

LAFAYETTE PARISH SHERIFF

**FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2013

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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, 2013, 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, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note W to the financial statements, in 2013, the Sheriff adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 financial statements as a whole. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2013 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
December 6, 2013

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, 2013. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section:

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceed its liabilities by \$962,752 (net position) for the fiscal year reported.

The Sheriff's governmental funds reported total ending fund balance of \$26,483,524 this year. This compares to the prior year ending fund balance of \$41,048,707 showing a decrease of \$14,565,183 during the current year. The decrease in fund balance is comprised of a surplus of \$289,469 from operations and the use of prior year proceeds of a bond issue in the amount of \$14,854,652 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 \$22,715,769 , or 42% of total General Fund expenditures and 42% of total General Fund revenues. This represents an increase in General Fund unassigned fund balance of \$238,225.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The first of these government-wide statements is the Statement of Net 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 - 25 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 \$962,752. The following table provides a summary of the Sheriff's net assets:

Summary of Net Position		
	2013	2012
Assets		
Current and Other Assets	\$ 31,400,673	\$ 44,419,959
Capital Assets Net of Accumulated Depreciation	6,494,149	6,719,767
Construction in Progress	20,038,626	5,044,083
Total Assets	\$ 57,933,448	\$ 56,240,542
Liabilities		
Current liabilities	\$ 5,812,787	\$ 4,241,423
Non-current liabilities	51,157,909	47,259,209
Total Liabilities	56,970,696	51,500,632
Net Position		
Investment in Capital Assets Net of Related Debt	39,190,362	13,930,158
Restricted for Capital Projects	5,737,651	19,091,217
Restricted for Special Revenue Funds	337,591	290,391
Unrestricted	(44,302,852)	(28,628,589)
Total Net Position	962,752	4,683,177

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 5 to 1. Last year's current ratio was 10 to 1, however this was artificially inflated as a result of a cash infusion resulting from a sale of bonds needed for construction of the Sheriff's Public Safety Complex.

The Sheriff reported positive balances in net position for governmental activities. The general fund reported an increase in fund balance of \$242,269.

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>2013</u>	<u>2012</u>
Program:		
Charges for Services	\$ 14,279,708	\$ 12,244,456
Operating Grants and Contributions	1,584,055	1,406,454
General:		
Property Taxes	29,649,200	27,546,698
Sales Taxes	6,110,111	5,987,707
State Revenue Sharing	833,484	829,860
State Supplemental Pay	1,996,865	2,103,443
Investment Earnings	139,950	123,874
Gain (Loss) on Sale of Assets	9,705	(11,981)
Other General Revenues	<u>586,266</u>	<u>537,715</u>
Total General Revenues	<u>55,189,344</u>	<u>50,768,226</u>
Program Expenses		
Public Safety	58,359,768	54,163,491
Interest on Long Term Debt	<u>550,001</u>	<u>213,212</u>
Total Expenses	<u>58,909,769</u>	<u>54,376,703</u>
Change in Net Position	(3,720,425)	(3,608,477)
Prior Period Adjustment	<u>-</u>	<u>(56,733)</u>
Beginning Net Position	<u>4,683,177</u>	<u>8,348,387</u>
Ending Net Position	<u>\$ 962,752</u>	<u>\$ 4,683,177</u>

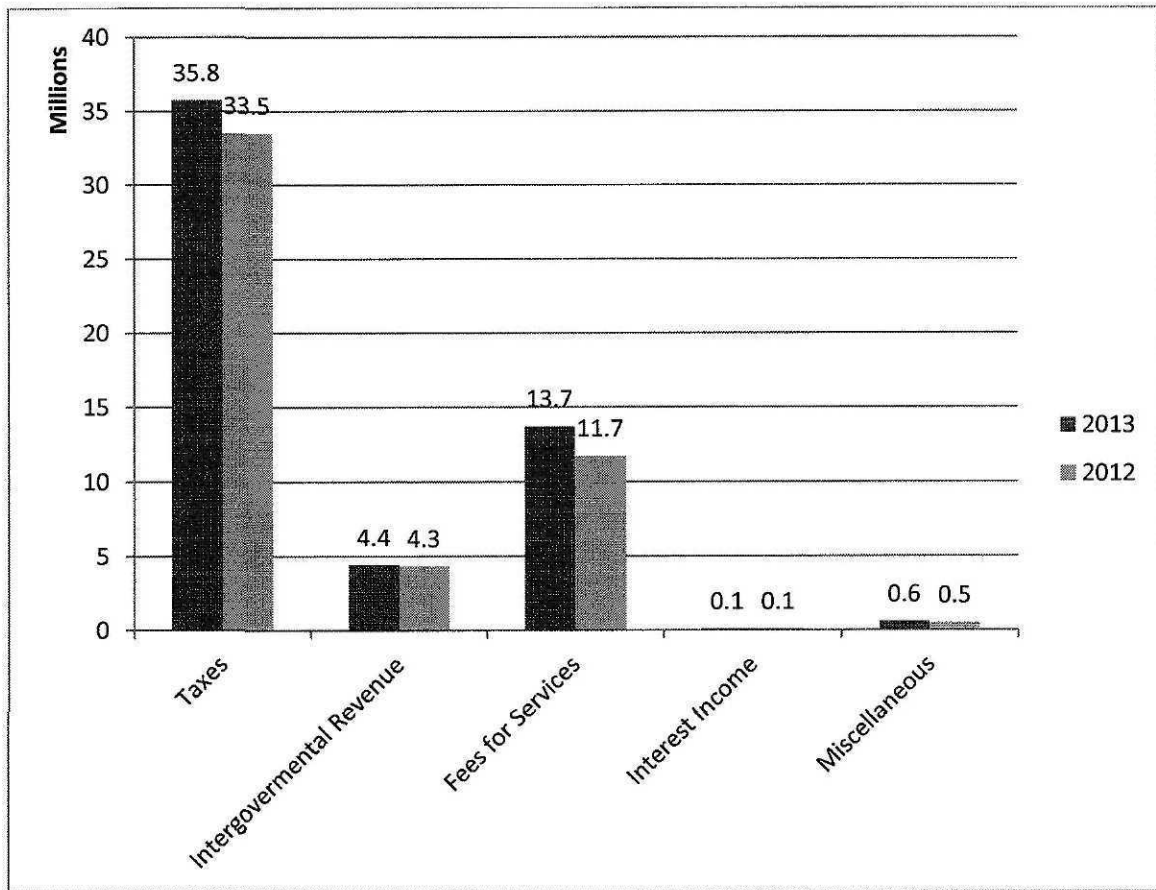
Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

