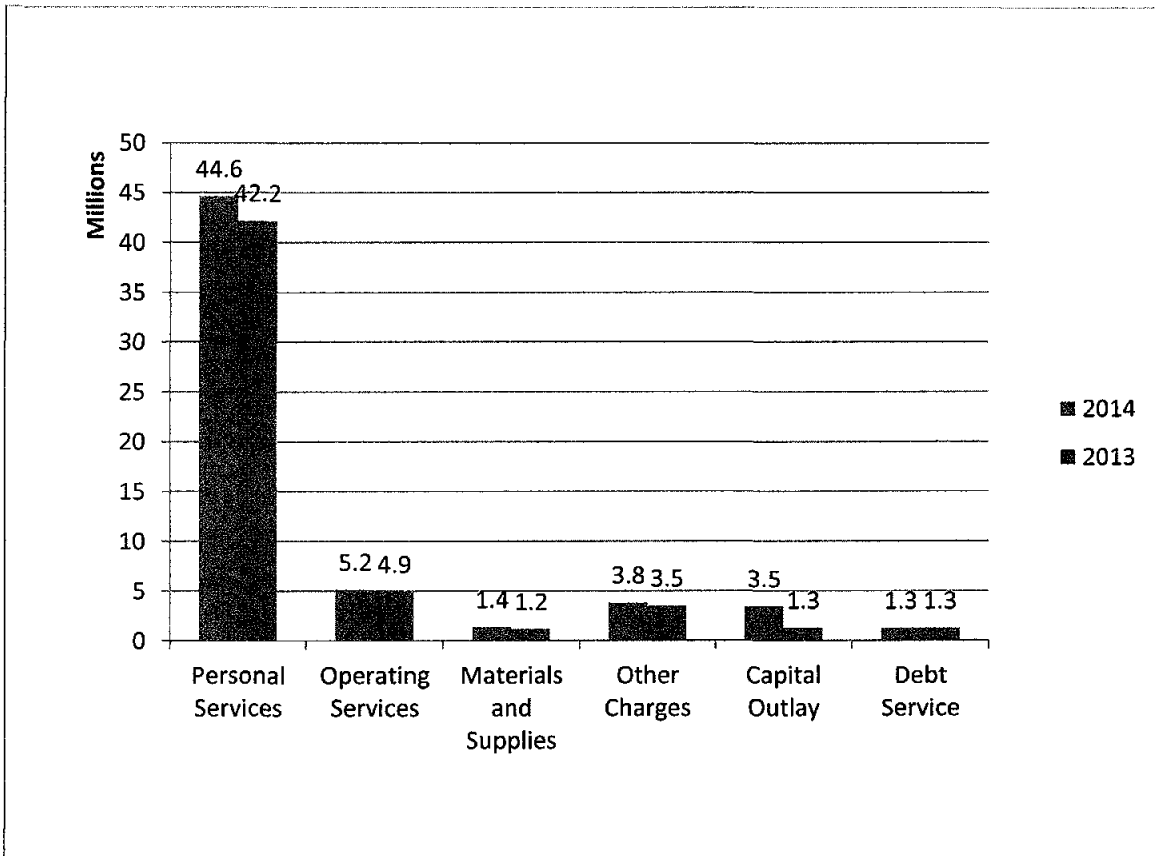
Lafayette Parish Sheriff  
Lafayette, Louisiana

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 \$1.7m.

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 \$18,659,063, a decrease of \$7,824,461 from last year. Of this total, \$681,947 is in nonspendable form for inventory and prepaid expenses; \$25,753 is restricted for capital projects; \$382,029 is restricted for special revenue 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 balance decreased by \$4,967,115 from the prior year. This was a result of the Sheriff expending funds from prior year surpluses as a means of completing the Public Safety Complex project.

Operating expenditures were approximately \$59.8m, an increase of 10% from fiscal 2013. The vast majority of this increase can be attributed to a \$2m increase in Personal Services and a \$2m increase in capital outlay needed to purchase equipment for the Public Safety Complex.

**BUDGETARY HIGHLIGHTS**

*General Fund*

The General Fund final budgeted revenue exceeded the original budgeted amount by 1% or \$4.2m. Some revenue variances of note are:

- Sales tax revenue of \$680k greater than expected. Sales tax was budgeted conservatively, however economic conditions improved beyond expectations.
- Community Corrections outperformed revenue projections and exceeded the original budget by \$650k.
- An increase in inmate populations resulted in an increase in reimbursement for housing by \$1.2k. Included in this number was housing for other programs begun during the fiscal year.
- Property tax revenue had an unexpected increase of \$1.1m.

Some areas of note in expenditures are:

- Personal Services
  - Salaries and staffing levels increased throughout the year as new programs were started and the Sheriff began staffing for the future needs of the Public Safety Complex.
  - A substantial increase (28%) in the cost of providing hospitalization insurance was recognized in 2014. The Sheriff provides coverage to his employees through a self-funded health plan and the cost of this plan is driven by claims activity.

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 \$8,298,867 in 2014. The increase was a result of the completion of the Public Safety Complex and related equipment.

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Depreciable Assets		
Buildings and Improvements	\$ 35,881,996	\$ 8,442,650
Equipment and Furniture	5,846,363	6,929,679
Vehicles	4,548,494	5,594,010
Construction in Progress	<u>-</u>	<u>20,038,626</u>
Total Depreciable Assets	46,276,853	41,004,965
Less Accumulated Depreciation	<u>11,445,211</u>	<u>14,472,190</u>
Book Value - depreciable assets	<u>\$ 34,831,642</u>	<u>\$ 26,532,775</u>
Percentage depreciated	<u>25%</u>	<u>35%</u>

At June 30, 2014, the depreciable capital assets for governmental activities were 25% depreciated compared to 35% in 2013.

*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 \$57m, of which \$1.9m 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, 2014 is \$33m. 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 \$4.7m. During the 2014 legislative session, the Sheriff successfully passed legislation restricting eligibility requirements for employees hired after July 1, 2014. The purpose, and the future result of this legislation seeks to reduce the future liability for OPEB costs by restricting eligibility to a fewer number of retirees.

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 fiscal 2014 generated \$15m. Annual debt service in fiscal 2015 will be \$1.275m. Over the life of the bonds, the annual debt service will increase slightly to a maximum in year 2032 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. As of June 30, 2014, the facility was completed, however adequate staffing has yet to be achieved and the housing unit has yet to be opened.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were taken into consideration when preparing the fiscal 2015 budget. Most revenues are expected to remain steady; however a 3% increase is expected in property tax revenues. As property taxes are the Sheriff's largest source of revenue, a 3% increase will result in approximately \$1m in additional tax revenue. Sales tax should remain steady in 2014. The majority of other revenues and expenditures are expected to remain fairly constant in fiscal year 2015 with the exception of capital expenditures. Capital expenditures are expected to return to normal levels after 2014, a year in which the Sheriff expended substantial funds from prior year reserves to complete and equip the Public Safety Complex.

The Sheriff's Public Safety complex will encompass several buildings. Once fully operational, the complex will be home to the Sheriff's Work Release program. This program houses offenders who have shown the desire to rehabilitate and gives them the opportunity to work and earn money. This helps the Sheriff recover part of the cost of their incarceration as well as provide the offender the opportunity to accumulate savings needed upon release. Inmates who are released with a job and money are statistically less likely to re-offend. Also on the site will be secure housing which is made up of 2 self contained facilities/dormitories that can house approximately 100 low security inmates each. The Sheriff will also relocate the Training Division into a state of the art facility to meet the needs of Sheriff's deputies as well as the needs for training all law enforcement officers in Lafayette Parish as well as the surrounding municipalities. This building will also house the video visitation facility allowing family members to visit with inmates in a clean and safe environment. Family members will be able to visit via teleconferencing with inmates at the downtown correctional center as well as those inmates housed at the complex.



Lafayette Parish Sheriff  
Lafayette, Louisiana

Management's Discussion and Analysis

A large warehouse is also located on the site which will serve the needs of the Sheriff's Office as a site for storing and receiving inventory. Finally, within the warehouse building will be the Sheriff's inmate industries program, referred to as LAPCORR. This program places inmates in a manufacturing environment where they make products that are then sold to other governments and not-for-profit agencies. These products are provided at a savings to these agencies while teaching inmates job skills that will assist them in transitioning to life once they are no longer incarcerated.

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 POSITION**  
**JUNE 30, 2014**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 15,468,975
Restricted Cash	27,088
Investments	1,332,284
Other Receivables	26,339
Due From Other Governmental Units	3,746,121
Inventory	94,651
Prepays	<u>681,947</u>
Total Current Assets	<u>21,377,405</u>
Non-Current Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>34,831,642</u>
Total Non-Current Assets	<u>34,831,642</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 56,209,047</b></u>

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

**LAFAYETTE PARISH SHERIFF**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 805,275
Accrued Expenses	288,648
Due to Other Governmental Units	596,379
Claims Payable - Current	1,094,455
Current Portion - Bonds Payable	740,000
Current Portion - Compensated Absences	<u>114,489</u>
Total Current Liabilities	<u>3,639,246</u>
Non-Current Liabilities:	
Bonds Payable - Long-Term	18,870,000
Bond Premium, Net	282,299
Other Post Employment Benefits	33,423,476
Accrued Compensated Absences	<u>2,750,503</u>
Total Non-Current Liabilities	<u>55,326,278</u>
TOTAL LIABILITIES	<u>58,965,524</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	39,816,224
Restricted for Capital Projects	25,753
Restricted for Special Revenue	382,029
Unrestricted	<u>(42,980,483)</u>
TOTAL NET POSITION	<u>(2,756,477)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 56,209,047</u>

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

**LAFAYETTE PARISH SHERIFF**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Public Safety	\$ 62,137,019	\$ 15,318,978	\$ 1,636,348	\$ (45,181,693)
Interest on Long-Term Debt	<u>536,200</u>	<u>-</u>	<u>-</u>	<u>(536,200)</u>
 Total Governmental Activities	 <u>\$ 62,673,219</u>	 <u>\$ 15,318,978</u>	 <u>\$ 1,636,348</u>	 <u>(45,717,893)</u>
 General Revenues:				
Property Taxes				31,343,770
Sales Taxes				6,560,065
State Revenue Sharing				842,051
State Supplemental Pay				2,072,604
Investment Earnings				107,231
Gain on Sale of Assets				35,003
Other General Revenues				<u>1,037,940</u>
Total General Revenues				<u>41,998,664</u>
 Change in Net Position				 <u>(3,719,229)</u>
 Net Position-Beginning				 962,752
 Net Position-Ending				 <u>\$ (2,756,477)</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, 2014**