GOVERNMENTAL REVENUES

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 66% of the Sheriff's total revenues. Because of the Sheriff's financial position, \$95,769 in interest was earned to help support governmental activities. An additional \$43,027 in interest was earned on yet to be expended bond proceeds, however those are dedicated to the Public Safety Complex. Also, note that program revenues offset 29% of governmental operating expenses. Therefore, the Sheriff's other general revenue and taxes fund 71% of operations.

Revenues by Source



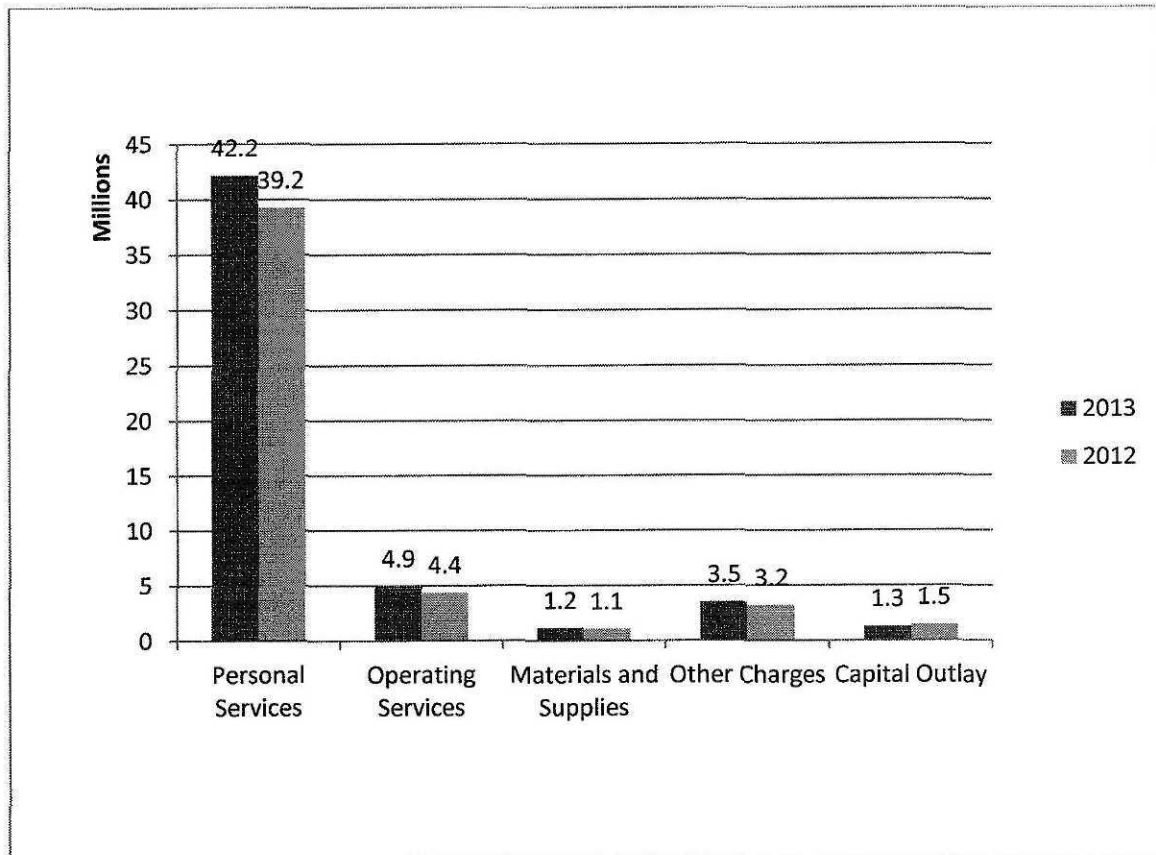
Lafayette Parish Sheriff
Lafayette, Louisiana

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 \$1.4m.

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 \$26,483,524, a decrease of \$14,565,183 from last year. Of this total, \$592,731 is restricted for inventory and prepaid expenses, \$2,927,537 is restricted for capital projects, \$337,591 is restricted in the Special Revenue Fund, with the remainder available for continuing Sheriff's activities.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$242,269 from the prior year.

Operating expenditures were approximately \$54.3m, an increase of 10% from fiscal 2012. The vast majority of this increase can be attributed to a \$3m increase in Personal Services. Within this \$3m, cost of providing medical benefits to employees increased from \$6.4m in 2012 to \$7.6m in 2013.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund final budgeted revenue exceeded the original budgeted amount by 1% or \$1.04m. Some revenue variances of note are:

- Sales tax revenue of \$128k greater than expected. Sales tax was budgeted conservatively, however economic conditions improved beyond expectations.
- Several new programs in Community Corrections had unknown revenue projections and exceeded those estimates by \$325k.
- An increase in inmate populations resulted in an increase in reimbursement for housing by \$200k.

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 (20%) in the cost of providing hospitalization insurance was recognized in 2013. The Sheriff provides coverage to his employees through a self-funded health plan and the cost of this plan is driven by claims activity.
- Capital Outlay
 - Capital outlay decreased slightly in 2013.

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 \$14.8m in 2013. The increase was a result of an increase in Construction in Progress of \$15m all of which is attributable to the Public Safety Complex currently under construction.