	General Fund	Special Revenue Fund Non-Major	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 1,900	\$ 1,000	\$ -	\$ 2,900
Interest-Bearing Deposits	15,204,237	261,838	27,088	15,493,163
Investments	1,332,284	-	-	1,332,284
Prepaid Expenses	681,947	-	-	681,947
Inventory	-	94,651	-	94,651
Receivables:				
Due From Other Governmental Units	3,704,130	41,991	-	3,746,121
Due From Other Funds	2,867	30	-	2,897
Other	9,464	-	16,875	26,339
	<u>20,936,829</u>	<u>399,510</u>	<u>43,963</u>	<u>21,380,302</u>
Total Assets	<u>\$ 20,936,829</u>	<u>\$ 399,510</u>	<u>\$ 43,963</u>	<u>\$ 21,380,302</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 772,557	\$ 14,508	\$ 18,210	\$ 805,275
Due to Other Governmental Units	596,379	-	-	596,379
Due to Other Funds	30	2,867	-	2,897
Other Accrued Liabilities	1,316,582	106	-	1,316,688
	<u>2,685,548</u>	<u>17,481</u>	<u>18,210</u>	<u>2,721,239</u>
Total Liabilities	<u>2,685,548</u>	<u>17,481</u>	<u>18,210</u>	<u>2,721,239</u>
Fund Balances:				
Nonspendable	681,947	94,651	-	776,598
Restricted	-	287,378	25,753	313,131
Unassigned	17,569,334	-	-	17,569,334
	<u>18,251,281</u>	<u>382,029</u>	<u>25,753</u>	<u>18,659,063</u>
Total Fund Balances	<u>18,251,281</u>	<u>382,029</u>	<u>25,753</u>	<u>18,659,063</u>
Total Liabilities and Fund Equity	<u>\$ 20,936,829</u>	<u>\$ 399,510</u>	<u>\$ 43,963</u>	<u>\$ 21,380,302</u>

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

LAFAYETTE PARISH SHERIFF

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014

Total Governmental Fund Balances	\$ 18,659,063
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,831,642
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(56,066,278)
To recognize interest accrual at year end.	<u>(180,904)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ (2,756,477)</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, 2014

	General Fund	Special Revenue Fund Non-Major	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 31,343,770	\$ -	\$ -	\$ 31,343,770
Sales Tax Revenue	6,560,065	-	-	6,560,065
Intergovernmental Revenues -				
Federal Grants	112,101	-	-	112,101
State Revenue Sharing (Net)	842,051	-	-	842,051
State Supplemental Pay	2,072,604	-	-	2,072,604
State, City and Parish Grants	1,524,247	-	-	1,524,247
Fees, Charges, and Commissions for Services -				
Civil and Criminal Fees	2,662,926	-	-	2,662,926
Court Attendance	39,814	-	-	39,814
Feeding and Keeping Prisoners	5,108,188	-	-	5,108,188
Commissary Commission Income	-	283,590	-	283,590
Product Sales	-	258,631	-	258,631
Community Corrections	3,174,812	-	-	3,174,812
Interest Income	98,613	1,343	7,275	107,231
Contractual Arrangements	3,791,017	-	-	3,791,017
Miscellaneous	1,094,850	18,557	-	1,113,407
Total Revenues	<u>58,425,058</u>	<u>562,121</u>	<u>7,275</u>	<u>58,994,454</u>
<b>Expenditures:</b>				
Current -				
Public Safety:				
Personal Services and Related Benefits	44,645,300	52,814	-	44,698,114
Operating Services	5,170,022	177,446	-	5,347,468
Materials and Supplies	1,400,356	287,423	-	1,687,779
Other Charges	3,822,924	-	-	3,822,924
Debt Service -				
Principal Retirement	710,000	-	-	710,000
Interest and Fiscal Charges	556,913	-	-	556,913
Capital Outlay	3,461,658	-	6,534,059	9,995,717
Total Expenditures	<u>59,767,173</u>	<u>517,683</u>	<u>6,534,059</u>	<u>66,818,915</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,342,115)	44,438	(6,526,784)	(7,824,461)
<b>Other Financing Sources (Uses):</b>				
Transfer In	-	-	3,625,000	3,625,000
Transfer Out	(3,625,000)	-	-	(3,625,000)
Total Other Financing Sources (Uses)	<u>(3,625,000)</u>	<u>-</u>	<u>3,625,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(4,967,115)	44,438	(2,901,784)	(7,824,461)
Fund Balances, Beginning	23,218,396	337,591	2,927,537	26,483,524
Fund Balances, Ending	<u>\$ 18,251,281</u>	<u>\$ 382,029</u>	<u>\$ 25,753</u>	<u>\$ 18,659,063</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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (7,824,461)

*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 and reported as  
depreciation expense. This is the amount by which capital  
outlays exceed depreciation expense in the current period. 8,339,331

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. (4,919,614)

Repayment of bond principal is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the  
Statement of Net Position, net of the bond premium amortization 725,979

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 position differs from the change in fund balance by the difference. (40,464)

*Change in Net Position of Governmental Activities* \$ (3,719,229)

**LAFAYETTE PARISH SHERIFF**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2014**

	<u>Total Agency Funds</u>
<b>Assets:</b>	
Cash and Interest Bearing Deposits	\$ 3,124,501
Total Assets	<u>\$ 3,124,501</u>
<b>Liabilities:</b>	
Due to Taxing Bodies and Others	\$ 2,389,450
Due to Prisoners	<u>735,051</u>
Total Liabilities	<u>\$ 3,124,501</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, 2014

#### 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, 2014**

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

2. Basis of Presentation

*Government-Wide Financial Statements (GWFS)*

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff, except the fiduciary funds. The Sheriff has no business-type activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). The Sheriff implemented Governmental Accounting Standards Board Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" in 2013.

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, 2014**

**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, 2014**

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

*Measurement Focus –*

In the government-wide statement of net position 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 position (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 position 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 when the exchange takes place.

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) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. 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, 2014**

**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 FASB ASC 820, "Fair Value Measurement and Disclosures", 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, 2014, the Sheriff's investments in LAMP, which are stated at fair value based on quoted market rates, amounted to \$1,332,284.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014

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 the Lafayette Parish Sheriff. At June 30, 2014, the Sheriff has accrued vested leave benefits as required to be reported in accordance with generally accepted accounting principles.

10. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

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

10. Deferred Outflows of Resources and Deferred Inflows of Resources - continued

In other instances, governments are required to delay recognition of increases in net position as revenues a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2014.

11. 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, 2014, 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, 2014 was \$7,251.

12. Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Sheriff has \$25,753 restricted for capital projects at June 30, 2014.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. 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, 2014, 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.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

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

12. Equity Classifications - continued

- 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 \$25,753, consisting of unspent bond proceeds and the Special Revenue Fund has restricted funds of \$287,378.
- 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. The Sheriff has no policy for stabilization amounts.

13. 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.

14. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2014 are recorded as prepaid items.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

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

15. 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.

**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 position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. 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 \$56,066,278 are as follows:

Compensated Absences	\$ (2,750,503)
Other Post Employment Benefits	(33,423,476)
Bonds Payable	(19,610,000)
Bond Premiums, net of \$21,305 Amortization	(282,299)
 Net Adjustment to Decrease Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities	 \$ <u>(56,066,278)</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 position 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	\$ 9,995,717
Depreciation	(1,656,386)
 Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 \$ <u>8,339,331</u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**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 \$(4,919,614) difference are as follows:

Compensated Absences Increase	\$ (262,072)
Other Post Employment Benefits Increase	(4,662,276)
Accrued Interest on Bonds Payable	<u>4,734</u>
 Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Net Changes in Net Position of Governmental Activities	          <u>\$ (4,919,614)</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, 2014, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$15,496,063 of which \$3,124,501 is attributable to fiduciary funds, which are not presented in the statement of net position.

*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, 2014, \$20,340,747 of the Sheriff’s bank balances of \$20,746,473 was exposed to custodial credit risk as follows:

Bank Balances	\$ <u>20,746,473</u>
Federal Deposit Insurance	\$ 405,726
Pledged Securities (Category 3)	<u>20,340,747</u>
 Total	          <u>\$ 20,746,473</u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**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 150.128, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section 150.164 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. GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit Risk: LAMP is rated AAAM by Standard and Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 58 days as of June 30, 2014.
- Foreign Currency Risk: Not applicable to 2a7-like pools.



**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**D. INVESTMENTS - continued**

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 net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At June 30, 2014, the Sheriff's investments totaled \$1,332,284 as follows:

<u>Description</u>	<u>Category</u>	<u>Interest Rate</u>	<u>Carrying Amount/ Amortized Cost</u>	<u>Approximate Fair Market Value</u>
Louisiana Asset Management Pool (LAMP)	N/A	variable	<u>\$ 1,332,284</u>	<u>\$ 1,332,284</u>

**E. 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	\$ 37,154
Finished Goods	<u>57,497</u>
Total	<u>\$ 94,651</u>

**F. 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, 2014, 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 \$2,231,474,220. 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 2013 were \$31,447,466.

The amount of cash on hand in the tax collector account at June 30, 2014 was \$619,413.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**G. DUE FROM OTHER GOVERNMENTAL UNITS**

A summary of due from other governmental units of \$3,746,121 at June 30, 2014 follows:

Sales Tax Revenue	\$	1,228,885
Ad Valorem Tax Revenue		148,243
Intergovernmental Revenues -		
Federal Grants		16,656
State, City, and Parish Grants		868,864
Fees, Charges and Commissions for Services -		
Civil and Criminal Fees		18,516
Court Attendance		10,404
Non Support from Clerk		1,089
Telephone		44,767
Transporting Prisoners		19,121
Product Sales		41,991
Feeding and Keeping Prisoners -		
INS		4,745
Parish Government		109,528
State Government		386,320
Other Contracts		134,838
Miscellaneous		<u>712,154</u>
 Total	 \$	 <u><u>3,746,121</u></u>

**H. INTERFUND TRANSACTIONS**

Purpose	Receivable Fund	Payable Fund	Amount
<b>Due To/From:</b>			
Repayment of Commissions	General	Special Revenue	<u>\$ 2,867</u>
Repayment of Credit Card Collections	Special Revenue	General	<u>\$ 30</u>
	Transfer Out	Transfer In	Amount
<b>Transfers In/Out:</b>			
Construction Costs	General	Capital Projects	<u>\$ 3,625,000</u>

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2014**

**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, 2014 and 2013 amounted to \$457,266 and \$437,177, 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 10.25% of their annual covered salary and the Lafayette Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.89% 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, 2014, 2013, and 2012 were \$5,563,280, \$5,084,414, and \$4,677,138, respectively.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014

**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 Sheriffs' 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, 2013, follows. There have been no significant changes in the number covered or the types of coverage since that date.