	<u>2013</u>	<u>2012</u>
Depreciable Assets		
Buildings and Improvements	\$ 8,442,650	\$ 8,181,722
Equipment and Furniture	6,929,679	6,622,458
Vehicles	5,594,010	5,472,782
Construction in Progress	<u>20,038,626</u>	<u>5,044,083</u>
 Total Depreciable Assets	 41,004,965	 25,321,045
 Less Accumulated Depreciation	 <u>14,472,190</u>	 <u>13,557,195</u>
 Book Value - depreciable assets	 <u>\$ 26,532,775</u>	 <u>\$ 11,763,850</u>
 Percentage depreciated	 <u>35%</u>	 <u>54%</u>

At June 30, 2013, the depreciable capital assets for governmental activities were 35% depreciated compared to 35% in 2012.

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 \$52.7m, of which \$1.8m 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, 2013 is \$28m. 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 \$4.3m. As the unfunded actuarial accrued liability continues to be amortized along with current costs, the accumulated liability will eventually cause a negative balance in the government wide statement of net position if no changes are made to the benefits afforded to retirees of The Lafayette Parish Sheriff's Office. Plans are currently being discussed to limit the benefits afforded to future retirees, which will require a change to state law.

Lafayette Parish Sheriff
Lafayette, Louisiana

Management's Discussion and Analysis

In March 2012, the Sheriff issued \$21m of Tax Revenue Bonds for the purpose of constructing the Sheriff's Public Safety Complex. The bonds are to be repaid over 20 years and carry an interest rate of 2.75%. The bonds are secured by a state constitutionally mandated ad valorem tax of 8.03 mills which in 2013 generated \$14.2m. Annual debt service in fiscal 2014 will be \$1.27m. Over the life of the bonds, the annual debt service will increase slightly to a maximum in year 20 of \$1.5m inclusive of interest costs.

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

As of November of 2013, the facility is substantially complete and the process of punch list review has begun. The contractor expects to begin turning over ownership of the buildings as they become complete, which should begin in early calendar 2014. At that time, work will begin on finishes such as painting and drywall which is to be completed by inmate labor, thus saving taxpayer money.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were taken into consideration when preparing the fiscal 2014 budget. Most revenues are expected to remain steady, however a 6% increase is expected in property tax revenues. As property taxes are the Sheriff's largest source of revenue, a 6% increase will result in approximately \$1.7m in additional tax revenue. Sales tax should remain steady in 2013. As a result of these increased revenues, an across the board pay increase of 2% was awarded to all Sheriff's Office employees. This pay increase is expected to cost approximately \$700k in the upcoming year.

The majority of other revenues and expenditures are expected to remain fairly constant in fiscal year 2013 with the exception of capital expenditures. The Public Safety Complex is expected to open sometime in the early spring of 2014. At the time of budgeting, completion dates were uncertain as was the level of staffing that would be required. Therefore, the cost to open and operate this facility, except for construction and equipment costs, have not been factored in to the 2014 budget. As more information is obtained throughout the year, the budgets will be amended appropriately.

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 each house approximately 100 low security inmates. 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, 2013

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 20,609,003
Restricted Cash	5,737,651
Investments	1,331,895
Other Receivables	10,414
Due From Other Governmental Units	3,118,979
Inventory	90,104
Prepays	<u>502,627</u>
Total Current Assets	<u>31,400,673</u>
Non-Current Assets:	
Capital Assets, Net of Accumulated Depreciation	6,494,149
Construction In Progress	<u>20,038,626</u>
Total Non-Current Assets	<u>26,532,775</u>
 TOTAL ASSETS	 <u>\$ 57,933,448</u>

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

LAFAYETTE PARISH SHERIFF
STATEMENT OF NET POSITION
JUNE 30, 2013

GOVERNMENTAL
ACTIVITIES

LIABILITIES AND NET POSITION

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 2,122,527
Accrued Expenses	359,071
Due to Other Governmental Units	556,216
Retainage Payable	897,203
Claims Payable - Current	1,049,048
Current Portion - Bonds Payable	710,000
Current Portion - Compensated Absences	<u>118,722</u>
Total Current Liabilities	<u>5,812,787</u>

Non-Current Liabilities:

Bonds Payable - Long-Term	19,610,000
Bond Premium, Net	298,278
Other Post Employment Benefits	28,761,200
Accrued Compensated Absences	<u>2,488,431</u>
Total Non-Current Liabilities	<u>51,157,909</u>

TOTAL LIABILITIES	<u>56,970,696</u>
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NET POSITION

Invested in Capital Assets, Net of Related

Debt	39,190,362
Restricted for Capital Projects	5,737,651
Restricted for Special Revenue	337,591
Unrestricted, As Restated	<u>(44,302,852)</u>

TOTAL NET POSITION	<u>962,752</u>
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TOTAL LIABILITIES AND NET POSITION	<u>\$ 57,933,448</u>
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The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE PARISH SHERIFF

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities			
Public Safety	\$ 58,359,768	\$ 14,279,708	\$ (42,496,005)
Interest on Long-Term Debt	550,001	-	(550,001)
 Total Governmental Activities	 \$ 58,909,769	 \$ 14,279,708	 (43,046,006)
 General Revenues:			
Property Taxes			29,649,200
Sales Taxes			6,110,111
State Revenue Sharing			833,484
State Supplemental Pay			1,996,865
Investment Earnings			139,950
Gain on Sale of Assets			9,705
Other General Revenues			586,266
Total General Revenues			39,325,581
 Change in Net Position			 (3,720,425)
 Net Position-Beginning			4,739,910
Prior Period Adjustment			(56,733)
Net Position-Beginning, As Restated			4,683,177
 Net Position-Ending			 \$ 962,752