Active Employees	670
Retired Employees	65
Spouses of Retired Employees	<u>30</u>
Total	<u>765</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, 2014, the Sheriff's annual OPEB cost (i.e., expense) of \$5,493,864 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 \$831,588 for retirees and their beneficiaries, the result was an increase in the Net OPEB Obligation of \$4,662,276 for the year ended June 30, 2014.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

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

**Benefit Obligations and Normal Costs**

Actuarial Accrued Liability (AAL)	
Retired Employees	\$ 11,381,227
Active Employees	<u>36,352,238</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 47,733,465</u>
Annual Covered Payroll	30,717,000
UAAL as % of Covered Payroll	155.40%

**Level Dollar Amortization**

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

ARC Normal Cost with Interest to End of Year	\$ 3,204,101
Amortization of UAAL with Interest to End of Year	<u>2,770,279</u>
Annual Required Contribution (ARC)	5,974,380
Interest on Net OPEB Obligation	1,150,448
Adjustment to ARC	<u>(1,630,964)</u>
Annual OPEB Cost (Expense)	5,493,864
Contribution for the Fiscal Year	<u>(831,588)</u>
Increase in Net OPEB Obligation	4,662,276
Net OPEB Obligation - Beginning of Year	<u>28,761,200</u>
Net OPEB Obligation - End of Year	<u>\$ 33,423,476</u>
Percent of Annual OPEB Cost Contributed	<u>15.1%</u>

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014

**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, 2014 and the preceding two years were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2014	\$ 5,493,864	15.1%	\$ 33,423,476
6/30/2013	\$ 5,218,220	15.1%	\$ 28,761,200
6/30/2012	\$ 5,152,302	17.0%	\$ 24,328,774

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, 2014 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 12.5% healthcare cost trend increase (including 5.50% dental) for fiscal year 2014-15, 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, 2014 and 2013 was \$56,183 and \$51,502, respectively.

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**L. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Governmental Activities:</b>				
Building and Improvements	\$ 8,442,650	\$ 27,440,344	\$ 998	\$ 35,881,996
Equipment and Furniture	6,929,679	1,793,372	2,876,688	5,846,363
Vehicles	5,594,010	800,627	1,846,143	4,548,494
Construction in Progress	<u>20,038,626</u>	<u>7,332,974</u>	<u>27,371,600</u>	<u>-</u>
Total	<u>41,004,965</u>	<u>37,367,317</u>	<u>32,095,429</u>	<u>46,276,853</u>
<b>Less: Accumulated Depreciation</b>				
Building and Improvements	4,156,317	429,845	399	4,585,763
Equipment and Furniture	5,471,766	714,571	2,868,026	3,318,311
Vehicles	<u>4,844,107</u>	<u>511,970</u>	<u>1,814,940</u>	<u>3,541,137</u>
Total	<u>14,472,190</u>	<u>1,656,386</u>	<u>4,683,365</u>	<u>11,445,211</u>
Net Capital Assets	<u>\$ 26,532,775</u>	<u>\$ 35,710,931</u>	<u>\$ 27,412,064</u>	<u>\$ 34,831,642</u>

Depreciation expense for the year ended June 30, 2013 was \$1,656,386 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, 2014, include \$155,726 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, 2014**

**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, 2014:

	Balance at June 30, 2013	Additions	Deductions	Balance at June 30, 2014
Bonds Payable	\$ 20,320,000	\$ -	\$ 710,000	\$ 19,610,000
Claims Payable	1,049,048	45,407	-	1,094,455
Post Employment Benefits Payable	28,761,200	4,662,276	-	33,423,476
Compensated Absences Payable	<u>2,607,153</u>	<u>257,839</u>	<u>-</u>	<u>2,864,992</u>
 Total Long-Term Obligations Payable	 <u>\$ 52,737,401</u>	 <u>\$ 4,965,522</u>	 <u>\$ 710,000</u>	 <u>\$ 56,992,923</u>
 Current Portion				 <u>\$ 1,948,944</u>

The bonds are due as follows:

Year ending June 30,	Principal Payments	Interest Payments
2015	\$ 740,000	\$ 542,713
2016	775,000	527,912
2017	805,000	512,412
2018	840,000	496,313
2019	880,000	479,513
2020-2024	4,995,000	2,088,500
2025-2029	6,185,000	1,284,956
2030-2032	<u>4,390,000</u>	<u>282,250</u>
Total	<u>\$ 19,610,000</u>	<u>\$ 6,214,569</u>

**O. LITIGATION, CLAIMS AND COMMITMENTS**

At June 30, 2014, 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 \$6,500. Those classified as "reasonably possible" are estimated not to exceed \$96,580.



**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**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 \$7,121,579 and \$7,103,657 for the fiscal years ended June 30, 2014 and 2013, 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 \$1,094,455 reported in the General Fund at June 30, 2014 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 2014 and 2013 were:

<u>Year Ended</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
June 30, 2013	\$ 822,319	\$ 7,330,386	\$ 7,103,657	\$ 1,049,048
June 30, 2014	\$ 1,049,048	\$ 7,166,986	\$ 7,121,579	\$ 1,094,455

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**R. JOINT VENTURE**

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

Lafayette Metro Investigations was formed under a joint powers agreement entered into by the two government units listed above on July 12, 2012. The joint venture is governed by a four-member fiscal committee composed of two appointees from the Sheriff, and two appointees from the City-Parish of Lafayette. At least 60 days prior to each year, the Sheriff and LCG will determine the amount necessary to fund the operations of each agency and contribute these amounts in equal portions. The Sheriff does not hold an equity interest in the agency at June 30, 2014. For the year ended December 31, 2013, Metro Investigations reported an excess of revenues over expenditures in its General Fund of \$54,506, and an ending fund balance of \$534,765. Complete financial statements for the Agency can be obtained from the Lafayette Parish Sheriff's Office at 316 West Main Street, Lafayette, Louisiana.

For the year ended June 30, 2014, the Sheriff contributed \$142,515 to Lafayette Metro Investigations.

**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, with 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, 2014 for an additional three (3) years.

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

June 30,	
2015	\$31,350
2016	31,600
2017	31,600
2018	4,650
2019	2,200
2020-2024	12,000
2025-2029	<u>13,310</u>
Total	<u>\$126,710</u>

Rental payments included in these financial statements relating to these leases totaled \$28,600.

**LAFAYETTE PARISH SHERIFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED JUNE 30, 2014**

**T. EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand in the tax collector accounts at June 30, 2014 consists of:

Interest and other taxes	\$ 463,687
Ad valorem taxes paid under protest	
These funds are held pending resolution of the protest.	<u>155,726</u>
 Cash on hand at June 30, 2014	 <u><u>\$ 619,413</u></u>

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

Lafayette Parish Consolidated Government	\$ 3,337,795
Lafayette Parish Courthouse and Jail	4,340,190
Lafayette Parish Roads/Highways/Bridges	13,298,766
Lafayette Parish Library	12,093,166
Lafayette Parish Health Unit	-
Lafayette Parish Detention and Correctional Facility	3,820,841
Lafayette Parish Juvenile and Rehab	2,170,099
Lafayette Parish Mosquito Abatement and Control	927,535
Lafayette Parish Airport Regional	3,171,683
Lafayette Parish Economic Development Authority	3,375,107
Lafayette Parish Assessment District	2,893,446
Lafayette Parish Law Enforcement District	31,141,679
Lafayette Parish Bayou Vermilion District	1,576,691
Lafayette Parish School Board	62,246,365
Lafayette Parish Drainage District	6,194,956
Lafayette Parish Teche-Vermilion Freshwater District	269,044
Lafayette Parish Downtown Development Commission	428,031
Other Municipalities	<u>1,444,883</u>
Total	<u><u>\$ 152,730,277</u></u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**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	\$	40,560
Lafayette Parish Courthouse and Jail		51,465
Lafayette Parish Roads/Highways/Bridges		157,693
Lafayette Parish Library		143,397
Lafayette Parish Health Unit		-
Lafayette Parish Detention and Correctional Facility		45,307
Lafayette Parish Juvenile and Rehab		25,732
Lafayette Parish Mosquito Abatement and Control		11,003
Lafayette Parish Airport Regional		37,609
Lafayette Parish Economic Development Authority		40,028
Lafayette Parish Assessment District		34,310
Lafayette Parish Law Enforcement District		369,271
Lafayette Parish Bayou Vermilion District		18,694
Lafayette Parish School Board		637,152
Lafayette Parish Drainage District		73,458
Lafayette Parish Teche-Vermilion Freshwater District		31,892
Lafayette Parish Downtown Development Commission		2,344
Other Municipalities		<u>13,519</u>
Total	\$	<u><u>1,733,434</u></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 397 of 2013 to the Tax Collector Agency Fund were distributed as follows:

Lafayette Parish:		
Council	\$	1,051,008
School Board		2,075,308
Airport District		48,249
Teche-Vermilion Fresh Water District		49,490
Economic Development Authority		112,542
Bayou Vermilion District		47,239
Sheriff		842,051
Special Assessment District		96,465
Pension Funds		<u>56,826</u>
Total	\$	<u><u>4,379,178</u></u>

**LAFAYETTE PARISH SHERIFF**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED JUNE 30, 2014**

**V. NEW ACCOUNTING PRONOUNCEMENTS**

In June, 2012, the GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through covered plans. The provisions of GASB Statement No. 68 must be implemented by the Sheriff for the year ending June 30, 2015. The effect of implementation of this statement on the Sheriff's financial statements has not yet been determined.