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, 2013

	General Fund	Special Revenue Fund Non-Major	Capital Projects Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 177,911	\$ -	\$ -	\$ 177,911
Interest-Bearing Deposits	20,228,321	202,771	5,737,651	26,168,743
Investments	1,331,895	-	-	1,331,895
Prepaid Expenses	502,627	-	-	502,627
Inventory	-	90,104	-	90,104
Receivables:				
Due From Other Governmental Units	3,064,156	54,823	-	3,118,979
Due From Other Funds	364,866	487	-	365,353
Other	<u>10,414</u>	<u>-</u>	<u>-</u>	<u>10,414</u>
 Total Assets	 <u>\$ 25,680,190</u>	 <u>\$ 348,185</u>	 <u>\$ 5,737,651</u>	 <u>\$ 31,766,026</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 566,908	\$ 1,662	\$ 1,553,957	\$ 2,122,527
Due to Other Governmental Units	556,216	-	-	556,216
Due to Other Funds	487	5,912	358,954	365,353
Retainage Payable	-	-	897,203	897,203
Other Accrued Liabilities	<u>1,338,183</u>	<u>3,020</u>	<u>-</u>	<u>1,341,203</u>
 Total Liabilities	 <u>2,461,794</u>	 <u>10,594</u>	 <u>2,810,114</u>	 <u>5,282,502</u>
Fund Balances:				
Nonspendable	502,627	90,104	-	592,731
Restricted	-	247,487	2,927,537	3,175,024
Unassigned	<u>22,715,769</u>	<u>-</u>	<u>-</u>	<u>22,715,769</u>
 Total Fund Balances	 <u>23,218,396</u>	 <u>337,591</u>	 <u>2,927,537</u>	 <u>26,483,524</u>
 Total Liabilities and Fund Equity	 <u>\$ 25,680,190</u>	 <u>\$ 348,185</u>	 <u>\$ 5,737,651</u>	 <u>\$ 31,766,026</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, 2013

Total Governmental Fund Balances	\$ 26,483,524
<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.	26,532,775
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(51,867,909)
To recognize interest accrual at year end.	<u>(185,638)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 962,752</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, 2013

	General Fund	Special Revenue Fund Non-Major	Capital Projects Fund	Total Governmental Funds
Revenues:				
Ad Valorem Taxes	\$ 29,649,200	\$ -	\$ -	\$ 29,649,200
Sales Tax Revenue	6,110,111	-	-	6,110,111
Intergovernmental Revenues -				
Federal Grants	139,168	-	-	139,168
State Revenue Sharing (Net)	833,484	-	-	833,484
State Supplemental Pay	1,996,865	-	-	1,996,865
State, City and Parish Grants	1,444,887	-	-	1,444,887
Fees, Charges, and Commissions for Services -				
Civil and Criminal Fees	3,226,502	-	-	3,226,502
Court Attendance	37,451	-	-	37,451
Feeding and Keeping Prisoners	4,483,106	-	-	4,483,106
Commissary Commission Income	-	305,882	-	305,882
Product Sales	-	261,701	-	261,701
Community Corrections	2,729,857	-	-	2,729,857
Interest Income	95,769	1,154	43,027	139,950
Contractual Arrangements	3,235,209	-	-	3,235,209
Miscellaneous	588,008	14,863	-	602,871
Total Revenues	<u>54,569,617</u>	<u>583,600</u>	<u>43,027</u>	<u>55,196,244</u>
Expenditures:				
Current -				
Public Safety:				
Personal Services and Related Benefits	42,171,159	51,183	-	42,222,342
Operating Services	4,944,057	163,226	-	5,107,283
Materials and Supplies	1,167,179	320,892	626	1,488,697
Other Charges	3,508,810	1,099	-	3,509,909
Debt Service -				
Principal Retirement	680,000	-	-	680,000
Interest and Fiscal Charges	570,513	-	-	570,513
Capital Outlay	1,285,630	-	14,897,053	16,182,683
Total Expenditures	<u>54,327,348</u>	<u>536,400</u>	<u>14,897,679</u>	<u>69,761,427</u>
Excess (Deficiency) of Revenues Over Expenditures	242,269	47,200	(14,854,652)	(14,565,183)
Fund Balances, Beginning	<u>22,976,127</u>	<u>290,391</u>	<u>17,782,189</u>	<u>41,048,707</u>
Fund Balances, Ending	<u>\$ 23,218,396</u>	<u>\$ 337,591</u>	<u>\$ 2,927,537</u>	<u>\$ 26,483,524</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, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (14,565,183)

*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. 14,775,825

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. (4,620,146)

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 695,979

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. (6,900)

Change in Net Position of Governmental Activities \$ (3,720,425)

LAFAYETTE PARISH SHERIFF
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2013

	<u>Total Agency Funds</u>
Assets:	
Cash and Interest Bearing Deposits	\$ 3,267,572
Total Assets	<u>\$ 3,267,572</u>
Liabilities:	
Due to Taxing Bodies and Others	\$ 2,785,761
Due to Prisoners	<u>481,811</u>
Total Liabilities	<u>\$ 3,267,572</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, 2013

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, 2013

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 has 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, 2013

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, 2013

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, 2013

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, 2013, the Sheriff's investments in LAMP, which are stated at fair value based on quoted market rates, amounted to \$1,331,895.*

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013

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 30th of each year, that exceeds the employee's annual earned allowance is converted to extended sick leave. Extended sick leave may be accumulated up to a maximum of 960 hours. Accumulated sick 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, 2013, the Sheriff has accrued vested leave benefits as required to be reported in accordance with generally accepted accounting principles.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

10. Post-Employment Health Care and Life Insurance Benefits

The Sheriff has established a policy regarding health and life insurance for retired employees. During the 2000 regular session of the Louisiana State Legislature, L.R.S. 33:1448(G) was enacted requiring the Sheriff to pay certain premium costs of health and life insurance benefits based on age and service requirements. The Sheriff's policy follows these guidelines in determining retiree eligibility to receive benefits at the Sheriff's expense. All expenses related to these benefits are recorded in the financial statements. Should an officer become disabled in the line of duty, the Sheriff will waive one-half of the cost of the officer's health insurance. At June 30, 2013, 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, 2013 was \$7,251.

11. Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net 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 \$5,737,651 restricted for capital projects at June 30, 2013.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. 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, 2013, by the Sheriff are non-spendable in form. The Sheriff has not reported any amounts that are legally or contractually required to be maintained intact.
- b. Restricted – Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation. The Capital Projects Fund has restricted funds of \$2,927,537, consisting of unspent bond proceeds.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

11. Equity Classifications - continued

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions. The Sheriff has no policy for stabilization amounts.

12. Long-Term Debt

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

13. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2013 are recorded as prepaid items.

14. Estimates

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

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

15. Accounting Changes

Change in Accounting Principles – As the result of implementing GASB Statement Nos. 63 and 65, the Sheriff has restated the beginning net position in the government-wide statement of net position, effectively decreasing net position as of July 1, 2012 by \$56,733. The decrease results from no longer deferring and amortizing bond issuance costs.

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 \$51,867,909 are as follows:

Compensated Absences	\$ (2,488,431)
Other Post Employment Benefits	(28,761,200)
Bonds Payable	(20,320,000)
Bond Premiums, net of \$5,326 Amortization	(298,278)
 Net Adjustment to Decrease Fund Balance - Total Governmental Funds to Arrive at Net Position of Governmental Activities	 \$ (51,867,909)

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	\$ 16,182,683
Depreciation	(1,406,858)
 Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 \$ 14,775,825

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

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 \$(4,620,146) difference are as follows:

Compensated Absences Increase	\$ (192,253)
Other Post Employment Benefits Increase	(4,432,426)
Accrued Interest on Bonds Payable	<u>4,533</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>\$ (4,620,146)</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, 2013, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$26,346,654 of which \$3,267,230 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, 2013, \$31,618,151 of the Sheriff's bank balances of \$31,984,686 was exposed to custodial credit risk as follows:

Bank Balances	\$ <u>31,984,686</u>
Federal Deposit Insurance	\$ 366,535
Pledged Securities (Category 3)	<u>31,618,151</u>
 Total	 <u>\$ 31,984,686</u>

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

C. CASH AND INTEREST-BEARING DEPOSITS - continued

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

D. INVESTMENTS

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

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

D. INVESTMENTS - continued

At June 30, 2013, the Sheriff's investments totaled \$1,331,895 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>\$ 1,331,895</u>	<u>\$ 1,331,895</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	\$ 57,572
Finished Goods	<u>32,532</u>
Total	<u>\$ 90,104</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, 2013, 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 \$2,123,625,080. 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 2012 were \$29,684,283.

The amount of cash on hand in the tax collector account at June 30, 2013 was \$1,137,219.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

G. DUE FROM OTHER GOVERNMENTAL UNITS

A summary of due from other governmental units of \$3,118,979 at June 30, 2013 follows:

Sales Tax Revenue	\$	1,176,737
Ad Valorem Tax Revenue		244,573
Intergovernmental Revenues -		
Federal Grants		19,598
State, City, and Parish Grants		744,246
Fees, Charges and Commissions for Services -		
Civil and Criminal Fees		1,750
Court Attendance		6,290
Licenses		16,534
Forfeitures		4,085
Telephone		38,550
Transporting Prisoners		11,071
Product Sales		54,823
Feeding and Keeping Prisoners -		
Parish Government		49,546
State Government		400,912
Other Contracts		74,112
Miscellaneous		<u>276,152</u>
 Total	 \$	 <u>3,118,979</u>

H. INTERFUND TRANSACTIONS

Purpose	Receivable Fund	Payable Fund	Amount
Due To/From:			
Repayment of Commissions	General	Special Revenue	\$ 5,912
Repayment of Credit Card Collections	Special Revenue	General	<u>\$ 487</u>
Repayment of Capital Expenditures	General	Capital Projects	<u>\$ 358,954</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013

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, 2013 and 2012 amounted to \$437,177 and \$423,601, respectively.

2. Louisiana Sheriffs' Pension and Relief Fund

Plan Description-

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

Funding Policy-

Plan members are required to contribute 10% of their annual covered salary and the Lafayette Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.25% 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, 2013, 2012, and 2011 were \$5,084,414, \$4,677,138, and \$4,553,970, respectively.

LAFAYETTE PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013

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, 2012, 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, 2013, the Sheriff's annual OPEB cost (i.e., expense) of \$5,218,220 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 \$785,794 for retirees and their beneficiaries, the result was an increase in the Net OPEB Obligation of \$4,432,426 for the year ended June 30, 2013.

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013

J. OTHER POST EMPLOYMENT BENEFITS - continued

Benefit Obligations and Normal Costs

Actuarial Accrued Liability (AAL)	
Retired Employees	\$ 12,098,915
Active Employees	<u>32,604,701</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 44,703,616</u>
Annual Covered Payroll	28,624,775
UAAL as % of Covered Payroll	156.17%

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Method

ARC Normal Cost with Interest to End of Year	\$ 3,029,672
Amortization of UAAL with Interest to End of Year	<u>2,595,011</u>
Annual Required Contribution (ARC)	5,624,683
Interest on Net OPEB Obligation	973,151
Adjustment to ARC	<u>(1,379,614)</u>
Annual OPEB Cost (Expense)	5,218,220
Contribution for the Fiscal Year	<u>(785,794)</u>
Increase in Net OPEB Obligation	4,432,426
Net OPEB Obligation - Beginning of Year	<u>24,328,774</u>
Net OPEB Obligation - End of Year	<u>\$ 28,761,200</u>
Percent of Annual OPEB Cost Contributed	<u>15.1%</u>

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

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, 2013 and the preceding two years were as follows:

Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
6/30/2013	\$ 5,218,220	15.1%	\$ 28,761,200
6/30/2012	\$ 5,152,302	17.0%	\$ 24,328,774
6/30/2011	\$ 6,720,211	15.9%	\$ 20,053,857

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, 2013 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 2013-14, 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, 2013 and 2012 was \$51,502 and \$48,399, respectively.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

L. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Governmental Activities:				
Building and Improvements	\$ 8,181,722	\$ 265,728	\$ 4,800	\$ 8,442,650
Equipment and Furniture	6,622,458	458,333	151,112	6,929,679
Vehicles	5,472,782	464,080	342,852	5,594,010
Construction in Progress	<u>5,044,083</u>	<u>14,994,543</u>	<u>-</u>	<u>20,038,626</u>
Total	<u>25,321,045</u>	<u>16,182,684</u>	<u>498,764</u>	<u>41,004,965</u>
 Less: Accumulated Depreciation				
Building and Improvements	3,880,390	275,927	-	4,156,317
Equipment and Furniture	4,956,885	663,892	149,011	5,471,766
Vehicles	<u>4,719,920</u>	<u>467,039</u>	<u>342,852</u>	<u>4,844,107</u>
Total	<u>13,557,195</u>	<u>1,406,858</u>	<u>491,863</u>	<u>14,472,190</u>
 Net Capital Assets	 <u>\$ 11,763,850</u>	 <u>\$ 14,775,826</u>	 <u>\$ 6,901</u>	 <u>\$ 26,532,775</u>

Depreciation expense for the year ended June 30, 2013 was \$1,406,858 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, 2013, include \$116,535 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, 2013**

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, 2013:

	Balance at June 30, 2012	Additions	Deductions	Balance at June 30, 2013
Bonds Payable	\$ 21,000,000	\$ -	\$ 680,000	\$ 20,320,000
Claims Payable	822,319	226,729	-	1,049,048
Post Employment Benefits Payable	24,328,774	4,432,426	-	28,761,200
Compensated Absences Payable	<u>2,407,578</u>	<u>199,575</u>	<u>-</u>	<u>2,607,153</u>
 Total Long-Term Obligations Payable	 <u>\$ 48,558,671</u>	 <u>\$ 4,858,730</u>	 <u>\$ 680,000</u>	 <u>\$ 52,737,401</u>
 Current Portion				 <u>\$ 1,877,770</u>

The bonds are due as follows:

Year ending June 30,	Principal Payments	Interest Payments
2014	\$ 710,000	\$ 556,912
2015	740,000	542,713
2016	775,000	527,912
2017	805,000	512,412
2018	840,000	496,313
2019-2023	4,790,000	2,199,287
2024-2028	5,925,000	1,475,988
2029-2032	<u>5,735,000</u>	<u>459,944</u>
Total	<u>\$ 20,320,000</u>	<u>\$ 6,771,481</u>

O. LITIGATION, CLAIMS AND COMMITMENTS

At June 30, 2013, 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 \$77,500. Those classified as "reasonably possible" are estimated not to exceed \$120,068.

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

O. LITIGATION, CLAIMS AND COMMITMENTS - continued

At June 30, 2013, the Sheriff has an uncompleted construction contract in the Capital Projects Fund relating to the new Public Safety Complex. The remaining commitment on this contract is approximately \$7,256,737.

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 \$7,103,657 and \$5,993,530 for the fiscal years ended June 30, 2013 and 2012, 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 \$1,049,048 reported in the General Fund at June 30, 2013 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 2013 and 2012 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, 2012	\$ 708,761	\$ 6,107,088	\$ 5,993,530	\$ 822,319
June 30, 2013	\$ 822,319	\$ 7,330,386	\$ 7,103,657	\$ 1,049,048

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

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, 2013. For the year ended December 31, 2012, Metro Investigations reported an excess of revenues over expenditures in its General Fund of \$13,357, and an ending fund balance of \$480,259. 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, 2013, the Sheriff contributed \$35,000 to Lafayette Metro Narcotics and \$10,000 to Lafayette Metro Crime Scene.

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, 2011 for an additional three (3) years.

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

June 30,	
2014	\$28,400
2015	4,400
2016	2,200
2017	2,200
2018	2,200
2019-2023	11,800
2024-2028	13,048
2029	<u>2,662</u>
Total	<u>\$66,910</u>

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

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013

T. EX-OFFICIO TAX COLLECTOR

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

Interest and other taxes	\$ 1,020,684
Ad valorem taxes paid under protest	
These funds are held pending resolution of the protest.	<u>116,535</u>
 Cash on hand at June 30, 2013	 <u>\$ 1,137,219</u>

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

Lafayette Parish Consolidated Government	\$ 3,414,355
Lafayette Parish Courthouse and Jail	4,090,148
Lafayette Parish Roads/Highways/Bridges	12,532,630
Lafayette Parish Library	11,396,518
Lafayette Parish Health Unit	1,643,061
Lafayette Parish Detention and Correctional Facility	3,600,739
Lafayette Parish Juvenile and Rehab	2,045,089
Lafayette Parish Mosquito Abatement and Control	2,622,038
Lafayette Parish Airport Regional	2,988,971
Lafayette Parish Economic Development Authority	3,181,238
Lafayette Parish Assessment District	2,726,767
Lafayette Parish Law Enforcement District	29,347,674
Lafayette Parish Bayou Vermilion District	1,415,874
Lafayette Parish School Board	58,660,610
Lafayette Parish Drainage District	5,838,089
Lafayette Parish Teche-Vermilion Freshwater District	2,534,526
Lafayette Parish Downtown Development Commission	381,818
Other Municipalities	<u>1,324,883</u>
Total	<u>\$ 149,745,028</u>

LAFAYETTE PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013

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	\$	43,070
Lafayette Parish Courthouse and Jail		48,285
Lafayette Parish Roads/Highways/Bridges		147,947
Lafayette Parish Library		134,535
Lafayette Parish Health Unit		19,396
Lafayette Parish Detention and Correctional Facility		42,506
Lafayette Parish Juvenile and Rehab		24,141
Lafayette Parish Mosquito Abatement and Control		30,951
Lafayette Parish Airport Regional		35,284
Lafayette Parish Economic Development Authority		37,555
Lafayette Parish Assessment District		32,190
Lafayette Parish Law Enforcement District		346,449
Lafayette Parish Bayou Vermilion District		16,713
Lafayette Parish School Board		692,485
Lafayette Parish Drainage District		68,919
Lafayette Parish Teche-Vermilion Freshwater District		29,921
Lafayette Parish Downtown Development Commission		7,022
Other Municipalities		9,624
Total	\$	<u>1,766,993</u>

These taxes were adjudications and reductions to the tax rolls.