**W. SUBSEQUENT EVENTS**

The Sheriff has evaluated subsequent events through October 28, 2014, 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, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	\$ 48,780,950	\$ 52,042,329	\$ 52,680,592	\$ 638,263
Federal, State and Parish Appropriations	3,776,534	4,526,690	4,551,003	24,313
Other Revenues	566,937	758,431	1,193,463	435,032
<b>Total Revenues</b>	<u>53,124,421</u>	<u>57,327,450</u>	<u>58,425,058</u>	<u>1,097,608</u>
<b>Expenditures:</b>				
Current -				
Public Safety:				
Personal Services and Related Benefits	40,709,920	44,843,298	44,645,300	197,998
Operating Services	5,038,022	4,940,124	5,170,022	(229,898)
Materials and Supplies	1,106,127	1,339,255	1,400,356	(61,101)
Other Charges	3,237,806	3,714,020	3,822,924	(108,904)
Debt Service -				
Principal	680,000	710,000	710,000	-
Interest	570,513	556,913	556,913	-
Capital Outlay	6,300,000	3,604,085	3,461,658	142,427
<b>Total Expenditures</b>	<u>57,642,388</u>	<u>59,707,695</u>	<u>59,767,173</u>	<u>(59,478)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,517,967)</u>	<u>(2,380,245)</u>	<u>(1,342,115)</u>	<u>1,038,130</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers Out	-	(3,600,000)	(3,625,000)	(25,000)
Total Other Financing Sources (Uses)	-	(3,600,000)	(3,625,000)	(25,000)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>(4,517,967)</u>	<u>(5,980,245)</u>	<u>(4,967,115)</u>	<u>1,013,130</u>
Fund Balance, Beginning	<u>23,218,396</u>	<u>23,218,396</u>	<u>23,218,396</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 18,700,429</u>	<u>\$ 17,238,151</u>	<u>\$ 18,251,281</u>	<u>\$ 1,013,130</u>

**LAFAYETTE PARISH SHERIFF**

**SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN-  
FOR THE YEAR ENDED JUNE 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) 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]
7/1/2011	\$ -	\$ 42,800,307	\$ 42,800,307	-	\$ 27,565,327	155.27%
7/1/2012	\$ -	\$ 44,703,616	\$ 44,703,616	-	\$ 28,760,640	155.43%
7/1/2013	\$ -	\$ 47,733,465	\$ 47,733,465	-	\$ 30,717,000	155.40%



**OTHER SUPPLEMENTARY  
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)  
YEAR ENDED JUNE 30, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Self-generated Fees, Services, Ad Valorem				
Taxes and Sales Taxes:				
Ad Valorem Taxes	\$ 30,057,131	\$ 31,173,615	\$ 31,343,770	\$ 170,155
Sales Tax Revenue	5,879,330	6,298,214	6,560,065	261,851
Civil and Criminal Fees	2,984,034	2,552,589	2,662,926	110,337
Court Attendance	35,813	36,927	39,814	2,887
Feeding and Keeping Prisoners	3,942,541	5,160,000	5,108,188	(51,812)
Community Corrections	2,518,930	3,243,402	3,174,812	(68,590)
Rehab	184,678	-	-	-
Contractual Arrangements	3,178,493	3,577,582	3,791,017	213,435
Total Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	<u>48,780,950</u>	<u>52,042,329</u>	<u>52,680,592</u>	<u>638,263</u>
Federal, State and Parish Appropriations:				
Federal Grants	157,011	61,704	112,101	50,397
State Revenue Sharing (Net)	277,828	842,050	842,051	1
State Supplemental Pay	2,010,539	2,026,614	2,072,604	45,990
State, City and Parish Grants	<u>1,331,156</u>	<u>1,596,322</u>	<u>1,524,247</u>	<u>(72,075)</u>
Total Federal, State and Parish Appropriations	<u>3,776,534</u>	<u>4,526,690</u>	<u>4,551,003</u>	<u>24,313</u>
Other Revenues:				
Interest Income	52,813	77,064	98,613	21,549
Miscellaneous	<u>514,124</u>	<u>681,367</u>	<u>1,094,850</u>	<u>413,483</u>
Total Other Revenues	<u>566,937</u>	<u>758,431</u>	<u>1,193,463</u>	<u>435,032</u>
Total Revenues	<u>\$ 53,124,421</u>	<u>\$ 57,327,450</u>	<u>\$ 58,425,058</u>	<u>\$ 1,097,608</u>