U. DISTRIBUTION OF STATE REVENUE SHARING FUNDS

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

Lafayette Parish:		
Council	\$	1,094,983
School Board		2,038,541
Airport District		47,394
Teche-Vermilion Fresh Water District		51,042
Economic Development Authority		110,549
Bayou Vermilion District		43,161
Sheriff		833,484
Special Assessment District		94,756
Pension Funds		57,021
Total	\$	<u>4,370,931</u>

LAFAYETTE PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2013**

V. NEW ACCOUNTING PRONOUNCEMENTS

In June, 2012, the GASB approved Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and not disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the Sheriff for the year ending June 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the Sheriff for the year ending June 30, 2015. The effect of implementation of these statements on the Sheriff's financial statements has not yet been determined.

W. RESTATEMENT

The Sheriff adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. As a result, beginning net position in the government-wide statement of net position has been restated to reflect a decrease of \$56,733 resulting from no longer deferring and amortizing bond issuance costs.

X. SUBSEQUENT EVENT

The Sheriff has evaluated subsequent events through December 6, 2013, 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	\$ 44,876,176	\$ 48,434,083	\$ 49,471,436	\$ 1,037,353
Federal, State and Parish Appropriations	4,341,138	4,291,916	4,414,404	122,488
Other Revenues	<u>602,221</u>	<u>592,440</u>	<u>683,777</u>	<u>91,337</u>
Total Revenues	<u>49,819,535</u>	<u>53,318,439</u>	<u>54,569,617</u>	<u>1,251,178</u>
Expenditures:				
Current -				
Public Safety:				
Personal Services and Related Benefits	38,959,932	41,695,939	42,171,159	(475,220)
Operating Services	4,427,275	4,885,458	4,944,057	(58,599)
Materials and Supplies	1,009,285	1,073,334	1,167,179	(93,845)
Other Charges	2,877,395	3,407,335	3,508,810	(101,475)
Debt Service -				
Principal	965,256	680,000	680,000	-
Interest	285,256	570,513	570,513	-
Capital Outlay	<u>5,969,475</u>	<u>1,512,799</u>	<u>1,285,630</u>	<u>227,169</u>
Total Expenditures	<u>54,493,874</u>	<u>53,825,378</u>	<u>54,327,348</u>	<u>(501,970)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,674,339)</u>	<u>(506,939)</u>	<u>242,269</u>	<u>749,208</u>
Fund Balance, Beginning	<u>22,976,127</u>	<u>22,976,127</u>	<u>22,976,127</u>	-
Fund Balance, Ending	<u>\$ 18,301,788</u>	<u>\$ 22,469,188</u>	<u>\$ 23,218,396</u>	<u>\$ 749,208</u>

LAFAYETTE PARISH SHERIFF

**SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN-
FOR THE YEAR ENDED JUNE 30, 2013**

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]
7/1/2010	\$ -	\$ 56,900,971	\$ 56,900,971	-	\$ 27,728,133	205.21%
7/1/2011	\$ -	\$ 42,800,307	\$ 42,800,307	-	\$ 27,565,327	155.27%
7/1/2012	\$ -	\$ 44,703,616	\$ 44,703,616	-	\$ 28,624,775	156.17%

**OTHER SUPPLEMENTARY
INFORMATION**

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes:				
Ad Valorem Taxes	\$ 27,415,721	\$ 29,556,086	\$ 29,649,200	\$ 93,114
Sales Tax Revenue	5,726,191	5,981,286	6,110,111	128,825
Civil and Criminal Fees	2,713,019	3,060,780	3,226,502	165,722
Court Attendance	27,642	35,875	37,451	1,576
Feeding and Keeping Prisoners	3,976,140	4,265,914	4,483,106	217,192
Community Corrections	1,841,645	2,404,676	2,729,857	325,181
Contractual Arrangements	3,175,818	3,129,466	3,235,209	105,743
Total Self-generated Fees, Services, Ad Valorem Taxes and Sales Taxes	44,876,176	48,434,083	49,471,436	1,037,353
Federal, State and Parish Appropriations:				
Federal Grants	172,735	54,995	139,168	84,173
State Revenue Sharing (Net)	811,418	833,484	833,484	-
State Supplemental Pay	2,116,846	2,013,468	1,996,865	(16,603)
State, City and Parish Grants	1,240,139	1,389,969	1,444,887	54,918
Total Federal, State and Parish Appropriations	4,341,138	4,291,916	4,414,404	122,488
Other Revenues:				
Interest Income	78,724	47,866	95,769	47,903
Miscellaneous	523,497	544,574	588,008	43,434
Total Other Revenues	602,221	592,440	683,777	91,337
Total Revenues	\$ 49,819,535	\$ 53,318,439	\$ 54,569,617	\$ 1,251,178