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
YEAR ENDED JUNE 30, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Current:				
Public Safety -				
Personal Services and Related Benefits:				
Sheriff Salary	\$ 128,544	\$ 137,071	\$ 137,071	\$ -
Deputies Salaries	28,816,915	30,481,644	30,579,929	(98,285)
Pension and Payroll Taxes	5,592,011	6,058,199	6,084,179	(25,980)
Sheriff's Expense Allowance	12,856	13,707	13,707	-
Hospitalization Insurance	5,993,917	8,026,927	7,679,624	347,303
Other Employee Expenses	165,677	125,750	150,790	(25,040)
Total Personal Services and Related Benefits	<u>40,709,920</u>	<u>44,843,298</u>	<u>44,645,300</u>	<u>197,998</u>
Operating Services:				
Auto and Liability Insurance	1,661,951	1,748,526	1,633,399	115,127
Leases	265,921	265,005	284,175	(19,170)
Telephone and Utilities	452,116	611,735	837,320	(225,585)
Fuel and Oil	958,152	941,921	992,092	(50,171)
Maintenance and Repairs	1,178,073	847,942	919,098	(71,156)
Legal and Professional Fees	521,809	524,995	503,938	21,057
Total Operating Services	<u>5,038,022</u>	<u>4,940,124</u>	<u>5,170,022</u>	<u>(229,898)</u>
Materials and Supplies:				
Uniforms	227,246	228,407	231,954	(3,547)
Small Equipment and Supplies	479,852	721,040	807,987	(86,947)
Ordinance	27,891	80,951	48,132	32,819
Office Expense	285,144	207,945	240,840	(32,895)
Publications	85,994	100,912	71,443	29,469
Total Materials and Supplies	<u>1,106,127</u>	<u>1,339,255</u>	<u>1,400,356</u>	<u>(61,101)</u>
Other Charges:				
Prisoner Feeding and Maintenance	2,641,026	3,123,885	3,269,930	(146,045)
Criminal Investigation Expense	151,819	22,923	21,866	1,057
Training, Travel and Conventions	248,634	273,952	235,264	38,688
Dues	135,315	133,560	128,221	5,339
Juvenile Programs	234	180	250	(70)
Canine	15,778	19,059	24,878	(5,819)
Appropriation to Other Agencies	45,000	140,461	142,515	(2,054)
Total Other Charges	<u>3,237,806</u>	<u>3,714,020</u>	<u>3,822,924</u>	<u>(108,904)</u>
Debt Service -				
Principal	680,000	710,000	710,000	-
Interest	570,513	556,913	556,913	-
Capital Outlay	6,300,000	3,604,085	3,461,658	142,427
Total Expenditures	<u>\$57,642,388</u>	<u>\$59,707,695</u>	<u>\$59,767,173</u>	<u>\$ (59,478)</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, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Self Generated Commissions and Sales	\$ 431,000	\$ 503,653	\$ 542,221	\$ 38,568
Other	14,200	20,062	19,900	(162)
Total Revenues	445,200	523,715	562,121	38,406
<b>Expenditures:</b>				
Current -				
Personal Services and Related Benefits	52,000	56,243	52,814	3,429
Operating Services	158,400	178,823	177,446	1,377
Materials and Supplies	293,500	299,819	287,423	12,396
Prisoner Maintenance and Other Charges	3,000	-	-	-
Total Expenditures	506,900	534,885	517,683	17,202
Excess (Deficiency) of Revenues over Expenditures	(61,700)	(11,170)	44,438	55,608
Fund Balance, Beginning	337,591	337,591	337,591	-
Fund Balance, Ending	\$ 275,891	\$ 326,421	\$ 382,029	\$ 55,608

## **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.

**LAFAYETTE PARISH SHERIFF**  
**FIDUCIARY FUND TYPE - AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2014**

	Sheriff's Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Evidence Fund	Total
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ 200	\$ 200	\$ 250,426	\$ 250,826
Interest-Bearing Deposits	262,831	619,413	7,337	1,200,796	781,737	-	2,872,114
Receivables:							
Other	852	-	709	-	-	-	1,561
Total Assets	<u>\$ 263,683</u>	<u>\$ 619,413</u>	<u>\$ 8,046</u>	<u>\$ 1,200,996</u>	<u>\$ 781,937</u>	<u>\$ 250,426</u>	<u>\$3,124,501</u>
<b>LIABILITIES</b>							
Due to Taxing Bodies and Others	\$ 263,683	\$ 619,413	\$ 8,046	\$ 1,200,996	\$ 46,886	\$ 250,426	\$2,389,450
Due to Prisoners	-	-	-	-	735,051	-	735,051
Total Liabilities	<u>\$ 263,683</u>	<u>\$ 619,413</u>	<u>\$ 8,046</u>	<u>\$ 1,200,996</u>	<u>\$ 781,937</u>	<u>\$ 250,426</u>	<u>\$3,124,501</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:

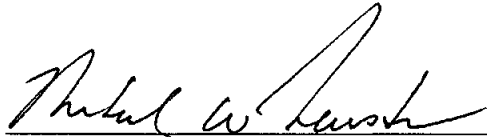
**The following information is true and correct:**

**\$619,413 is the amount of cash on hand in the tax collector accounts on June 30, 2014;**

He further deposed and said:

**All itemized statements of the amounts of taxes collected for the tax year 2013, 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 12 th day of November, 2014, in my office in the City of Lafayette, Louisiana.

 (Signature)

Claudette Simoneaux (Print), # 91158  
**Notary Public**

Expires 12/27/15 (Commission)

**COMPLIANCE  
AND  
INTERNAL CONTROL**



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ROBIN G. STOCKTON, CPA  
TINA B. VIATOR, CPA

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Lafayette Parish Sheriff as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Lafayette Parish Sheriff's basic financial statements and have issued our report thereon dated October 28, 2014.

### Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Unless otherwise expressly indicated, any tax advice contained in this communication, or attachments are not intended for use and cannot be used: (i) to avoid any penalties under the Internal Revenue Code; or (ii) to promote, market or recommend to another party the tax consequences of any matter addressed therein. This communication (and/or the documents accompanying it) may contain confidential information belonging to the sender, which is protected by the Accountant-Client privilege. The information is indeed only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any use, disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this communication in error, please notify us by telephone immediately.

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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  
October 28, 2014

**LAFAYETTE PARISH SHERIFF**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

We have audited the financial statements of the Lafayette Parish Sheriff as of and for the year ended June 30, 2014, and have issued our report thereon dated October 28, 2014. 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, 2014 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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
---	------------------------------	--

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

There were no current year findings.

***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, 2014**

There were no prior year findings.