LAFAYETTE PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
Public Safety -				
Personal Services and Related Benefits:				
Sheriff Salary	\$ 128,544	\$ 128,544	\$ 128,544	\$ -
Deputies Salaries	27,662,714	28,331,213	28,632,096	(300,883)
Pension and Payroll Taxes	5,187,206	5,542,564	5,595,322	(52,758)
Sheriff's Expense Allowance	11,541	12,856	12,854	2
Hospitalization Insurance	5,887,963	7,489,382	7,643,224	(153,842)
Other Employee Expenses	81,964	191,380	159,119	32,261
Total Personal Services and Related Benefits	<u>38,959,932</u>	<u>41,695,939</u>	<u>42,171,159</u>	<u>(475,220)</u>
Operating Services:				
Auto and Liability Insurance	1,592,756	1,685,286	1,599,955	85,331
Leases	221,556	226,401	259,568	(33,167)
Telephone and Utilities	400,669	429,215	561,233	(132,018)
Fuel and Oil	967,746	917,962	957,835	(39,873)
Maintenance and Repairs	816,810	1,136,453	1,064,282	72,171
Legal and Professional Fees	427,738	490,141	501,184	(11,043)
Total Operating Services	<u>4,427,275</u>	<u>4,885,458</u>	<u>4,944,057</u>	<u>(58,599)</u>
Materials and Supplies:				
Uniforms	180,783	218,645	272,934	(54,289)
Small Equipment and Supplies	437,375	448,638	521,008	(72,370)
Ordinance	42,000	31,107	58,482	(27,375)
Office Expense	301,910	295,760	206,695	89,065
Publications	47,217	79,184	108,060	(28,876)
Total Materials and Supplies	<u>1,009,285</u>	<u>1,073,334</u>	<u>1,167,179</u>	<u>(93,845)</u>
Other Charges:				
Prisoner Feeding and Maintenance	2,350,156	2,823,770	2,915,296	(91,526)
Criminal Investigation Expense	120,712	136,753	136,133	620
Training, Travel and Conventions	246,636	245,925	267,250	(21,325)
Dues	87,493	139,210	110,916	28,294
Juvenile Programs	953	330	150	180
Canine	21,445	16,347	19,297	(2,950)
Appropriation to Parish Government -				
Metro Narcotics	50,000	45,000	59,768	(14,768)
Total Other Charges	<u>2,877,395</u>	<u>3,407,335</u>	<u>3,508,810</u>	<u>(101,475)</u>
Debt Service -				
Principal	965,256	680,000	680,000	-
Interest	285,256	570,513	570,513	-
Capital Outlay	5,969,475	1,512,799	1,285,630	227,169
Total Expenditures	<u>\$ 54,493,874</u>	<u>\$ 53,825,378</u>	<u>\$ 54,327,348</u>	<u>\$ (501,970)</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Self Generated Commissions and Sales	\$ 461,000	\$ 502,555	\$ 567,583	\$ 65,028
Other	4,850	25,681	16,017	(9,664)
Total Revenues	<u>465,850</u>	<u>528,236</u>	<u>583,600</u>	<u>55,364</u>
Expenditures:				
Current -				
Personal Services and Related Benefits	50,000	50,863	51,183	(320)
Operating Services	163,700	158,138	163,226	(5,088)
Materials and Supplies	306,500	334,175	320,892	13,283
Prisoner Maintenance and Other Charges	7,500	3,209	1,099	2,110
Capital Outlay	-	-	-	-
Total Expenditures	<u>527,700</u>	<u>546,385</u>	<u>536,400</u>	<u>9,985</u>
Excess (Deficiency) of Revenues over Expenditures	(61,850)	(18,149)	47,200	65,349
Fund Balance, Beginning	<u>290,391</u>	<u>290,391</u>	<u>290,391</u>	-
Fund Balance, Ending	<u>\$ 228,541</u>	<u>\$ 272,242</u>	<u>\$ 337,591</u>	<u>\$ 65,349</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

Sheriff's Fund

To account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Deputy Fund

To account for the receipt and subsequent disbursement of commissions received from vending machine sales, fees received for a benefit golf tournament and other deputy activities.

Bond Fund

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

Prison Inmate Fund

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

Evidence Fund

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

LAFAYETTE PARISH SHERIFF
FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	Sheriff's Fund	Tax Collector Fund	Deputy Fund	Bond Fund	Prison Inmate Fund	Evidence Fund	Total
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ 200	\$ 200	\$ 218,652	\$ 219,052
Interest-Bearing Deposits	269,114	1,137,219	6,612	1,125,778	509,455	-	3,048,178
Receivables:							
Other	-	-	342	-	-	-	342
Total Assets	<u>\$ 269,114</u>	<u>\$ 1,137,219</u>	<u>\$ 6,954</u>	<u>\$ 1,125,978</u>	<u>\$ 509,655</u>	<u>\$ 218,652</u>	<u>\$ 3,267,572</u>
LIABILITIES							
Due to Taxing Bodies and Others	\$ 269,114	\$ 1,137,219	\$ 6,954	\$ 1,125,978	\$ 27,844	\$ 218,652	\$ 2,785,761
Due to Prisoners	-	-	-	-	481,811	-	481,811
Total Liabilities	<u>\$ 269,114</u>	<u>\$ 1,137,219</u>	<u>\$ 6,954</u>	<u>\$ 1,125,978</u>	<u>\$ 509,655</u>	<u>\$ 218,652</u>	<u>\$ 3,267,572</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:

\$1,137,219 is the amount of cash on hand in the tax collector accounts on June 30, 2013;

He further deposed and said:

All itemized statements of the amounts of taxes collected for the tax year 2012, 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 10th day of December 2013, in my office in the City of Lafayette, Louisiana.



(Signature)

(Print), # _____

Notary Public

(Commission)

ALBERT J. GLAUDE
NOTARY PUBLIC #38787
LAFAYETTE PARISH STATE OF LOUISIANA
MY COMMISSION IS FOR LIFE

**COMPLIANCE
AND
INTERNAL CONTROL**

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

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* A PROFESSIONAL CORPORATION
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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 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, 2013, 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 December 6, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

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
December 6, 2013

LAFAYETTE PARISH SHERIFF

**SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

We have audited the financial statements of the Lafayette Parish Sheriff as of and for the year ended June 30, 2013, and have issued our report thereon dated December 6, 2013. 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, 2013 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	<u> </u> Yes	<u> X </u> No
Significant Deficiencies	<u> </u> Yes	<u> X </u> No

Compliance

Compliance Material to Financial Statements	<u> </u> Yes	<u> X </u> No
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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, 2013

Section II - Financial Statement Findings

2012-1 Budget Amendments

Statement of Condition:

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

Follow-up:

Resolved.